

**OPERATING AGREEMENT
BETWEEN CALIFORNIA STATE UNIVERSITY
AND FORTY-NINER SHOPS, INC.**

This agreement is made and entered into by and between the Trustees of the California State University by their duly qualified Chancellor (CSU) and Forty-Niner Shops, Inc. (Auxiliary) serving California State University Long Beach (Campus). The term of this agreement shall be May 2, 2022 through April 30, 2032.

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(S) OF THE AUXILIARY

In consideration of receiving recognition as an official CSU auxiliary organization, Auxiliary agrees, for the period covered by this agreement, that the primary function(s), which the Auxiliary is to manage, operate or administer is/are (*Check each category that applies*):

- Externally Funded Projects
- Real Property Acquisition / Real Property Development
- Commercial

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:

- 1) Bookstores, Food Services, and Campus Services
 - a. Auxiliary shall provide campus bookstores, Food Services and Campus Services for students, faculty and staff of the University at both campus and off-campus locations as directed by the University. This includes but is not limited to:
 - i. Establishing and maintaining retail auxiliary services for the sale of food, refreshments and other goods and services as required by the University.
 - ii. Operation of off-campus concessions and retail locations

- iii. Administration of Campus ID Card Program
 - iv. Management of university trademarks and licensing.
- 2) Loans, Scholarships, Grants-in-Aids, Stipends, and Related Financial Assistance
 - a. The Auxiliary may provide student scholarships and Loans to the University as approved by it's Board of Directors.
- 3) Instructionally related Programs and activities, including Agriculture, Athletics, Radio and Television Stations, Newspapers. Films, Transportation. Printing and other Instructionally Related Programs and Activities
 - a. The Auxiliary provides administration and operation of Print Labs and campus Printing infrastructure
 - b. The Auxiliary provides printing services and copyright clearing for Instructional Programs
- 4) Gifts, bequests, devises, endowments, trusts and similar funds
 - a. The Auxiliary holds and maintains ID Card deposits in support of campus program
 - b. The Auxiliary provides and holds funds for Student Managed Investment Group affiliated with the College of Business known as Beach Investment Group (BIG)
 - c. Acceptance of gifts/donations in accordance with campus policy
- 5) Public relations, fundraising, fund management, and similar development programs
 - a. The Shops oversees and supports fundraising events such as "Bowling for Books" in conjunction with the California State University Long Beach Research Foundation.
- 6) Property development associated with delivering commercial services to the campus.
 - a. Shops has presently developed three properties on campus real estate for the execution of bookstore and retail food service operations.
 - b. Future development of commercial services may be enhanced through securing funding from external financial resources..

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 understands and agrees that CSU and Auxiliary must amend this agreement in accordance with Section 21, *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 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 20, 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, dissolves or disappears in a merger.

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, merger, 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. BACKGROUND CHECK POLICY COMPLIANCE

In compliance with governing laws and CSU policy, Auxiliary shall confirm that background checks are completed for all new hires and for those independent contractors, consultants, outside entities, volunteers and existing employees in positions requiring background checks as set forth in CSU systemwide policy. Auxiliary will provide confirmation of completed and cleared background checks to the University President/Chancellor upon request, or as established by campus policy. (See HR 2016-08).

12. DISPOSITION OF ASSETS

Attached hereto as **Attachment 3** is a copy of Auxiliary's Constitution or Articles of Incorporation (as applicable) which, in accordance with CCR tit.5, §42600, establishes that upon dissolution of Auxiliary, the net assets other than trust funds shall be distributed *to the CSU or to another affiliated entity subject to financial accounting and reporting standards issued by the Government Accounting Standards Board*. Auxiliary agrees to maintain this provision as part of its Constitution or 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.

13. 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 30 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.

