

**OPERATING AGREEMENT
BETWEEN CALIFORNIA STATE UNIVERSITY
AND UNIVERSITY FOUNDATION AT SACRAMENTO STATE
AGREEMENT# MA190033, AMENDMENT #1**

This First AMENDMENT to the above referenced Auxiliary Operating Agreement (AGREEMENT) is entered into between the Trustees of the California State University by their duly qualified Chancellor (CSU) and University Foundation at Sacramento State (Auxiliary) serving California State University, Sacramento (Campus).

RECITALS

WHEREAS, the Parties entered into the AGREEMENT on June 20, 2019 for an initial term of July 1, 2019 through June 30, 2024, with the option to renew for one (1) five (5) year period at the end of the initial term.

WHEREAS, per Section 3. CAMPUS OVERSIGHT AND OPERATIONAL REVIEW of the AGREEMENT, the Campus has completed operational review of the Auxiliary

WHEREAS, the Parties desire to modify the AGREEMENT as set forth in this AMENDMENT.

AGREEMENTS

NOW, THEREFORE, it is mutually agreed between the Parties hereto as follows:

The term of the AGREEMENT is hereby renewed to extend from June 30, 2024 to June 30, 2029.

Section 3. CAMPUS OVERSIGHT AND OPERATIONAL REVIEW is hereby replaced in its entirety with the following:

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.

Section 19. INSURANCE is hereby replaced in its entirety with the following:

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 the [California State University Insurance Requirements](https://calstate.policystat.com/policy/6946217/latest) (<https://calstate.policystat.com/policy/6946217/latest>) policy. 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.

Attachments 1, 2, and 3 are hereby replaced in their entirety with the attached Attachments 1a, 2a, and 3a.


Except to the extent the AGREEMENT is modified by this AMENDMENT, the remaining items, terms and conditions as stated in the original AGREEMENT shall remain in full force and effect.

Signature page to follow

IN WITNESS WHEREOF, this AMENDMENT #1 has been executed by the Parties hereto.

Approved: Jun 13, 2024, 2024

California State University Office of the Chancellor

By 
By Bradley Wells (Jun 13, 2024 15:44 PDT)
Bradley Wells, Associate Vice Chancellor

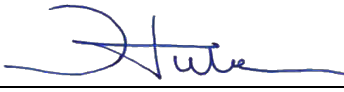
Executed on Jun 14, 2024, 2024

University Foundation at Sacramento State

By 
By Sharon Takeda, Vice President (Interim)

Executed on Jun 30, 2024, 2024

California State University, Sacramento

By 
By Dr. J. Luke Wood, President



**SACRAMENTO
STATE**

**The University Foundation
at Sacramento State**

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The University Foundation at Sacramento State

Conflict of Interest Policy

I. INTRODUCTION

The Board of Directors of The University Foundation at Sacramento State (“the Foundation”), recognizing that we are entrusted with a large endowment devoted to charitable purposes, has adopted this Conflict of Interest Policy. Conflicts of interest place personal interests at odds with the fundamental duty of loyalty owed by Foundation Directors as servants of the public interest. In addition, the appearance of a conflict of interest can damage institutional credibility and the ability to fulfill the institution’s mission and programmatic goals. The Board of Directors expects that the Directors will respect their obligations to act for the good of the charitable beneficiaries and avoid even the appearance of impropriety. As a matter of practice, a Director should promptly raise any issue which may implicate this policy either with the Treasurer of the Foundation or with its outside legal counsel.

II. SELF DEALING AND CONFLICTS OF INTEREST

A. Internal Revenue Code: Prohibition of Excess Benefit Transactions with Disqualified Persons and Private Inurement

The Foundation is a Charitable Organization under Section 501(c)(3) of the Internal Revenue Code and, under Section 4958 of the Code, may not engage in Excess Benefit Transactions with disqualified persons. Accordingly, the Foundation will not engage in any transaction or arrangement which provides an economic benefit to or for the use of any "disqualified person" unless the consideration received by the Foundation at least equals the value of the benefit provided. The directors are disqualified persons, as are certain of their relatives (see Exhibit A). For an explanation of the meaning of Excess Benefit Transaction and the Internal Revenue Service safe harbor approval procedures, please see Exhibit A.

In addition to the prohibition on Excess Benefit Transactions, the Internal Revenue Code requires that the Foundation be operated exclusively for charitable purposes and as such any arrangement involving private inurement or private benefit is forbidden.

B. California Nonprofit Corporation Law: Process for Approval of Self Dealing by Director and Transactions with Interlocking Directorates

The California Corporations Code specifies procedures that must be followed to approve transactions in which a director has a material financial interest (Section 5233) and in which the participating

corporations have common directors (Section 5234). For an explanation of the meaning of Self Dealing and the approval procedures dictated by the Corporations Code, please see Exhibit B.

C. Special Conflict of Interest Policies Adopted by The University Foundation at Sacramento State

In addition to the rules imposed by the Internal Revenue Code and the California Corporations Code, the Board of Directors of the Foundation has adopted the following policy to address Conflicts of Interest. If a Director or a member of his or her family has a Conflict of Interest or potential Conflict of Interest, the Director shall make disclosures as described below, and the Board of Directors shall follow the procedures described below in considering the subject grant or financial, investment or business transaction.

1. Conflict of Interest Defined

A "Conflict of Interest" exists if a Foundation Director or his or her Family Members have:

- a. a (i) relationship of employee, officer, trustee, or director of, or (ii) a significant ownership interest in an organization or person seeking a grant from the Foundation or with which the Foundation proposes to enter into a financial, investment or business transaction; or
- b. a material financial interest in any existing or potential Foundation grant, or in any financial, investment or business transaction which is intended to be supported by a Foundation grant or in any potential grant, or financial, investment or business transaction to which the Foundation is a party.

2. Incidental Benefits Exempted

The receipt of the following types of benefits shall not be a Conflict of Interest or violate this Conflict of Interest Policy:

- a. incidental or tenuous benefits from the Foundation's grant making or financial, investment or business transactions; or
- b. benefits (received in good faith and without favoritism) solely by virtue of being among the class of persons intended to be benefited by charitable or public benefit programs conducted by the Foundation or supported by the Foundation's grants.

3. Family Members

Family members of a Director include their spouse, ancestors, descendants, siblings and the spouses of descendants and siblings.

D. Disclosure of Actual or Potential Conflicts of Interest

Directors will fully and regularly disclose all material facts relating to any actual or potential Conflicts of Interest. They will submit conflict of interest disclosure forms to the Chair of the Audit Committee:

- a. initially, upon joining the Board of Directors;
- b. annually, before the Annual Meeting;
- c. where appropriate at or prior to action on grant applications and business transactions; and
- d. upon becoming aware of an actual or potential Conflict of Interest.

The disclosure obligations are more fully described in Exhibit C.

E. Board Procedures for Resolution of Conflict of Interest Issues

A grant may be made, or a business transaction entered into, where there is an actual or potential Conflict of Interest if:

- 1. The disclosures set forth above have been made;
- 2. The business transaction would not constitute an Excess Benefit Transaction under Section 4958 of the Internal Revenue Code;
- 3. In the case of a grant, the grant meets the Foundation's stated eligibility and selection criteria and was found, after an objective review, to carry out the Foundation's programmatic goals and objectives;
- 4. In the case of a business transaction, the Board determines in good faith that the Foundation is entering into the business transaction for its own benefit, that the transaction is fair and reasonable to the Foundation, and that the Foundation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances;
- 5. The Interested Director may be present at the time of initial presentation of a prospective grant or business transaction, but is absent from the room during both Board discussion, and action or vote; and
- 6. If not involving a Director with a material financial interest, a grant may be approved by a majority of the Directors present. All other Grants and Business Transactions involving a Conflict of Interest must be approved by a majority of the Directors in office.

III. ADDITIONAL GUIDELINES FOR DIRECTORS

Directors shall not use their position as Director of the Foundation to advance the interests of a particular organization, constituency, or special interest group by any means, including but not limited to providing information not available to the public, lobbying on behalf of or serving as spokesperson to the Foundation for an organization or interest group with which he or she is affiliated, or attempting to effect a positive decision through his or her position within the Foundation. Directors will not materially

benefit from any information regarding grant making, investment or other business actions or decisions by the Foundation which has not been fully disclosed to the general public.

IV. RECEIPT OF BENEFITS FROM THIRD PARTIES

A. Gifts and Gratuities.

Directors will not directly or indirectly solicit or accept anything of monetary value in excess of \$50 annually, from persons or organizations doing business or seeking to do business with the Foundation unless the solicitation or acceptance is based upon a relationship with such person or organizations in a capacity other than that of Director of the Foundation.

V. REFERRAL TO COUNSEL

Questions regarding the interpretation or application of this Conflict of Interest Policy should be referred to counsel for the Foundation.

Exhibit A

Excess Benefit Transactions

Section 4958 of the Internal Revenue Code imposes a severe excise tax on disqualified persons who engage in "excess benefit transactions" with a Section 501(c)(3) foundations and upon foundation managers involved in the approval of the transactions.

Disqualified Persons:

A "disqualified person" is:

1. any person who was, at any time during the 5-year period ending on the date of such transaction, in a position to exercise substantial influence over the affairs of the foundation;
2. any member of the "family" of such person (where "family" includes the person's spouse, ancestors, descendants, siblings and the spouses of descendants and siblings); or
3. a corporation, partnership or trust controlled by such a person through the ownership, directly or indirectly of, in the case of a corporation, more than 35 percent of the total combined voting power, in the case of a partnership, more than 35 percent of the profits interest, and, in the case of a trust, more than 35 percent of the beneficial interest.

Approval Process

With respect to any transaction or arrangement whereby the foundation provides an economic benefit to or for the use of a "disqualified person":

1. Such transaction or arrangement shall be approved by the Board of Directors of the Corporation or a committee thereof that:
 - (i) is composed entirely of individuals unrelated to and not subject to the control of the disqualified person involved in the transaction or arrangement;
 - (ii) relies upon appropriate data as to comparability;
 - (iii) adequately documents the basis for its determination; and
 - (iv) determines that the value of the economic benefit provided by the foundation does not exceed the consideration received by the foundation (or, in the case of compensation, that the total compensation to be paid to an individual is reasonable in amount).

Exhibit B - Self Dealing and Interlocking Directorates

Self Dealing by Directors

1. Section 5233 of the California Corporations Code defines Self Dealing as a transaction in which a Director has a material financial interest.

2. The California Corporations Code does not prohibit Self Dealing Transactions. It requires adherence to a specific process in order to approve any Self Dealing Transaction with the foundation. In general, that process requires that the Directors determine in good faith that the foundation is entering into the business transaction for its own benefit, that the transaction is fair and reasonable to the foundation, and that the foundation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.¹

3. Pertinent exceptions to the mandatory process for approval of Director Self Dealing include:

- a. action fixing Board or Officer compensation;
- b. a charitable program approved in good faith and without unjustified favoritism if a Director or members of their family are within the intended class of charitable beneficiaries; and
- c. a transaction involving less than \$100,000 per year where the interested Director has no actual knowledge of the transaction.