14. CONTRACTS FOR CAMPUS SERVICES

Auxiliary may contract with Campus for services to be performed by state employees for the benefit of Auxiliary. Any agreement must be documented in a written memorandum of understanding between Auxiliary and Campus. The memorandum of understanding shall among other things, specify the following: (a) full reimbursement to Campus for services performed by a state employee in accord with CCR tit.5, §42502(f); (b) Auxiliary must clearly identify the specific services to be provided by state employee, (c) Auxiliary must specify any performance measures used by Auxiliary to measure or evaluate the level of service; (d) Auxiliary must explicitly acknowledge that Auxiliary does not retain the right to hire, supervise or otherwise determine how to fulfill the obligations of the Campus to provide the specified services to Auxiliary. *Contract is attached as Attachment 5.*

15. 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.

16. FINANCIAL CONTROLS

Recovery of allowable and allocable indirect costs and maintenance and payment of operating expenses must comply with ICSUAM §13680. CCR tit. 5, §42502(g) and (h).

17. 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.

[If Auxiliary administers grants and contracts add italicized text]: *Campus Designation of Authority to Auxiliary re: Administration of Grants and Contracts is attached as **Attachment 4**.*

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.

18. 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.

19. 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.

20. 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:

*Forty-Niner Shops, Inc.
6049 East Seventh Street
Long Beach, CA 90840
Attention: General Manager/CEO*

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, Long Beach
1250 Bellflower Blvd, Brotman Hall 300
Long Beach, CA 90840-0115*

21. AMENDMENT

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

22. 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.

23. 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.

24. REMEDIES UPON TERMINATION

Termination by CSU of this agreement pursuant to Section 23, *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.

25. 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: March 10, 2022

California State University, Long Beach

By Jane Close Conoley
Jane Close Conoley
President

Executed on March 7, 2022

Forty-Niner Shops, Inc.

By Robert de Wit
Robert de Wit
General Manager/CEO (interim)

Executed on Sep 13, 2022

California State University
Office of the Chancellor
Contract Services and Procurement

By Ivonne Romo
Director of Procurement Operations



Attachment #1

Forty-Niner Shops, Inc.
California State University, Long Beach

Policy Number: 1030. Board of Directors
Revision Date: 03/08/2013

Board of Directors – Conflict of Interest Policies and Procedures

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Definition

Relative. For the purpose of this policy, a relative is an immediate family member (husband, wife, children, parents).

Introduction

The Forty-Niner Shops, Inc. (Company) recognizes the right of members of the Board of Directors (Board) to participate in private activities outside their associations with the Company. However, the Company expects and requires that all members of the Board conduct their personal and

business matters so as to avoid actual, potential or apparent conflicts between their interests and the interests of the Company or California State University, Long Beach. Board members are expected to avoid even the appearance of impropriety in the performance of their duties and are prohibited from using their positions or knowledge gained from their Board membership to inappropriately benefit themselves or their relatives.

Conflict of interest arises whenever the personal or professional interests of a Board member are potentially at odds with the best interests of the Company. Potential conflicts are common. For example, a Board member performs professional services for the Company, or proposes that a relative be considered for an employment position. Such transactions are perfectly acceptable if they benefit the Company and if the Board made the decisions in an objective and informed manner. They are vulnerable to legal challenges and public misunderstanding.

If an activity is contemplated that could result in a real or perceived conflict of interest, the Board member must make full disclosure of the activity to Chair or General Manager/CEO for prior review and approval.

Scope of Policies and Procedures

These policies and procedures apply to all Company Board members.

Policies

1. General Examples are Illustrative Only.

The following sets forth general principles that both guide and protect members of the Board and that contain broad examples outlining expected behavior. Since it is impractical to address all possible potential conflicts, specific questions about the propriety of conduct or business relationships should be brought to Chair or General Manager/CEO's attention.

2. Integrity.

Members of the Board have, as their first duty, to conduct themselves in a manner deserving of public trust and confidence. The Company's reputation for excellence and fairness in its business activities is built upon each individual's conduct. The Company expects all Board members to conduct themselves with the utmost integrity and the highest of ethical standards at all times.

3. Unlawful Use of Company Information.

It is unlawful, under the California Education Code, for any person to utilize any information, not a matter of public record, that is received by that person by reason of his or her membership on the Board of the Company for personal pecuniary (financial) gain, regardless of whether the person is or is not a member of the Board at the time such gain is realized.