Interlocking Directorates

Section 5234 of the California Corporations Code permits transactions between corporations having common Directors and provides an approval process for such transactions, namely:

- a. all material facts as to the transaction and the foundation Director's other directorship are known to the Board; and
- b. the matter is approved in good faith by a vote sufficient without counting the vote of the common Director(s).

¹ Note that this California law covers only Directors and not Staff Members or those associated with Directors or Staff.

Exhibit C - Implementation Procedures and Responsibilities

Responsibilities for Implementation

The following section outlines the responsibilities of different bodies within the Foundation in the disclosure process, and steps for tracking and monitoring potential conflict of interest situations. This process affirms the Foundation's commitment to integrity and fairness in the conduct of all its activities.

Board of Directors. Responsible for reviewing and ratifying the annual report of Director affiliations, as reviewed and presented by the Audit Committee and considering recommendations of the Governance Committee for amendments to the Conflict of Interest Policy.

Audit Committee. Responsible for monitoring the Foundation's conflict of interest program, including an annual review of the report of Director affiliations, prepared by staff from the Director disclosure statements, and presentation of the review to the full Board for ratification.

Governance Committee. Responsible for reviewing Conflict of Interest Policy and recommending amendments to the Board of Directors.

Individual Directors. Responsible for reporting (annually and as changes require) all relationships which may result in real or potential conflicts of interest with Foundation activities.

Staff. Responsible for managing the conflict of interest program, including collecting the annual Director disclosure statements and maintaining a documentation process for tracking Directors' relationships.

Disclosure of Affiliations

At the beginning of each Director's term and annually thereafter, the Foundation will conduct a review of the relationships and affiliations of each Director. Disclosure forms are used to collect the information used for the review. Disclosure forms will document affiliations, business relationships, and other areas of potential conflicts of interest for the Foundation's Directors. All material facts concerning the existence and nature of the actual or potential conflict of interest and the relationship of any interested Director or Staff Member to the actual or potential conflict of interest shall be disclosed to the Chair of the Audit Committee and to counsel for the Foundation. Such facts shall be recorded in the minutes of the Board meeting considering the authorization or approval of the affected grant or business transaction, and where applicable in any proposal summary or recommendations presented to committees and/or the Board for decision. The disclosure process is as follows:

Initial and New Director Process. Each Director will complete the Foundation's conflict of interest disclosure form at the beginning of his or her term. The completed form will be forwarded to the Foundation's Treasurer. The Treasurer will prepare the information for presentation to the Audit Committee at its next meeting.

Annually. Each year, prior to the annual Board meeting, a disclosure form will be forwarded to each Director. The form is to be completed and returned to the Foundation's Treasurer before annual meeting. The Treasurer collects all forms and prepares a listing ("Report"), by Director, of all affiliations reported. The report is presented to the Audit Committee at the annual meeting. The Audit Committee reviews the report and presents the findings to the full Board of Directors for approval.

Interim Review. In addition to the new Director and annual disclosure process, the Foundation and Directors are responsible for disclosure and review of potential conflicts of interest at each Board or Committee meeting as these issues arise. Directors are responsible for reporting potential conflicts of interest on any individual Board or Committee agenda or grant docket item, prior to deliberation on the item.

The University Foundation at Sacramento State

Board of Directors

Potential Conflict of Interest Disclosure Statement

I have listed below all organizations and persons with which I or my family members have a relationship that could constitute an actual or potential conflict of interest with the interests of The University Foundation at Sacramento State ("the Foundation").

For the purpose of filling out this questionnaire a "**Conflict of Interest**" exists if I or a Family Members have:

- a. a **relationship** of employee, officer, trustee, or director of an organization or person which is likely to seek or receive a grant from the Foundation or with which the Foundation proposes to enter into a financial, investment or business transaction; or
- b. a **material financial interest** in any existing or potential Foundation grant, or financial, investment or business transaction which is intended to be supported by a Foundation grant or potential grant, or financial, investment or business transaction to which the Foundation is a party.

Family Members include my spouse, ancestors, descendants, siblings and the spouses of descendants and siblings.

This Disclosure Statement must be updated as soon as you become aware of any information which should be disclosed under The University Foundation at Sacramento State's Conflict of Interest Policy. (E.g., The University Foundation at Sacramento State enters into discussions on a transaction with an entity with which you are affiliated and which you have not previously listed.)

Organization or Person	Relationship or Material Financial Interest

Signature

Date

Print Name

**AMENDED AND FULLY RESTATED
BYLAWS**

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE
a California Nonprofit Public Benefit Corporation**

1. NAME AND OFFICES OF THE CORPORATION

1.1 Name. The name of this corporation is The University Foundation at Sacramento State.

1.2 Location of Principal Office. The principal office for the transaction of the activities and affairs of the Corporation is located in the County of Sacramento, California. The Board of Directors ("Board") may change the principal office from one location to another. Any such change shall be noted on these Bylaws opposite this Section, or this Section may be amended to state the new location.

1.3 Location of Other Offices. The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities.

2 PURPOSES AND LIMITATIONS.

2.1 Purposes. The principal purpose of this Corporation is to further the purposes and objectives of the California State University, Sacramento ("Sacramento State"), including but not limited to the acquisition and management of bequests, endowments and other gifts in the furtherance of the purposes and objectives of Sacramento State.

2.2 Dedication of Assets. This Corporation's assets are irrevocably dedicated to the charitable and educational purposes of Sacramento State. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any Director or officer of the Corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to one or more nonprofit funds, foundations or corporations organized and operated for the benefit of Sacramento State and that has established its exempt status under Internal Revenue Code Section 501(c)(3). Such funds, foundations or corporations shall be selected by the Board of Directors of this Corporation and approved by the President of Sacramento State and by the Chancellor of the California State University. In the alternative, upon dissolution of the Corporation, the net earnings, properties, or assets of this Corporation, other than trust funds, shall be distributed to Sacramento State.

3. MEMBERSHIP.

3.1 Members. The Corporation shall have no members. Any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Board. All rights which would otherwise vest in the members shall vest in the directors.

3.2 Associates. Nothing in this Section 3 shall be construed as limiting the right of the Corporation to refer to persons associated with it as "members" even though such persons are not members, and no such reference shall constitute anyone a member within the meaning of Section 5056 of the California Nonprofit Corporation Law. The Corporation may confer by amendment of its Articles or of these Bylaws some or all of the rights of a member, as set forth in the California Nonprofit Corporation law, upon any person or persons who do not have the right to vote for election of directors or on a disposition of substantially all of the assets of the Corporation or on a merger or on a dissolution or on changes to the Corporation's Articles or Bylaws, but no such person shall be a member within the meaning of said Section 5056.

4. BOARD OF DIRECTORS

4.1 Powers of Directors.

(a) **General Corporate Powers.** Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law, the California Education Code, the California Code of Regulations, any other applicable laws, and the policies of the Board of Trustees of the California State University, the activities, business, and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors (the "Board").

(b) **Specific Powers.** Without prejudice to the general powers set forth in Section 4.1(a) of these Bylaws, but subject to the same limitations, the Board shall have the following powers in addition to other powers enumerated in these Bylaws:

- (i) to select and remove at the pleasure of the Board, all officers, agents, and employees; to prescribe powers and duties for them as may be consistent with law, the Articles of Incorporation, and these Bylaws; to fix their compensation; and to require from them security for faithful service.
- (ii) to conduct, manage, and control the affairs and activities of the Corporation and make such rules and regulations for this purpose, consistent with law, the Articles of Incorporation, and these Bylaws, as they may deem to be in the best interests of this Corporation.
- (iii) to adopt and use a corporate seal, and alter the form of seal.

- (iv) to borrow money and incur indebtedness on behalf of the Corporation, and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

(c) **Delegation of Management.** The Board may delegate the management of the activities of the Corporation to any person or persons, a management company, or committees however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate power shall be exercised under the ultimate direction of the Board.

4.2 Number and Qualifications.

(a) **Authorized Number.** The Board shall consist of at least eleven (11) but no more than thirty five (35) directors (individually, a “Director” and collectively, the “Directors”) until changed by amendment to these Bylaws. The exact number of Directors shall be fixed within those limits by resolutions adopted by the Board from time to time.

(b) **Qualifications for Directors.** Title 5 of the California Code of Regulations Section 42602(b)(2) requires that the Board to have voting membership from the following categories: (a) administration and staff; (b) faculty; (c) non-campus personnel; and (d) students. As such, one or more of the Directors shall be from each of the following categories, all full voting members:

- (i) Faculty of Sacramento State;
- (ii) ASI President;
- (iii) A minimum of six (6) non-campus (i.e., community members) personnel interested in pursuing fund raising activities and promoting the interests of Sacramento State;
- (iv) The President of Sacramento State (the “President”);
- (v) A member of the Alumni Association Board as designated by the Alumni Association Board Executive Committee;
and
- (vi) Vice President of University Advancement.

Persons serving pursuant to categories (i), (ii), (iv), (v) and (vi) above shall be deemed to serve on the Board ex-officio.

If, in any fiscal year, a majority of the funding of the Corporation is received from student fees collected on a campus or systemwide basis, at least a majority of the

Board shall consist of California State University students with full voting privileges. This paragraph shall only be applicable to effectuate a change in the membership of the Board if the California State University Board of Trustees determines that there is no legal or contractual barrier to changing the governing structure of this Corporation.

(c) **Restriction on Interested Persons as Directors.** No more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. An interested person is (i) any person compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as director; and (ii) any brother, sister, ancestor, descendent, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the Corporation.

4.3 Appointment. All members of the Board shall be appointed by the President and ratified by the Board at a regular Board meeting.

4.4 Term of Office. The term of a Director shall be three (3) years. The members of the Board shall be classified so that the terms of office of one-third (1/3) of the authorized number of appointed Directors shall expire each year. Each Director shall hold office a maximum of three (3) terms. Any Director who is appointed to fill the unexpired portion of a term arising from a vacancy will nonetheless be considered to have completed a term notwithstanding the fact that the term will have been less than three (3) full years. Officers who are Directors may serve one (1) year beyond the maximum three (3) term limit if necessary to complete their term as an officer. Further, a Board Chair who serves one (1) year beyond the maximum three (3) term limit to complete the Board Chair's term as an officer may serve one (1) additional year as a Director to complete a term as Past Chair. In the event of a change in the number of Directors, the staggering of terms shall be maintained so that approximately one-third (1/3) of the number of appointed Directors shall expire each year. A leave of absence may be granted to a Director for up to one (1) year at the discretion of the Board.