4. Board of Directors Conflicts of Interest

A conflict of interest may exist when the interests or concerns of a Board member may be seen as competing with the interests or concerns of the Company. The varieties of situations that raise conflict of interest concerns include, but are not limited to:

4.1. Financial Interests.

A conflict may exist where a Board member directly or indirectly benefits or profits as a result of a decision, policy or transaction made by the Company. Examples include situations where:

- 4.1.1. The Company contracts to purchase/lease goods, services, or property from a Board member.
- 4.1.2. The Company offers employment to a Board member, other than a person who is already employed by the Company
- 4.1.3. A Board member uses his/her relationship with a Company's client to obtain employment, a contract or other benefit.
- 4.1.4. A Board member is provided use of the facilities, property, or services of the Company in a manner that would not be available to other non-Board members or employees.
- 4.1.5. The Company adopts a policy that specifically creates a financial benefit to a Board member.

4.2. Other Interests.

A conflict also may exist where a Board member obtains a non-financial benefit or advantage that he/she would not have obtained absent his/her relationship with the Company. Examples include where:

- 4.2.1. A Board member seeks to make use of confidential information obtained from the Company or a Company's client for his/her own benefit (not necessarily financial).
- 4.2.2. The Company adopts a policy that provides a significant nonfinancial benefit to a Board member.

4.3. Outside Activities Which Negatively Impact the Company.

A Board member's outside business activities that compete or potentially could compete with the Company or such activities could damage or impede Company business.

4.4. Inappropriate Use of Company Connections.

A Board member's business interests that might benefit because of access to Company information or through association with the Company.

4.5. Business Interest in Customer/Supplier Connection.

A Board member represents the Company in a business dealing with a customer/supplier where the member holds an interest in the customer's/supplier's business.

4.6. Use of Company Facilities, Equipment, or Supplies for Personal Activities.

A Board member uses Company equipment, supplies or facilities for his/her personal benefit or for the benefit of an outside organization, without appropriate compensation to the Company for the use of such equipment, supplies, or facilities.

5. Appearance of a Conflict of Interest.

The appearance of a conflict of interest may be just as damaging to the Company's reputation as an actual conflict. All Board members should objectively examine their actions periodically so that an outside observer (such as a customer, government agent, vendor, or employee) would have no reason to believe that a conflict of interest might exist.

6. Gifts Received From External Contacts.

Board members and their relatives are prohibited from accepting anything above nominal value (including gifts or cash) from outside business contacts doing business with the Company. These exchanges may be seen as attempts to unduly influence business relationships.

6.1. Discourage Gifts.

The Board member is responsible to tactfully discourage such gifts.

6.2. Board Officer Informed.

Board members who receive gifts from a single business contact of more than \$420 value a year must inform Chair or General Manager/CEO using the "Gifts Received from External Contacts Form".

6.3. Unacceptable Gifts.

Examples of inappropriate gifts or favors include:

- 6.3.1. Expensive Entertainment;
- 6.3.2. Free or discounted travel or vacation facilities;
- 6.3.3. Free or discounted services or equipment;
- 6.3.4. Loans
- 6.3.5. Clothing, jewelry; or

6.3.6 Any gift(s) received from a single business contact totaling more than \$420 in a 12-month period.

6.4. Acceptable Gifts (Exceptions to the Gift Rule).

Normal gifts are acceptable when it is clear that:

6.4.1. The intent is not to try to exert any influence over Company transactions;

6.4.2. The gift is unsolicited; and

6.4.3. The gift is a customary business courtesy. Board members may accept typical business gifts of minimal value such as lunches, plants, pens, holiday candy, or inexpensive entertainment items.

6.5. Personal Gifts.

Members of the Board of Directors may also accept gifts or favors based on clearly identifiable relative or personal relationships, under circumstances motivated by the relationship rather than the business interests.

7. Gifts Given to External Contacts.

No member of the Board of Directors may offer an external business contact a valuable gift in an effort to seek a favorable result for the Company or for any personal interest. It is accepted and appropriate practice to give gifts of minimal value (see 6.4. above), but expensive gifts should not be given to customers or potential customers.

8. Contract Interest.

No Board member shall be financially interested in any contract or other transaction entered into by the Board of which he/she is a member, and any contract or transaction entered into in violation of this section is void.