4.5 Vacancies on Board.

(a) **Events Causing Vacancy.** A vacancy or vacancies on the Board shall exist on the occurrence of any of the following: (i) the death or resignation of any Director; (ii) the declaration by Board resolution of a vacancy of the office of a Director who has been declared of unsound mind by an order of court or convicted of a felony or found by final order or judgement of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law; (iii) the increase of the authorized number of Directors; (iv) the termination of employment with Sacramento State of a Director who is from the administration/staff or faculty, or (v) the termination of student status of a student Director. In addition, any or all Directors may be removed, with or without cause, by the President or by a majority of the number of Directors then in office.

(b) **Resignations.** Except as provided below, any Director may resign by giving written notice to the Board Chair, or to the President or the Secretary. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a Director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective. No Director may resign if the Corporation would then be left without a duly elected Director or Directors.

(c) **Filling Vacancies.** Vacancies on the Board shall be filled by appointment by the President of Sacramento State for the balance of the unexpired term. A vacancy in an ex-officio classification shall be filled by a person associated with the same classification.

(d) **No Vacancy on Reduction of Number of Directors.** No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

4.6 Directors' Meetings.

(a) **Place of Meetings.** Regular or special meetings of the Board may be held at any place within or outside California that the Board may designate or, if not so designated, meetings shall be held at the Corporation's principal office. Notwithstanding the above provisions of this Section, a regular or special meeting of the Board may be held at any place consented to in writing by all Board members, either before or after the meeting. If such consents are given, they shall be filed with the minutes of the meeting. All meetings of the Board shall be open and public, and all persons shall be permitted to attend any such meetings, except as otherwise provided in these Bylaws or in any applicable law or regulation.

(b) **Meetings by Telephone or Other Equipment.** Any meeting may be held by conference telephone, video screen communication or other communication equipment. Participation in a meeting under this Section 4.6(b) shall constitute presence in person at the meeting if both of the following apply:

(i) Each Director participating in the meeting can communicate concurrently with all other Directors; and

(ii) Each Director is provided the means of participating in all matters before the Board, including the capacity to propose or to interpose an objection to a specific action to be taken by the Board.

(c) **Annual Meeting.** The Board shall hold an annual meeting for the purpose of organization, selection of Directors and officers, and the transaction of other business. Annual meetings of the Board shall be held in the second calendar quarter prior to the end of the fiscal year.

(d) **Other Regular Meetings.** Two other regular meetings of the Board shall be held on such date and time and at such place as the Board shall annually establish by resolution.

(e) **Special Meetings.**

(i) **Authority To Call.** Special meetings of the Board for any purpose may be called at any time by the Board Chair, the President or any Vice Chair, or the Secretary or any two Directors.

(f) **Notice of Regular and Special Meetings.**

(i) **Manner of Giving Notice.** Notice of the time and place of all Board meetings shall be given to each Director by (a) personal delivery of written notice; (b) first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate that notice promptly to the Director; (d) facsimile; (e) electronic mail; or (f) other electronic means. All such notices shall be given or sent to the Director's address or telephone number as shown on the Corporation's records.

(ii) **Time Requirements.** Notices of meetings of the Board sent by first-class mail shall be deposited in the United States mails at least seven (7) days before the time set for the meeting. Notices given by personal delivery, telephone, electronic mail, or facsimile shall be delivered, telephoned, or sent, respectively, at least forty eight (48) hours before the time set for the meeting.

(iii) **Notice Contents.** The notice of a meeting of the Board shall state the time of the meeting, the place if the place is other than the principal office of the Corporation, and the agenda for the business to be transacted at the meeting, including a description of the issues on which Board action will be required. No other business shall be considered at such meeting.

(iv) **Public Notice.** The notice of each meeting shall be publicly posted for not less than seven (7) calendar days prior to the date of the meeting and shall be given by personal delivery or by first-class mail, postage prepaid, to any individual or entity that has filed a written request for notice with the Corporation. Any such request for notice filed pursuant to this provision shall be valid for one (1) year from the date on which it is filed unless a renewal request is filed.

(g) **Quorum.** A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (i) approval of contracts or transactions in which a Director has a direct or indirect material financial interest; (ii) approval of certain transactions between Corporations having common directorships, (iii) creation of and appointments to committees of the Board, and (iv) indemnification of Directors. A meeting at which a quorum is initially present may continue to

transact business, despite the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

(h) **Waiver of Notice.** Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

(i) **Adjournment.** A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

(j) **Notice of Adjourned Meeting.** Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty four (24) hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

(k) **Closed Sessions of the Board.** Notwithstanding the requirement of public meetings, the Board may hold closed sessions to consider matters relating to litigation, collective bargaining, or the appointment, employment, evaluation of performance, or dismissal of an employee. For the purposes of this provision, “employee” does not include any person elected or appointed as an officer of this Corporation. The Board, upon a favorable majority vote of the Directors, may also hold a closed session to discuss investments where a public discussion could have a negative impact on the Corporation’s financial situation. In such case, a final decision of the Board shall only be made during a public session.

4.6 Contracts with Directors. No Director shall be financially interested in any of the following contracts or other transactions entered into by the Board, and any such contract or transaction entered into in violation of this provision is void:

- (a) The contract or transaction is between this Corporation and a Director.
- (b) The contract or transaction is between this Corporation and a partnership or unincorporated association of which any Director is a partner or in which he or she is the owner or holder, directly or indirectly, of a proprietorship interest.
- (c) The contract or transaction is between this Corporation and a corporation in which any Director is the owner or holder, directly or indirectly, of five percent (5%) or more of the outstanding common stock.
- (d) A Director is interested in a contract or transaction within the meaning of this provision if, without first disclosing such interest to the Board at the public meeting of the Board, such Director influences or attempts to influence another Director or Directors to enter into the contract or transaction.

No contract or other transaction entered into by the Board is void under these provisions, nor shall any Director be disqualified or deemed guilty of misconduct in office under these provisions, if (i) the fact of such financial interest is disclosed or known to the Board and noted in the minutes, and the Board thereafter authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such financially interested Director or Directors, and (ii) before authorizing or approving the contract or transaction, the Board considers and in good faith decides after reasonable investigation that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances, and (iii) the contract or transaction is fair and reasonable as to this Corporation at the time it is authorized or approved, and the Corporation is entering into the contract or transaction for its own benefit.

No Director shall utilize any information, not a matter of public record, which is received by him or her by reason of his or her membership on the Board, for personal pecuniary gain, regardless of whether he or she is not a Director at the time such gain is realized.

4.7 Compensation and Reimbursement. Directors and members of committees shall receive no compensation for their services as Directors, but may receive just and reasonable reimbursement for expenses in attending meetings.

4.8 Committees.

(a) **Committees of the Board.** The Board, by resolution adopted by a majority of the Directors then in office, provided a quorum is present, may create one or more committees, each consisting of two or more Directors and no persons who are not Directors, to serve at the pleasure of the Board. All Board members will serve on at least one committee. The Board may appoint one or more Directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the Board resolution, shall have all authority of the Board, except that no committee, regardless of Board resolution, may:

- (1) fill vacancies on any committee that has the authority of the Board;
- (2) fix compensation of the Directors for serving on the Board or on any committee;
- (3) amend or repeal Bylaws or adopt new Bylaws;
- (4) amend or repeal any Board resolution that by its express terms is not so amendable or repealable;
- (5) create any other committees of the Board or appoint members of committees of the Board;

- (6) expend corporate funds to support a nominee for Director after more people have been nominated for Director than can be elected; or
- (7) approve any contract or transaction to which the Corporation is a party and in which one or more Directors has a material financial interest, except as special approval is provided for in Section 5233(d)(3) of the California Corporations Code.

(i) **Executive Committee.** The Board shall have an Executive Committee consisting of not less than three (3) Directors. Appointments to the Executive Committee shall be made by a majority vote of the Board and shall include the Board Chair, President or Vice President of University Advancement as his or her designee, Past Chair, Vice Chair, Secretary, Treasurer, and Committee Chairs of the Corporation, to the extent any such persons are then Directors. If any such persons are not members of the Board, he or she may be invited to attend meetings of the Executive Committee, but he or she shall have no vote and shall not be considered members of the Executive Committee for purposes of a quorum.

The Executive Committee shall have all the authority of the Board at times when it is not convenient for the Board to act at a special meeting except with respect to those matters described in Paragraph 4.8(a) and to any expenditures in excess of ten thousand dollars (\$10,000).

(ii) **Audit Committee.** The Board shall have an Audit Committee consisting of not less than three (3) Directors. However, membership shall be subject to the following restrictions: the Corporation's staff shall not be members; the chairperson of the Audit Committee may not be a member of the Corporation's finance committee; and fifty percent (50%) or more of the Audit Committee members may not be members of the finance committee. The Audit Committee shall be under the supervision of the Board and shall be responsible for: (i) recommending to the Board the retention and termination of the independent auditor; (ii) negotiating the auditor's compensation on behalf of the Board; (iii) conferring with the auditor to assure that the Corporation's financial affairs are in order; (iv) reviewing and determining whether to accept the audit; (v) assuring that any nonaudit services performed by the auditor conform with standards for auditor independence set forth in the Government Auditing Standards issued by the Comptroller General of the United States; (vi) approving the performance by the auditor of nonaudit services; and (vii) such other matters as the Board may determine. Audit Committee members may not receive compensation in excess of that, if any, provided to Board members for Board service. The Corporation shall not engage in business with any Audit Committee member or with any entities in which an Audit Committee member has a material financial interest.

(b) **Other Committees.** The Board, by resolution adopted by a majority of the Directors then in office, provided a quorum is present, may create one or more committees, each consisting of two or more Directors and persons who are community members and not Directors, to serve at the pleasure of the Board to perform such general or special duties as may from time to time be delegated to any such committee by the Board, subject to the limitations

contained in Section 4.8(a), (1)-(7). Two such committees shall be a Finance Committee and a Governance Committee. Community members may not be the Chair of the committee nor may they outnumber Board members.

(c) **Meetings and Action of Committees.** Meetings and actions of committees of the Board shall be governed by, held, and taken in accordance with the provisions of these Bylaws concerning meetings and other Board actions, except that the time for regular meetings of such committees and the calling of special meetings of such committees may be determined either by Board resolution or, if there is none, by resolution of the committee of the Board. Minutes of each meeting of any committee of the Board shall be kept and shall be filed with the corporate records. The Board may adopt rules for the governance of any committee that are consistent with these Bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.

5. OFFICERS.

5.1 Officers Of the Corporation. The officers of the Corporation shall be a Board Chair, a Secretary, and a Treasurer, each serving two year terms. The Corporation may also have, at the Board's discretion, a Past Chair, one or more Vice Chairs, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with Section 5.3 of these Bylaws. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the Board Chair.

5.2 Election of Officers. The officers of the Corporation, except those appointed under Section 5.3 of these Bylaws shall be chosen by the Board and each shall serve at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment. The Board Chair shall be appointed by the President from the Executive Committee and ratified by the Board.

5.3 Other Officers. The Board may appoint and may authorize the Board Chair, the President or other officer to appoint any other officers that the business of the Corporation may require, each of whom shall hold office for one year and have the title, have the authority, and perform the duties determined by the Board.

5.4 Removal of Officers. Without prejudice to any rights of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board or by an officer on whom the Board may confer that power of removal.

5.5 Resignation of Officers. Any officer may resign at any time by giving written notice to the Corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.6 Vacancies in Offices. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided that such vacancies shall be filled as they occur and not on an annual basis.

5.7 Responsibilities of Officers.

(a) **Board Chair.** The Board Chair shall preside at Board meetings and shall exercise and perform such other powers and duties as may be assigned by the Board or prescribed by the Bylaws. The Board Chair shall also be the Chief Executive Officer and shall supervise, direct, and control the business, activities, affairs and the officers of the Corporation. The Board Chair shall preside at all Board meetings, and in the absence of the Board Chair, a member of the Executive Committee shall be selected to preside. The Board Chair shall have such other powers and duties as the Board or the Bylaws may prescribe.

(b) **Vice Chairs.** In the absence or disability of the Board Chair, the Vice Chairs, if any, in order of their rank as fixed by the Board or, if not ranked, a Vice Chair designated by the Board, shall perform all duties of the Board Chair. When so acting, a Vice Chair shall have all powers of and be subject to all restrictions on the Board Chair. The Vice Chairs shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(c) **Secretary.**

(i) **Book of Minutes.** The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, or committees of the Board. The minutes of meetings shall include the time of holding the meeting, the place of the meeting, whether the meeting was general or special and, if special, how authorized, the notice given, the names of those present at the Board and committee meetings. The secretary shall keep a copy of the Articles of Incorporation and Bylaws, as amended to date, at the Corporation's principal office in California.

(ii) **Notices, Seal, and Other Duties.** The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by the Bylaws to be given. The Secretary shall keep the corporate seal in safe custody, and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(d) **Treasurer.**

(i) **Books of Account.** The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Director at all reasonable times.

(ii) **Deposit and Disbursement of Money and Valuables.** The Treasurer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate, shall disburse the Corporation's funds as the Board may order, shall render to the President and Directors, when requested, an account of all transactions as Treasurer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(iii) **Bond.** If required by the Board, the Treasurer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in his possession or under his control on his death, resignation, retirement, or removal from the office.

6. INDEMNIFICATION.

6.1 Indemnification. To the fullest extent permitted by law, this Corporation shall indemnify its Directors, officers, employees, and other persons described in Corporations Code Section 5238(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in such section of the Corporations Code.

On written request to the Board by any person seeking indemnification under Corporations Code Section 5238(b) or Section 5238(c), the Board shall promptly decide under Corporations Code Section 5238(e) whether the applicable standard of conduct set forth in Corporations Code Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Section 6 of these Bylaws in defending any proceeding covered by such Section shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the Corporation for those expenses.

6.2 Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Section 6, provided, however, that a Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

6.3 Nonapplicability to Fiduciaries of Employee Benefit Plans. This Section 6 does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in Section 6.1 of these Bylaws. The Corporation shall have power to indemnify such trustee, investment manager, or other fiduciary to the extent permitted by Section 207(f) of the California General Corporation Law.

7. RECORDS AND REPORTS.

7.1 Maintenance of Corporate Records. The Corporation shall keep the original or a copy of its Articles of Incorporation and Bylaws, adequate and correct books and records of account, and written minutes of the proceedings of the Board and its committees. They shall be kept as such place or places as designated by the Board or, in the absence of any such designation, at the principal office of the Corporation.

7.2 Inspection by Directors. Each Director shall have the absolute right at any reasonable time to inspect and copy, personally or by any agent or attorney, all books, records, and documents of every kind and to inspect the physical properties of the Corporation for a purpose reasonably related to the Director's interests as a Director.

8. ENDORSEMENT OF DOCUMENTS; CONTRACTS.

The Board may authorize one or more officers, agents or employees to enter into any contract or to execute any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances and, unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, to pledge its credit or to render it liable for any purpose or in any amount.

Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement thereof executed or entered into between the Corporation and any other person, when signed by the Chairman of the Board, the President, or any Vice President and the Secretary, any Assistant Secretary, the Treasurer, or any Assistant Treasurer of the Corporation shall be valid and binding on the Corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board, and, unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose.

9. FINANCIAL STATEMENTS.

9.1 Annual Reports. The Corporation shall cause to be sent to each Director not later than one hundred twenty (120) days after the close of its fiscal year, an annual report containing the following information in appropriate detail:

(a) A balance sheet as of the end of the fiscal year, an income statement, and statement of changes in financial position for the fiscal year, all audited by an independent certified public accountant.

(b) Any information required by Section 6322 of the California Corporations Code relating to annual statements of certain transactions and indemnifications.

(c) The Corporation shall otherwise fully comply with any mandatory disclosure requirements now or hereafter in effect under the California Nonprofit Corporation Law.

9.2 Publication. The Corporation shall annually publish the audited statement of its financial condition described in Section 9.1(a), which statement shall be disseminated as widely as feasible and be available to any person on request. Publication in the Sacramento State campus student newspaper shall be deemed compliance with the dissemination requirement.

10. CHECKS, DRAFTS OR OTHER ORDERS FOR PAYMENT OF MONEY.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Corporation and all securities owned or held by the Corporation requiring signature for transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board.

11. CONSTRUCTION AND DEFINITIONS.

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular and the term "person" includes both a legal entity and a natural person.

12. AMENDMENTS.

New Bylaws may be adopted, or these Bylaws may be amended or repealed, by approval of the Board.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of The University Foundation at Sacramento State, a California nonprofit public benefit corporation; that these Amended and Fully Restated Bylaws, consisting of [15] pages, are the Bylaws of this Corporation as adopted by the Board of Directors on September 14, 2018, 2018; that these Bylaws have not been amended or modified since that date.

Executed on 10/1, 2018, at Sacramento, California.

Haley Tiche
Haley Tiche Secretary

**OPERATING AGREEMENT
BETWEEN CALIFORNIA STATE UNIVERSITY
AND UNIVERSITY FOUNDATION AT SACRAMENTO STATE**

This agreement is made and entered into by and between the Trustees of the California State University by their duly qualified Chancellor (CSU) and University Foundation at Sacramento State (Auxiliary) serving California State University, Sacramento (Campus).

The term of this agreement shall be July 1, 2019 through June 30, 2024 (initial term) with one (1) five (5) year option to renew at the end of the initial term. A campus review shall take place at the end of the initial term as indicated in Section 3 of this Agreement.

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

☒ [X] Philanthropic

☒ [X] 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:

1. Gifts, bequests, devises, endowments, trusts and similar funds
2. Public relations, fundraising, fund management, and similar development programs
3. 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 understands and agrees that CSU and Auxiliary must amend this agreement in accordance with Section 22, *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.

At the end of the initial term and prior to extension, the Campus shall review Auxiliary to ensure that the written operating agreement is current and that the activities of Auxiliary are in compliance. 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.

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.

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:

University Foundation at Sacramento State
6000 J Street MS, 6026
Sacramento, Ca 95819

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, Sacramento
6000 J Street, MS 6022
Sacramento, CA 95819

21. PUBLIC FINANCING

The CSU must comply with the requirements of state law including Article 16, Section 6 of the California Constitution governing Public Finance. Pursuant to that section, the CSU cannot make a gift of public funds to any individual, corporation or other government agency. This prohibition applies to the gift of public funds from the CSU to any CSU auxiliary.

22. AMENDMENT

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

23. 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.

24. 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.

25. 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.

26. 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: June 13 2019

California State University, Sacramento

By Robert S. Nelsen
Robert S. Nelsen, President

Executed on June 13 2019

University Foundation at Sacramento State

By Lisa Cardoza
Lisa Cardoza, Vice President (interim)

Executed on 6/20/ 2019

California State University
Office of the Chancellor
Contract Services and Procurement

By Arun Casuba
Arun Casuba, Executive Director Strategic
Sourcing and Chief Procurement Officer

The University Foundation at Sacramento State

Conflict of Interest Policy

I. INTRODUCTION

The Board of Directors of The University Foundation at Sacramento State ("the Foundation"), recognizing that we are entrusted with a large endowment devoted to charitable purposes, has adopted this Conflict of Interest Policy. Conflicts of interest place personal interests at odds with the fundamental duty of loyalty owed by Foundation Directors as servants of the public interest. In addition, the appearance of a conflict of interest can damage institutional credibility and the ability to fulfill the institution's mission and programmatic goals. The Board of Directors expects that the Directors will respect their obligations to act for the good of the charitable beneficiaries and avoid even the appearance of impropriety. As a matter of practice, a Director should promptly raise any issue which may implicate this policy either with the Treasurer of the Foundation or with its outside legal counsel.

II. SELF DEALING AND CONFLICTS OF INTEREST

A. Internal Revenue Code: Prohibition of Excess Benefit Transactions with Disqualified Persons and Private Inurement

The Foundation is a Charitable Organization under Section 501(c)(3) of the Internal Revenue Code and, under Section 4958 of the Code, may not engage in Excess Benefit Transactions with disqualified persons. Accordingly the Foundation will not engage in any transaction or arrangement which provides an economic benefit to or for the use of any "disqualified person" unless the consideration received by the Foundation at least equals the value of the benefit provided. The directors are disqualified persons, as are certain of their relatives (see Exhibit A). For an explanation of the meaning of Excess Benefit Transaction and the Internal Revenue Service safe harbor approval procedures, please see Exhibit A.

In addition to the prohibition on Excess Benefit Transactions, the Internal Revenue Code requires that the Foundation be operated exclusively for charitable purposes and as such any arrangement involving private inurement or private benefit is forbidden.

B. California Nonprofit Corporation Law: Process for Approval of Self Dealing by Director and Transactions with Interlocking Directorates

The California Corporations Code specifies procedures that must be followed to approve transactions in which a director has a material financial interest (Section 5233) and in which the participating corporations have common directors (Section 5234). For an explanation of the meaning of Self Dealing and the approval procedures dictated by the Corporations Code, please see Exhibit B.

C. Special Conflict of Interest Policies Adopted by The University Foundation at Sacramento State

In addition to the rules imposed by the Internal Revenue Code and the California Corporations Code, the Board of Directors of the Foundation has adopted the following policy to address Conflicts of Interest. If a Director or a member of his or her family has a Conflict of Interest or potential Conflict of Interest, the Director shall make disclosures as described below, and the Board of Directors shall follow the procedures described below in considering the subject grant or financial, investment or business transaction.