9. Board of Directors Conflict of Interest Statement.

Every year, Board members shall complete and submit to the General Manager/CEO of the Company a "Board of Directors Conflict of Interest Statement." The General Manager/CEO shall retain the original of this form in the Board member's file for the duration of the Board member's term.

Failure to file a "Board of Directors Conflict of Interest Statement" as required or intentionally filing a false or misleading "Board of Directors Conflict of Interest Statement" may result in disciplinary action, up to and including discharge from the Board.

10. Review and Administration of Reported Potential Conflict of Interest.

10.1. Board Member Reports a Potential Conflict of Interest.

If a Board member believes that he/she (or his/her relative) has a financial conflict of interest, he/she must immediately complete and submit a "Board of Directors Disclosure of Financial Interest Statement" to the Board chairperson.

10.2. Board Officer Review

The Board chairperson will review the "Board of Directors Disclosure of Financial Interest Statement" received and determine whether or not a real or perceived conflict of interest exists. In the case where the Board member with a conflict of interest is the Board chairperson, the Board vice chairperson will review the "Board of Directors Disclosure of Financial Interest Statement" received and determine whether or not a real or perceived conflict of interest exists.

10.3. Determination of No Conflict of Interest.

In the case that the Board chairperson determines that there is no real or apparent conflict of interest, the Board chairperson will check the "No conflict of interest determined." box in the Board Review section of the "Board of Directors Disclosure of Financial Interest Statement" and notify the Board member of the finding.

10.4. Determination of Conflict of Interest.

In the case that the Board chairperson determines that there is a real or apparent conflict of interest, the Board chairperson will check the "Conflict of interest determined." box in the Board Review section of the "Board of Directors Disclosure of Financial Interest Statement" and notify the Board member of the finding.

In the case that the Board chairperson determines that there is a real or apparent conflict of interest, the Board will need to decide whether or not to approve the reported activity. After deciding whether or not the reported activity is approved, the Board chairperson will note the determination and any conditions on the "Board of Directors Disclosure of Financial Interest Statement" and notify the Board member of the finding.

11. Ongoing Monitoring.

Board members must maintain an ongoing review of their situations to ensure that changed circumstances do not create violations of this policy.

12. Non-Business Relationships

The Company discourages personal relationships with Company competitors, suppliers, regulators, and other government officials. Such relationships are clearly improper if they can be reasonably construed by others as influencing or obligating the Board member in

current or future business dealings or as attempts to improperly influence others. If the Board member has a question about the appropriateness of a personal relationship with a Company competitor, supplier, regulator, or other government official, he/she should seek the opinion of a Board officer.

13. Disciplinary Action.

Board members who breach or disregard this Conflict of Interest policy will be subject to disciplinary action, up to and including removal from the Board.

Related Policies and Procedures

- 1035. Board of Directors – Confidentiality Policies

Forms

- Gifts Received from External Contracts Form
- Conflict of Interest Statement
- Disclosure of Financial Interest Statement

References

- California Education Code, Sections 89906, 89909
- California Code of Regulations, Title 2, Divisions 6, Section 89503

Version Information

Version	Date	Author	Description (If Applicable)	Approved	Distribution
1.0	03/08/2013	Don Penrod	New Policy created	3/08/2013	Electronic, Manual

Attachment #1.1



Board of Directors Conflict of Interest Statement

I have read the forty-Niner Shops, Inc., Conflict of Interest Policy and signify by my signature that I do not have a financial interest in any contract or other transaction entered into by the Board of Directors of the Forty-Niner Shops Inc., and do not otherwise have a conflict of interest relating to my Forty-Niner Shops, Inc., Board of Directors membership.

I further agree that should any future action occur that would result in my having a conflict of interest; I shall immediately notify the Board of Directors using the Disclosure of Financial Interest Statement form.

Printed Board Member Name

Signature

Date



ATTACHMENT #2

To Auxiliary Operating Agreement

FORTY-NINER SHOPS INC.

Forty-Niner Shops, Inc., does not accumulate or utilize funds for public relations, nor does it expect to in the foreseeable future. In the event this situation changes, Auxiliary will address this and provide the required statement.