1. Conflict of Interest Defined

A "Conflict of Interest" exists if a Foundation Director or his or her Family Members have:

- a. a (i) relationship of employee, officer, trustee, or director of, or (ii) a significant ownership interest in an organization or person seeking a grant from the Foundation or with which the Foundation proposes to enter into a financial, investment or business transaction; or
- b. a material financial interest in any existing or potential Foundation grant, or in any financial, investment or business transaction which is intended to be supported by a Foundation grant or in any potential grant, or financial, investment or business transaction to which the Foundation is a party.

2. Incidental Benefits Exempted

The receipt of the following types of benefits shall not be a Conflict of Interest or violate this Conflict of Interest Policy:

- a. incidental or tenuous benefits from the Foundation's grant making or financial, investment or business transactions; or
- b. benefits (received in good faith and without favoritism) solely by virtue of being among the class of persons intended to be benefited by charitable or public benefit programs conducted by the Foundation or supported by the Foundation's grants.

3. Family Members

Family members of a Director include their spouse, ancestors, descendants, siblings and the spouses of descendants and siblings.

D. Disclosure of Actual or Potential Conflicts of Interest

Directors will fully and regularly disclose all material facts relating to any actual or potential Conflicts of Interest. They will submit conflict of interest disclosure forms to the Chair of the Audit Committee:

- a. initially, upon joining the Board of Directors;
- b. annually, before the Annual Meeting;
- c. where appropriate at or prior to action on grant applications and business transactions; and
- d. upon becoming aware of an actual or potential Conflict of Interest.

The disclosure obligations are more fully described in Exhibit C.

E. Board Procedures for Resolution of Conflict of Interest Issues

A grant may be made, or a business transaction entered into, where there is an actual or potential Conflict of Interest if:

1. The disclosures set forth above have been made;
2. The business transaction would not constitute an Excess Benefit Transaction under Section 4958 of the Internal Revenue Code;
3. In the case of a grant, the grant meets the Foundation's stated eligibility and selection criteria and was found, after an objective review, to carry out the Foundation's programmatic goals and objectives;
4. In the case of a business transaction, the Board determines in good faith that the Foundation is entering into the business transaction for its own benefit, that the transaction is fair and reasonable to the Foundation, and that the Foundation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances;
5. The Interested Director may be present at the time of initial presentation of a prospective grant or business transaction, but is absent from the room during both Board discussion, and action or vote; and
6. If not involving a Director with a material financial interest, a grant may be approved by a majority of the Directors present. All other Grants and Business Transactions involving a Conflict of Interest must be approved by a majority of the Directors in office.

III. ADDITIONAL GUIDELINES FOR DIRECTORS

Directors shall not use their position as Director of the Foundation to advance the interests of a particular organization, constituency, or special interest group by any means, including but not limited to providing information not available to the public, lobbying on behalf of or serving as spokesperson to the Foundation for an organization or interest group with which he or she is affiliated, or attempting to effect a positive decision through his or her position within the Foundation. Directors will not materially

benefit from any information regarding grant making, investment or other business actions or decisions by the Foundation which has not been fully disclosed to the general public.

IV. RECEIPT OF BENEFITS FROM THIRD PARTIES

A. Gifts and Gratuities.

Directors will not directly or indirectly solicit or accept anything of monetary value in excess of \$50 annually, from persons or organizations doing business or seeking to do business with the Foundation unless the solicitation or acceptance is based upon a relationship with such person or organizations in a capacity other than that of Director of the Foundation.

V. REFERRAL TO COUNSEL

Questions regarding the interpretation or application of this Conflict of Interest Policy should be referred to counsel for the Foundation.

Exhibit A

Excess Benefit Transactions

Section 4958 of the Internal Revenue Code imposes a severe excise tax on disqualified persons who engage in "excess benefit transactions" with a Section 501(c)(3) foundations and upon foundation managers involved in the approval of the transactions.

Disqualified Persons:

A "disqualified person" is:

1. any person who was, at any time during the 5-year period ending on the date of such transaction, in a position to exercise substantial influence over the affairs of the foundation;
2. any member of the "family" of such person (where "family" includes the person's spouse, ancestors, descendants, siblings and the spouses of descendants and siblings); or
3. a corporation, partnership or trust controlled by such a person through the ownership, directly or indirectly of, in the case of a corporation, more than 35 percent of the total combined voting power, in the case of a partnership, more than 35 percent of the profits interest, and, in the case of a trust, more than 35 percent of the beneficial interest.

Approval Process

With respect to any transaction or arrangement whereby the foundation provides an economic benefit to or for the use of a "disqualified person":

1. Such transaction or arrangement shall be approved by the Board of Directors of the Corporation or a committee thereof that:
 - (i) is composed entirely of individuals unrelated to and not subject to the control of the disqualified person involved in the transaction or arrangement;
 - (ii) relies upon appropriate data as to comparability;
 - (iii) adequately documents the basis for its determination; and
 - (iv) determines that the value of the economic benefit provided by the foundation does not exceed the consideration received by the foundation (or, in the case of compensation, that the total compensation to be paid to an individual is reasonable in amount).

Exhibit B - Self Dealing and Interlocking Directorates

Self Dealing by Directors

1. Section 5233 of the California Corporations Code defines Self Dealing as a transaction in which a Director has a material financial interest.

2. The California Corporations Code does not prohibit Self Dealing Transactions. It requires adherence to a specific process in order to approve any Self Dealing Transaction with the foundation. In general, that process requires that the Directors determine in good faith that the foundation is entering into the business transaction for its own benefit, that the transaction is fair and reasonable to the foundation, and that the foundation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.¹

3. Pertinent exceptions to the mandatory process for approval of Director Self Dealing include:

- a. action fixing Board or Officer compensation;
- b. a charitable program approved in good faith and without unjustified favoritism if a Director or members of their family are within the intended class of charitable beneficiaries; and
- c. a transaction involving less than \$100,000 per year where the interested Director has no actual knowledge of the transaction.

Interlocking Directorates

Section 5234 of the California Corporations Code permits transactions between corporations having common Directors and provides an approval process for such transactions, namely:

- a. all material facts as to the transaction and the foundation Director's other directorship are known to the Board; and
- b. the matter is approved in good faith by a vote sufficient without counting the vote of the common Director(s).

¹ Note that this California law covers only Directors and not Staff Members or those associated with Directors or Staff.

Exhibit C - Implementation Procedures and Responsibilities

Responsibilities for Implementation

The following section outlines the responsibilities of different bodies within the Foundation in the disclosure process, and steps for tracking and monitoring potential conflict of interest situations. This process affirms the Foundation's commitment to integrity and fairness in the conduct of all its activities.

Board of Directors. Responsible for reviewing and ratifying the annual report of Director affiliations, as reviewed and presented by the Audit Committee and considering recommendations of the Governance Committee for amendments to the Conflict of Interest Policy.

Audit Committee. Responsible for monitoring the Foundation's conflict of interest program, including an annual review of the report of Director affiliations, prepared by staff from the Director disclosure statements, and presentation of the review to the full Board for ratification.

Governance Committee. Responsible for reviewing Conflict of Interest Policy and recommending amendments to the Board of Directors.

Individual Directors. Responsible for reporting (annually and as changes require) all relationships which may result in real or potential conflicts of interest with Foundation activities.

Staff. Responsible for managing the conflict of interest program, including collecting the annual Director disclosure statements and maintaining a documentation process for tracking Directors' relationships.

Disclosure of Affiliations

At the beginning of each Director's term and annually thereafter, the Foundation will conduct a review of the relationships and affiliations of each Director. Disclosure forms are used to collect the information used for the review. Disclosure forms will document affiliations, business relationships, and other areas of potential conflicts of interest for the Foundation's Directors. All material facts concerning the existence and nature of the actual or potential conflict of interest and the relationship of any interested Director or Staff Member to the actual or potential conflict of interest shall be disclosed to the Chair of the Audit Committee and to counsel for the Foundation. Such facts shall be recorded in the minutes of the Board meeting considering the authorization or approval of the affected grant or business transaction, and where applicable in any proposal summary or recommendations presented to committees and/or the Board for decision. The disclosure process is as follows:

Initial and New Director Process. Each Director will complete the Foundation's conflict of interest disclosure form at the beginning of his or her term. The completed form will be forwarded to the Foundation's Treasurer. The Treasurer will prepare the information for presentation to the Audit Committee at its next meeting.

Annually. Each year, prior to the annual Board meeting, a disclosure form will be forwarded to each Director. The form is to be completed and returned to the Foundation's Treasurer before annual meeting. The Treasurer collects all forms and prepares a listing ("Report"), by Director, of all affiliations reported. The report is presented to the Audit Committee at the annual meeting. The Audit Committee reviews the report and presents the findings to the full Board of Directors for approval.

Interim Review. In addition to the new Director and annual disclosure process, the Foundation and Directors are responsible for disclosure and review of potential conflicts of interest at each Board or Committee meeting as these issues arise. Directors are responsible for reporting potential conflicts of interest on any individual Board or Committee agenda or grant docket item, prior to deliberation on the item.

The University Foundation at Sacramento State

Board of Directors

Potential Conflict of Interest Disclosure Statement

I have listed below all organizations and persons with which I or my family members have a relationship that could constitute an actual or potential conflict of interest with the interests of The University Foundation at Sacramento State ("the Foundation").

For the purpose of filling out this questionnaire a "**Conflict of Interest**" exists if I or a Family Members have:

- a. a **relationship** of employee, officer, trustee, or director of an organization or person which is likely to seek or receive a grant from the Foundation or with which the Foundation proposes to enter into a financial, investment or business transaction; or
- b. a **material financial interest** in any existing or potential Foundation grant, or financial, investment or business transaction which is intended to be supported by a Foundation grant or potential grant, or financial, investment or business transaction to which the Foundation is a party.

Family Members include my spouse, ancestors, descendants, siblings and the spouses of descendants and siblings.

This Disclosure Statement must be updated as soon as you become aware of any information which should be disclosed under The University Foundation at Sacramento State’s Conflict of Interest Policy. (E.g., The University Foundation at Sacramento State enters into discussions on a transaction with an entity with which you are affiliated and which you have not previously listed.)

Organization or Person	Relationship or Material Financial Interest

Signature

Date

Print Name

**THIRD CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE**

The undersigned certify that:

1. They are the President and the Secretary, respectively, of The University Foundation at Sacramento State.
2. Article VI of the Articles of Incorporation of this corporation is amended to read as follows:

Dedication and Dissolution

This Corporation's assets are irrevocably dedicated to the charitable and educational purposes of Sacramento State. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any Director or officer of the Corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to one or more nonprofit funds, foundations or corporations organized and operated for the benefit of Sacramento State and that has established its exempt status under Internal Revenue Code Section 501 (c)(3). Such funds, foundations or corporations shall be selected by the Board of Directors of this Corporation and approved by the President of Sacramento State and the Chancellor of the California State University. In the alternative, upon dissolution of the Corporation, the net earnings, properties, or assets of this Corporation, other than trust funds, shall be distributed to Sacramento State.

3. The foregoing amendment of 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.

Date: May 13, 2014


Alexander Gonzalez, President


Holly Tiche, Secretary

**AMENDED AND FULLY RESTATED
BYLAWS**

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE
a California Nonprofit Public Benefit Corporation**

1. NAME AND OFFICES OF THE CORPORATION

1.1 Name. The name of this corporation is The University Foundation at Sacramento State.

1.2 Location of Principal Office. The principal office for the transaction of the activities and affairs of the Corporation is located in the County of Sacramento, California. The Board of Directors ("Board") may change the principal office from one location to another. Any such change shall be noted on these Bylaws opposite this Section, or this Section may be amended to state the new location.

1.3 Location of Other Offices. The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities.

2 PURPOSES AND LIMITATIONS.

2.1 Purposes. The principal purpose of this Corporation is to further the purposes and objectives of the California State University, Sacramento ("Sacramento State"), including but not limited to the acquisition and management of bequests, endowments and other gifts in the furtherance of the purposes and objectives of Sacramento State.

2.2 Dedication of Assets. This Corporation's assets are irrevocably dedicated to the charitable and educational purposes of Sacramento State. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any Director or officer of the Corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to one or more nonprofit funds, foundations or corporations organized and operated for the benefit of Sacramento State and that has established its exempt status under Internal Revenue Code Section 501(c)(3). Such funds, foundations or corporations shall be selected by the Board of Directors of this Corporation and approved by the President of Sacramento State and by the Chancellor of the California State University. In the alternative, upon dissolution of the Corporation, the net earnings, properties, or assets of this Corporation, other than trust funds, shall be distributed to Sacramento State.

3. **MEMBERSHIP.**

3.1 Members. The Corporation shall have no members. Any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Board. All rights which would otherwise vest in the members shall vest in the directors.

3.2 Associates. Nothing in this Section 3 shall be construed as limiting the right of the Corporation to refer to persons associated with it as "members" even though such persons are not members, and no such reference shall constitute anyone a member within the meaning of Section 5056 of the California Nonprofit Corporation Law. The Corporation may confer by amendment of its Articles or of these Bylaws some or all of the rights of a member, as set forth in the California Nonprofit Corporation law, upon any person or persons who do not have the right to vote for election of directors or on a disposition of substantially all of the assets of the Corporation or on a merger or on a dissolution or on changes to the Corporation's Articles or Bylaws, but no such person shall be a member within the meaning of said Section 5056.

4. **BOARD OF DIRECTORS**

4.1 Powers of Directors.

(a) General Corporate Powers. Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law, the California Education Code, the California Code of Regulations, any other applicable laws, and the policies of the Board of Trustees of the California State University, the activities, business, and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors (the "Board").

(b) Specific Powers. Without prejudice to the general powers set forth in Section 4.1(a) of these Bylaws, but subject to the same limitations, the Board shall have the following powers in addition to other powers enumerated in these Bylaws:

- (i) to select and remove at the pleasure of the Board, all officers, agents, and employees; to prescribe powers and duties for them as may be consistent with law, the Articles of Incorporation, and these Bylaws; to fix their compensation; and to require from them security for faithful service.
- (ii) to conduct, manage, and control the affairs and activities of the Corporation and make such rules and regulations for this purpose, consistent with law, the Articles of Incorporation, and these Bylaws, as they may deem to be in the best interests of this Corporation.
- (iii) to adopt and use a corporate seal, and alter the form of seal.

- (iv) to borrow money and incur indebtedness on behalf of the Corporation, and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

(c) **Delegation of Management.** The Board may delegate the management of the activities of the Corporation to any person or persons, a management company, or committees however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate power shall be exercised under the ultimate direction of the Board.

4.2 Number and Qualifications.

(a) **Authorized Number.** The Board shall consist of at least nine (9) but no more than twenty five (25) directors (individually, a "Director" and collectively, the "Directors") until changed by amendment to these Bylaws. The exact number of Directors shall be fixed within those limits by resolutions adopted by the Board from time to time.

(b) **Qualifications for Directors.** One or more of the Directors shall be from each of the following categories:

- (i) Administration and staff of Sacramento State;
- (ii) Faculty of Sacramento State;
- (iii) Students of Sacramento State;
- (iv) Noncampus personnel interested in pursuing fund raising activities and promoting the interests of Sacramento State;
- (v) The President of Sacramento State or his or her designated representative.
- (vi) A member of the Alumni Association Board as designated by the Alumni Association Board Executive Committee.

If, in any fiscal year, a majority of the funding of the Corporation is received from student fees collected on a campus or systemwide basis, at least a majority of the Board shall consist of California State University students with full voting privileges. This paragraph shall only be applicable to effectuate a change in the membership of the Board if the California State University Board of Trustees determines that there is no legal or contractual barrier to changing the governing structure of this Corporation.

(c) **Restriction on Interested Persons as Directors.** No more than forty nine percent (49%) of the persons serving on the Board may be interested persons. An interested person is (i) any person compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as director; and (ii) any brother, sister, ancestor, descendent, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the Corporation.

4.3 Appointment. All members of the Board shall be appointed by the President of Sacramento State at the regular Board meeting held in June of each year.

4.4 Term of Office. The members of the Board shall be classified so that the terms of office of one-third (1/3) of the authorized number of appointed Directors shall expire each year. Each Director shall hold office for three (3) years and until a successor has been appointed and qualified.

4.5 Vacancies on Board.

(a) **Events Causing Vacancy.** A vacancy or vacancies on the Board shall exist on the occurrence of any of the following: (i) the death or resignation of any Director; (ii) the declaration by Board resolution of a vacancy of the office of a Director who has failed to attend at least seventy five percent (75%) of the Board meetings in any twelve (12) consecutive months or who has been declared of unsound mind by an order of court or convicted of a felony or found by final order or judgement of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law; (iii) the increase of the authorized number of Directors; (iv) the termination of employment with Sacramento State of a Director who is from the administration/staff or faculty, or (v) the termination of student status of a student Director.

(b) **Resignations.** Except as provided below, any Director may resign by giving written notice to the Chairman of the Board, if any, or to the President or the Secretary. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a Director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective. No Director may resign if the Corporation would then be left without a duly elected Director or Directors.

(c) **Filling Vacancies.** Vacancies on the Board shall be filled by appointment by the President of Sacramento State for the balance of the unexpired term. A vacancy in an administration/staff, faculty or student classification shall be filled by a person associated with the same classification.

(d) **No Vacancy on Reduction of Number of Directors.** No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

4.6 Directors' Meetings.

(a) **Place of Meetings.** Regular or special meetings of the Board may be held at any place within or outside California that the Board may designate or, if not so designated, meetings shall be held at the Corporation's principal office. Notwithstanding the above provisions of this Section, a regular or special meeting of the Board may be held at any place consented to in writing by all Board members, either before or after the meeting. If such consents are given, they shall be filed with the minutes of the meeting. All meetings of the Board shall be open and public, and all persons shall be permitted to attend any such meetings, except as otherwise provided in these Bylaws or in any applicable law or regulation.

(b) **Meetings by Telephone or Other Equipment.** Any meeting may be held by conference telephone, video screen communication or other communication equipment. Participation in a meeting under this Section 4.6(b) shall constitute presence in person at the meeting if both of the following apply:

(i) Each Director participating in the meeting can communicate concurrently with all other Directors; and

(ii) Each Director is provided the means of participating in all matters before the Board, including the capacity to propose or to interpose an objection to a specific action to be taken by the Board.

(c) **Annual Meeting.** The Board shall hold an annual meeting for the purpose of organization, selection of Directors and officers, and the transaction of other business. Annual meetings of the Board shall be held in June at a date and time consistent with regularly scheduled board meetings.

(d) **Other Regular Meetings.** Other regular meetings of the Board shall be held during the first, second and third calendar quarters and on such date and time and at such place as the Board shall annually establish by resolution.

(e) Special Meetings.

(i) **Authority To Call.** Special meetings of the Board for any purpose may be called at any time by the Chairman of the Board, if any, the President or any Vice President, or the Secretary or any two Directors.

(f) Notice of Regular and Special Meetings.

(i) **Manner of Giving Notice.** Notice of the time and place of all Board meetings shall be given to each Director by (a) personal delivery of written notice; (b)

first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate that notice promptly to the Director; (d) facsimile; (e) electronic mail; or (f) other electronic means. All such notices shall be given or sent to the Director's address or telephone number as shown on the Corporation's records.

(ii) **Time Requirements.** Notices of meetings of the Board sent by first-class mail shall be deposited in the United States mails at least seven (7) days before the time set for the meeting. Notices given by personal delivery, telephone, electronic mail, or facsimile shall be delivered, telephoned, or sent, respectively, at least forty eight (48) hours before the time set for the meeting.

(iii) **Notice Contents.** The notice of a meeting of the Board shall state the time of the meeting, the place if the place is other than the principal office of the Corporation, and the agenda for the business to be transacted at the meeting, including a description of the issues on which Board action will be required. No other business shall be considered at such meeting.

(iv) **Public Notice.** The notice of each meeting shall be publicly posted for not less than seven (7) calendar days prior to the date of the meeting and shall be given by personal delivery or by first-class mail, postage prepaid, to any individual or entity that has filed a written request for notice with the Corporation. Any such request for notice filed pursuant to this provision shall be valid for one (1) year from the date on which it is filed unless a renewal request is filed.

(g) **Quorum.** A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (i) approval of contracts or transactions in which a Director has a direct or indirect material financial interest; (ii) approval of certain transactions between Corporations having common directorships, (iii) creation of and appointments to committees of the Board, and (iv) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

(h) **Waiver of Notice.** Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

(i) **Adjournment.** A majority of the Directors present, whether or not a

quorum is present, may adjourn any meeting to another time and place.

(j) **Notice of Adjourned Meeting.** Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty four (24) hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

(k) **Closed Sessions of the Board.** Notwithstanding the requirement of public meetings, the Board may hold closed sessions to consider matters relating to litigation, collective bargaining, or the appointment, employment, evaluation of performance, or dismissal of an employee. For the purposes of this provision, "employee" does not include any person elected or appointed as an officer of this Corporation. The Board, upon a favorable majority vote of the Directors, may also hold a closed session to discuss investments where a public discussion could have a negative impact on the Corporation's financial situation. In such case, a final decision of the Board shall only be made during a public session.