ARTICLES OF INCORPORATION
OF
FORTY-NINER SHOPS, INC.

Know of persons by these presents that we, the undersigned, have this day voluntarily associated ourselves together for the purpose of forming a corporation pursuant to the "General Non profit Corporation Law of the State of California," as we hereby certify:

ARTICLE I

The name of this Corporation is Forty-Niner Shops, Inc.

ARTICLE II

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 charitable purposes for which this corporation is organized are:

- (1) To promote and assist in carrying out the educational services of California State University, Long Beach, and to perform other functions related to the activities of the University.
- (2) To establish, maintain, and conduct a general book and supply and service store on or near the campus of the University and in connection therewith:
 - (A) To deal in books, magazines, newspapers, stationery, office supplies, student supplies, emblems, athletic goods and supplies, sport goods, manuscripts, and other materials and supplies.
 - (B) To sell, trade, or exchange typewriters, mimeographing, multigraphing, adding machines and other kinds of like machines ordinarily used in connection with office work; to repair said machines and to deal in accessories for them.
 - (C) To print, reproduce, mimeograph, copy or multigraph letters, office stationery, pamphlets, manuscripts, or any other documents, and to contract for such printing, reproduction, mimeographing, copying or multigraphing.
- (3) To own and operate on or near the campus of the University, a cafeteria and restaurant, and to sell lunches, confectionery, and beverages, and all kinds of merchandise necessary and incidental for the purpose.

ARTICLES OF INCORPORATION
APRIL 15, 1997

- (4) To build, construct, lease, or purchase buildings which may be necessary to carry out the purposes of the Corporation.
- (5) To apply funds and property coming into its possession toward furthering the educational services of California State University, Long Beach, and to performing other functions related to the activities of the University.

ARTICLE III

This Corporation is formed for purposes which do not contemplate the distribution of gains, profits, or dividends to the members thereof.

ARTICLE IV

In accordance with the provisions of Section 9913 of the California Corporations Code, this corporation elects to be governed by all of the provisions of the California Nonprofit Public Benefit Corporation Law not otherwise applicable to this corporation under Sections 9910-9927 of the Corporations Code.

ARTICLE V

The County in the State where the principal office for the transaction of the business of the Corporation is located in Los Angeles County.

ARTICLE VI

This Corporation is not to be authorized to issue shares of stock.

ARTICLE VII

The members of the Corporation shall be those ten (10) members of faculty, administration, student body, and local community who for the time being constitute the Board of Directors.

ARTICLES OF INCORPORATION
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ARTICLE VIII

The Board of Directors of this Corporation shall be composed of ten (10) members, two (2) of whom shall be members of the Faculty, two (2) of whom shall be members of the Administration, one (1) of whom shall be a member of the University Staff, four (4) of whom shall be members of the Student Body, and one (1) of whom shall be a local Community member.

It shall require an amendment of the Articles of Incorporation by a three-fourths (3/4) vote of the total number of Directors to change the number of Directors or reduce the number of students on the Board of Directors.

The Faculty members shall include two (2) members appointed by the Board of Directors from among nominees of the School Deans and the Academic Senate. The Administration members shall be the holder of the position of Vice President for Student Services, and one additional California State University, Long Beach, Administrator designated by the University President. In the event either or both offices are vacant, the President of the University shall designate, in consultation with the Board of Directors, an individual to serve as a member of the Board of Directors. The University Staff member shall be nominated by the Staff Council and approved by the Board of Directors.

Student Body members shall be the holders of the positions of President, Vice President, and Treasurer of the Associated Students of California State University, Long Beach, or their designated representatives, during their respective terms of office as such, and one non-designated student from the Student Body at large. The non-designated student member shall be selected by the Student Body for a two-year term in the Spring General Election in even numbered years.

Vacancies of non-designated Directors shall be filled by a majority vote of the Board of Directors.

Compensation shall not be paid to any member of the Board of Directors except for actual and necessary expenses which are incurred in the discharge of a Director's duties as such and as approved by the Board of Directors.