4.6 Contracts with Directors. No Director shall be financially interested in any of the following contracts or other transactions entered into by the Board, and any such contract or transaction entered into in violation of this provision is void:

- (a) The contract or transaction is between this Corporation and a Director.
- (b) The contract or transaction is between this Corporation and a partnership or unincorporated association of which any Director is a partner or in which he or she is the owner or holder, directly or indirectly, of a proprietorship interest.
- (c) The contract or transaction is between this Corporation and a corporation in which any Director is the owner or holder, directly or indirectly, of five percent (5%) or more of the outstanding common stock.
- (d) A Director is interested in a contract or transaction within the meaning of this provision if, without first disclosing such interest to the Board at the public meeting of the Board, such Director influences or attempts to influence another Director or Directors to enter into the contract or transaction.

No contract or other transaction entered into by the Board is void under these provisions, nor shall any Director be disqualified or deemed guilty of misconduct in office under these provisions, if (i) the fact of such financial interest is disclosed or known to the Board and noted in the minutes, and the Board thereafter authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such financially interested Director or Directors, and (ii) before authorizing or approving the contract or transaction, the Board considers and in good faith decides after reasonable investigation that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances, and (iii) the contract or transaction is fair and

reasonable as to this Corporation at the time it is authorized or approved, and the Corporation is entering into the contract or transaction for its own benefit.

No Director shall utilize any information, not a matter of public record, which is received by him or her by reason of his or her membership on the Board, for personal pecuniary gain, regardless of whether he or she is not a Director at the time such gain is realized.

4.7 Compensation and Reimbursement. Directors and members of committees shall receive no compensation for their services as Directors, but may receive just and reasonable reimbursement for expenses in attending meetings.

4.8 Committees.

(a) **Committees of the Board.** The Board, by resolution adopted by a majority of the Directors then in office, provided a quorum is present, may create one or more committees, each consisting of two or more Directors and no persons who are not Directors, to serve at the pleasure of the Board. The Board may appoint one or more Directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the Board resolution, shall have all authority of the Board, except that no committee, regardless of Board resolution, may:

- (1) fill vacancies on any committee that has the authority of the Board;
- (2) fix compensation of the Directors for serving on the Board or on any committee;
- (3) amend or repeal Bylaws or adopt new Bylaws;
- (4) amend or repeal any Board resolution that by its express terms is not so amendable or repealable;
- (5) create any other committees of the Board or appoint members of committees of the Board;
- (6) expend corporate funds to support a nominee for Director after more people have been nominated for Director than can be elected; or
- (7) approve any contract or transaction to which the Corporation is a party and in which one or more Directors has a material financial interest, except as special approval is provided for in Section 5233(d)(3) of the California Corporations Code.

(b) **Executive Committee.** The Executive Committee shall consist of not less than three (3) Directors. Appointments to the Executive Committee shall be made by a majority vote of the Board and shall include the President of Sacramento State, or his or her designee, whoever is then a Director, and the President, Secretary and Chief Financial Officer of the Corporation, to the extent any such officers are then Directors. If any such officers of this Corporation are not members of the Board, he or she may be invited to attend meetings of the Executive Committee, but he or she shall have no vote and shall not be considered members of the Executive Committee for purposes of a quorum.

The Executive Committee shall have all the authority of the Board at times when it is not convenient for the Board to act at a special meeting except with respect to those matters described in Paragraph 4.8(a) and to any expenditures in excess of ten thousand dollars (\$10,000).

(c) **Audit Committee.** The Audit Committee shall consist of not less than three (3) Directors but may have any number of members who are not Directors. However, membership shall be subject to the following restrictions: the Corporation's staff (including the President or Chief Executive Officer and the Treasurer or Chief Financial Officer) shall not be members; the chairperson of the Audit Committee may not be a member of the Corporation's finance committee; and fifty percent (50%) or more of the Audit Committee members may not be members of the finance committee. The Audit Committee shall be under the supervision of the Board and shall be responsible for: (i) recommending to the Board the retention and termination of the independent auditor; (ii) negotiating the auditor's compensation on behalf of the Board; (iii) conferring with the auditor to assure that the Corporation's financial affairs are in order; (iv) reviewing and determining whether to accept the audit; (v) assuring that any nonaudit services performed by the auditor conform with standards for auditor independence set forth in the Government Auditing Standards issued by the Comptroller General of the United States; (vi) approving the performance by the auditor of nonaudit services; and (vii) such other matters as the Board may determine. Audit Committee members may not receive compensation in excess of that, if any, provided to Board members for Board service. The Corporation shall not engage in business with any Audit Committee member or with any entities in which an Audit Committee member has a material financial interest.

(d) **Meetings and Action of Committees.** Meetings and actions of committees of the Board shall be governed by, held, and taken in accordance with the provisions of these Bylaws concerning meetings and other Board actions, except that the time for regular meetings of such committees and the calling of special meetings of such committees may be determined either by Board resolution or, if there is none, by resolution of the committee of the Board. Minutes of each meeting of any committee of the Board shall be kept and shall be filed with the corporate records. The Board may adopt rules for the governance of any committee that are consistent with these Bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.

5. OFFICERS.

5.1 Officers Of the Corporation. The officers of the Corporation shall be a President, a Secretary, and a Chief Financial Officer. The Corporation may also have, at the

Board's discretion, a Chairman of the Board, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with Section 5.3 of these Bylaws. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as either the President or the Chairman of the Board.

5.2 Election of Officers. The officers of the Corporation, except those appointed under Section 5.3 of these Bylaws shall be chosen annually by the Board and each shall serve at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment.

5.3 Other Officers. The Board may appoint and may authorize the Chairman of the Board, the President, or other officer to appoint any other officers that the business of the Corporation may require, each of whom shall hold office for one year and have the title, have the authority, and perform the duties determined by the Board.

5.4 Removal of Officers. Without prejudice to any rights of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board or by an officer on whom the Board may confer that power of removal.

5.5 Resignation of Officers. Any officer may resign at any time by giving written notice to the Corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.6 Vacancies in Offices. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided that such vacancies shall be filled as they occur and not on an annual basis.

5.7 Responsibilities of Officers.

(a) **Chairman of the Board.** If a Chairman of the Board is elected, he or she shall preside at Board meetings and shall exercise and perform such other powers and duties as may be assigned by the Board or prescribed by the Bylaws. If there is no President, the Chairman of the Board shall also be the Chief Executive Officer and shall have the powers and duties prescribed by these Bylaws for the President of the Corporation.

(b) **President.** Subject to such supervisory powers as the Board may give to the Chairman of the Board, if any, the President shall, subject to the control of the Board, be the Chief Executive Officer of the Corporation and shall supervise, direct, and control the business, activities, affairs and the officers of the Corporation. The President shall preside at all Board meetings in the absence of the Chairman of the Board. The President shall have such other powers and duties as the Board or the Bylaws may prescribe.

(c) **Vice Presidents.** In the absence or disability of the President, the Vice Presidents, if any, in order of their rank as fixed by the Board or, if not ranked, a Vice President designated by the Board, shall perform all duties of the President. When so acting, a Vice President shall have all powers of and be subject to all restrictions on the President. The Vice Presidents shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(d) **Secretary.**

(i) **Book of Minutes.** The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, or committees of the Board. The minutes of meetings shall include the time of holding the meeting, the place of the meeting, whether the meeting was general or special and, if special, how authorized, the notice given, the names of those present at the Board and committee meetings. The secretary shall keep a copy of the Articles of Incorporation and Bylaws, as amended to date, at the Corporation's principal office in California.

(ii) **Notices, Seal, and Other Duties.** The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by the Bylaws to be given. The Secretary shall keep the corporate seal in safe custody, and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(e) **Chief Financial Officer.**

(i) **Books of Account.** The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Director at all reasonable times.

(ii) **Deposit and Disbursement of Money and Valuables.** The Chief Financial Officer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate, shall disburse the Corporation's funds as the Board may order, shall render to the President and Directors, when requested, an account of all transactions as Chief Financial Officer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(iii) **Bond.** If required by the Board, the Chief Financial Officer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in his possession or under his control on his death, resignation, retirement, or removal from the office.

6. INDEMNIFICATION.

To the fullest extent permitted by law, this Corporation shall indemnify its Directors, officers, employees, and other persons described in Corporations Code Section 5238(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in such section of the Corporations Code.

On written request to the Board by any person seeking indemnification under Corporations Code Section 5238(b) or Section 5238(c), the Board shall promptly decide under Corporations Code Section 5238(e) whether the applicable standard of conduct set forth in Corporations Code Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Section 6 of these Bylaws in defending any proceeding covered by such Section shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the Corporation for those expenses.

6.1 Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Section 6, provided, however, that a Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

6.2 Nonapplicability to Fiduciaries of Employee Benefit Plans. This Section 6 does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in Section 6.1 of these Bylaws. The Corporation shall have power to indemnify such trustee, investment manager, or other fiduciary to the extent permitted by Section 207(f) of the California General Corporation Law.

7. RECORDS AND REPORTS.

7.1 Maintenance of Corporate Records. The Corporation shall keep the original or a copy of its Articles of Incorporation and Bylaws, adequate and correct books and records of account, and written minutes of the proceedings of the Board and its committees. They shall be kept as such place or places as designated by the Board or, in the absence of any such designation, at the principal office of the Corporation.

7.2 Inspection by Directors. Each Director shall have the absolute right at any reasonable time to inspect and copy, personally or by any agent or attorney, all books, records, and documents of every kind and to inspect the physical properties of the Corporation for a purpose reasonably related to the Director's interests as a Director.

8. ENDORSEMENT OF DOCUMENTS; CONTRACTS.

The Board may authorize one or more officers, agents or employees to enter into any contract or to execute any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances and, unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, to pledge its credit or to render it liable for any purpose or in any amount.

Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement thereof executed or entered into between the Corporation and any other person, when signed by the Chairman of the Board, the President, or any Vice President and the Secretary, any Assistant Secretary, the Treasurer, or any Assistant Treasurer of the Corporation shall be valid and binding on the Corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board, and, unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose.

9. FINANCIAL STATEMENTS.

9.1 Annual Reports. The Corporation shall cause to be sent to each Director not later than one hundred twenty (120) days after the close of its fiscal year, an annual report containing the following information in appropriate detail:

(a) A balance sheet as of the end of the fiscal year, an income statement, and statement of changes in financial position for the fiscal year, all audited by an independent certified public accountant.

(b) Any information required by Section 6322 of the California Corporations Code relating to annual statements of certain transactions and indemnifications.

(c) The Corporation shall otherwise fully comply with any mandatory disclosure requirements now or hereafter in effect under the California Nonprofit Corporation Law.

9.2 Publication. The Corporation shall annually publish the audited statement of its financial condition described in Section 9.1(a), which statement shall be disseminated as widely

as feasible and be available to any person on request. Publication in the Sacramento State campus student newspaper shall be deemed compliance with the dissemination requirement.

10. CHECKS, DRAFTS OR OTHER ORDERS FOR PAYMENT OF MONEY.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Corporation and all securities owned or held by the Corporation requiring signature for transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board.