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ARTICLE IX

It shall be the duty of the Board of Directors, among other duties, to appoint and supervise the General Manager, C.E.O., to establish the duties and compensation for that position and to consider and approve the purchase of major items of equipment and fixtures, and to approve all disbursements for items of non-operating expense. In considering disbursements for items of non-operating expense, the Board shall be governed by the principle that such disbursements shall promote the best interest of the University as a whole.

ARTICLE X

The names and addresses of the persons who are to act in the capacity of Directors until the selection of their successors, and their titles, are as follows:

P. Victor Peterson, President of the College
5403 East Anaheim Street
Long Beach, California

David L. Bryant, Executive Dean of the College
5561 Las Lomas
Long Beach, California

Francis J. Flynn, Dean of Students of the College
5511 Pasada
Long Beach, California

Clayton Tidyman, Member of the Faculty
5229 Wardlow Road
Long Beach, California

Walter A. Nagle, Member of the Faculty
1808 Bellflower Boulevard
Long Beach, California

Duane Ring
President of the Long Beach State College
Student Body
822 Eubank
Wilmington, California

Claude King
Treasurer of the Long Beach State College
Student Body
49 West Arbor Street
Long Beach, California

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ARTICLE XI

An existing Unincorporated Association is hereby Incorporated; the name of said existing Unincorporated Association is the "Long Beach State College Bookstore."

ARTICLE XII

Upon the dissolution of this Corporation, its assets remaining after payment or provision for payment of all debts and liabilities of this corporation shall be distributed to one or more nonprofit corporations organized and operated for the benefit of the California State University, Long Beach, such corporation or corporations to be selected by the Board of Directors and approved by the President of the University and the Trustees of the California State University. Such nonprofit corporation or corporations must be qualified for Federal income tax exemption under Sections 501(a) and 501 (c) of the Internal Revenue Code and be organized and operated exclusively for charitable or educational purposes. In the alternative, upon dissolution of this corporation, net assets shall be distributed to the California State University, Long Beach. In no event shall any assets be distributed to any Director or Officer of this corporation or to any private person.

ARTICLE XIII

The property of this corporation is irrevocably dedicated to the charitable purposes set forth in Article II, and no part of the net income or assets of this corporation shall inure to the benefit of any private person.

ARTICLE XIV

Unless otherwise stated, the Articles of Incorporation of this corporation shall be amended only by vote of a majority of the total voting membership of the Board of Directors.

0280702

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CERTIFICATE OF AMENDMENT OF
ARTICLES OF INCORPORATION

OF

FORTY-NINER SHOPS, INC.

FILED *re: 1/12*
Secretary of State
State of California

FEB - 7 2013

lpc

The undersigned certify that:

1. They are the Chairman of the Board and the Secretary of the Board for the Forty-Niner Shops, Inc, respectively.

2. Article XII of the Articles of Incorporation of this corporation is amended to read as follows:

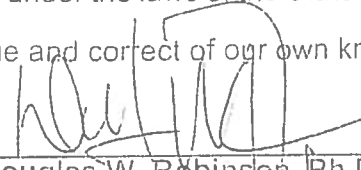
Upon dissolution of this corporation, net assets other than trust funds shall be distributed to a successor approved by the President of the campus and by the Chancellor. If, upon dissolution, this corporation holds any assets in trust, such assets shall be disposed of in such a manner as may be directed by decree of the Superior Court of the county in which this corporation's principal office is located upon petition therefor by the Attorney General or by any person concerned in the liquidation. In no event shall any assets be distributed to any member, director, or officer of this corporation.

3. The foregoing amendment of Articles of Incorporation has been duly approved by the Board of Directors on November 16, 2012.

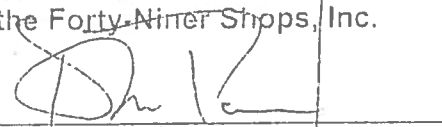
4. The corporation has no members.

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.

DATED: January 24, 2013


Douglas W. Robinson, Ph.D.
Chairman of the Board of Directors for
the Forty-Niner Shops, Inc.

DATED: January 24, 2013


Don Penrod
Secretary of the Board of Directors for
the Forty-Niner Shops, Inc.