11. CONSTRUCTION AND DEFINITIONS.

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular and the term "person" includes both a legal entity and a natural person.

12. AMENDMENTS.

New Bylaws may be adopted, or these Bylaws may be amended or repealed, by approval of the Board.

A0678103

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

JUN - 6 2008

SECOND CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE

The undersigned certify that:

1. They are the president and the secretary, respectively, of The University Foundation at Sacramento State.
2. Article VI of the Articles of Incorporation of this corporation is amended to read as follows:

Dedication and Dissolution

The property, assets, profits and net income of this Corporation are irrevocably dedicated to the charitable purposes set forth in Article II, and no part of the profits or net income or assets of this Corporation shall ever inure to the benefit of any private shareholder or individual. 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, Sacramento and the Trustees of the California State University. Any nongovernmental successor shall be a nonprofit organization organized and operated exclusively for charitable or educational purposes meeting the requirements for exemption provided by Section 214 of the California Revenue and Taxation Code, and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986.

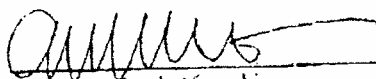
3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors.
4. The foregoing amendment of Articles of Incorporation has been duly approved by the required vote of the members.

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.

Date: June 6, 2008




President: Alexander Gonzalez


Secretary: Carole I Layashinov



State of California

OFFICE OF THE SECRETARY OF STATE

CORPORATION DIVISION

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

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

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

DEC 4 1986



March Fong Eu

Secretary of State

1392823

ARTICLES OF INCORPORATION
OF
CALIFORNIA STATE UNIVERSITY, SACRAMENTO
TRUST FOUNDATION

RECEIVED
CLERK OF THE COURT
COUNTY OF SACRAMENTO

ARTICLE I

DEC 1 1986

Name

CALIFORNIA STATE UNIVERSITY, SACRAMENTO

The name of this Corporation is the:

CALIFORNIA STATE UNIVERSITY, SACRAMENTO, TRUST FOUNDATION

ARTICLE II

Purposes

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 of this Corporation are to further the purposes and objectives of the California State University, Sacramento.

ARTICLE III

Conformity with Regulations

This Corporation shall conduct its operations in conformity with general regulations established by the Board of Trustees of The California State University as required by the Education Code, Section 89900(c) and it shall be operated as an integral part of the University as required by the California Administrative Code, Title 5, Section 42401.

ARTICLE IV

Exempt Status and Limitations on Activities

This Corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

Notwithstanding any other provision of these Articles, this Corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (2) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

No substantial part of the activities of this Corporation shall consist of the carrying on of 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.

ARTICLE V

Directors

The number of directors, the method of their selection and the terms of their office shall be as specified by the Bylaws of this Corporation. The President of the University or his or her designated representative shall be a member of the Board of Directors of this Corporation to insure that this Corporation operates in conformity with University policy. This Corporation

shall have no members other than the persons constituting its Board of Directors. The persons constituting its Board of Directors shall, for the purpose of any statutory provision or rule of law relating to nonprofit corporations or otherwise, be taken to be the members of such Corporation and exercise all the rights and powers of members thereof.

ARTICLE VI

Dedication and Dissolution

The property, assets, profits, and net income of this Corporation are irrevocably dedicated to the charitable purposes set forth in Article II, and no part of the profits or net income or assets of this Corporation shall ever inure to the benefit of any private shareholder or individual. Upon the dissolution of this Corporation, net assets, other than trust funds, shall be distributed to one or more nonprofit corporations organized and operated for the benefit of the California State University, Sacramento; such corporation or corporations to be selected by the Board of Directors of this corporation and approved by the President of the University and the Board of Trustees of the California State University. Such nonprofit corporation or corporations must be qualified for Federal income tax exemption under Section 501(a) and 501(c)(3) of the United States Internal Revenue Code of 1954 and be organized and operated exclusively for charitable, scientific, literary or educational purposes, or for a combination of said purposes. In the alternative, upon

dissolution of the corporation, net assets other than trust funds shall be distributed to the California State University, Sacramento.

ARTICLE VII

Initial Agent for Service of Process

The name and address in the State of California of this Corporation's initial agent for service of process is:

John W. Francis
1901 E. Lambert Road, Suite 102
La Habra, CA 90631

ARTICLE VIII

Amendment of Articles

The Articles of Incorporation of this Corporation may be amended only by the vote of two-thirds (2/3) of the total voting membership of the Board of Directors.

IN WITNESS WHEREOF, for the purpose of forming this nonprofit corporation under the laws of the State of California, we, the undersigned, constituting the incorporators of this Corporation, have executed these Articles of Incorporation this
26th day of June ,1986.

Donald R. Gerth
Donald R. Gerth
Incorporator

W. Bell
Robert W. Bell
Incorporator


Norman J. Phillips
Norman J. Phillips
Incorporator

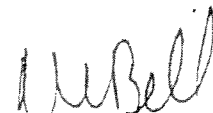
DECLARATION


We are the persons whose names are subscribed below. We are the incorporators of the Auxiliary Services Enterprise, Inc. and we have executed these Articles of Incorporation. The foregoing Articles of Incorporation are our act and deed.

Executed on June 26 , 1986, at Sacramento, California.

We declare that the foregoing is true and correct.


Donald R. Gerth
Incorporator


Robert W. Bell
Incorporator


Norman J. Phillips
Incorporator

A0645238

State of California
Secretary of State



I, **BRUCE McPHERSON**, Secretary of State of the State of California, hereby certify:

That the attached transcript of 2 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

MAY 27 2006

BRUCE McPHERSON
Secretary of State

A0645236

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

MAY 24 2006

FIRST CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
CALIFORNIA STATE UNIVERSITY, SACRAMENTO TRUST FOUNDATION

Alexander Gonzalez and Carole Hayashino hereby certify that:


1. They are, respectively, the President and Secretary of California State University, Sacramento Trust Foundation, a California non-profit, public benefit corporation.
2. The following amendment to the Articles of Incorporation of the corporation has been duly approved by the board of directors of the corporation:

Article I of the Articles of Incorporation is amended and restated to read in its entirety as follows:

ARTICLE I

The name of the corporation is THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE.

3. Per Article V of the corporation's Articles of Incorporation, "[t]his Corporation shall have no members other than the persons constituting its Board of Directors. The persons constituting its Board of Directors shall, for the purpose of any statutory provision or rule of law relating to nonprofit corporations or otherwise, be taken to be the members of such Corporation and exercise all the rights and powers of members thereof."


President: Alexander Gonzalez

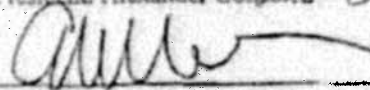

Secretary: Carole Hayashino

Verification

Each of the undersigned declares under penalty of perjury under the laws of the State of California that the statements in the foregoing certificate are true and correct of his or her own knowledge, and that this declaration was executed on May 24, 2006, at Sacramento, California.



President: Alexander Gonzalez



Secretary: Carole Hayashino



A0678103

State of California
Secretary of State



I, DEBRA BOWEN, 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

JUN - 9 2008

A handwritten signature in cursive script that reads "Debra Bowen".

DEBRA BOWEN
Secretary of State

**OPERATING AGREEMENT
BETWEEN CALIFORNIA STATE UNIVERSITY
AND UNIVERSITY FOUNDATION AT SACRAMENTO STATE**

This agreement is made and entered into by and between the Trustees of the California State University by their duly qualified Chancellor (CSU) and University Foundation at Sacramento State (Auxiliary) serving California State University, Sacramento (Campus).

The term of this agreement shall be July 1, 2019 through June 30, 2024 (initial term) with one (1) five (5) year option to renew at the end of the initial term. A campus review shall take place at the end of the initial term as indicated in Section 3 of this Agreement.

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

☒ [X] Philanthropic

☒ [X] 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:

1. Gifts, bequests, devises, endowments, trusts and similar funds
2. Public relations, fundraising, fund management, and similar development programs
3. 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 understands and agrees that CSU and Auxiliary must amend this agreement in accordance with Section 22, *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.

At the end of the initial term and prior to extension, the Campus shall review Auxiliary to ensure that the written operating agreement is current and that the activities of Auxiliary are in compliance. 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.

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.

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:

University Foundation at Sacramento State
6000 J Street MS, 6026
Sacramento, Ca 95819

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, Sacramento
6000 J Street, MS 6022
Sacramento, CA 95819

21. PUBLIC FINANCING

The CSU must comply with the requirements of state law including Article 16, Section 6 of the California Constitution governing Public Finance. Pursuant to that section, the CSU cannot make a gift of public funds to any individual, corporation or other government agency. This prohibition applies to the gift of public funds from the CSU to any CSU auxiliary.

22. AMENDMENT

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

23. 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.

24. 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.

25. 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.

26. 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: June 13 2019

California State University, Sacramento

By Robert S. Nelsen
Robert S. Nelsen, President

Executed on June 13 2019

University Foundation at Sacramento State

By Lisa Cardoza
Lisa Cardoza, Vice President (interim)

Executed on 6/20/ 2019

California State University
Office of the Chancellor
Contract Services and Procurement

By Arun Casuba
Arun Casuba, Executive Director Strategic
Sourcing and Chief Procurement Officer

The University Foundation at Sacramento State

Conflict of Interest Policy

I. INTRODUCTION

The Board of Directors of The University Foundation at Sacramento State (“the Foundation”), recognizing that we are entrusted with a large endowment devoted to charitable purposes, has adopted this Conflict of Interest Policy. Conflicts of interest place personal interests at odds with the fundamental duty of loyalty owed by Foundation Directors as servants of the public interest. In addition, the appearance of a conflict of interest can damage institutional credibility and the ability to fulfill the institution’s mission and programmatic goals. The Board of Directors expects that the Directors will respect their obligations to act for the good of the charitable beneficiaries and avoid even the appearance of impropriety. As a matter of practice, a Director should promptly raise any issue which may implicate this policy either with the Treasurer of the Foundation or with its outside legal counsel.

II. SELF DEALING AND CONFLICTS OF INTEREST

A. Internal Revenue Code: Prohibition of Excess Benefit Transactions with Disqualified Persons and Private Inurement

The Foundation is a Charitable Organization under Section 501(c)(3) of the Internal Revenue Code and, under Section 4958 of the Code, may not engage in Excess Benefit Transactions with disqualified persons. Accordingly the Foundation will not engage in any transaction or arrangement which provides an economic benefit to or for the use of any "disqualified person" unless the consideration received by the Foundation at least equals the value of the benefit provided. The directors are disqualified persons, as are certain of their relatives (see Exhibit A). For an explanation of the meaning of Excess Benefit Transaction and the Internal Revenue Service safe harbor approval procedures, please see Exhibit A.

In addition to the prohibition on Excess Benefit Transactions, the Internal Revenue Code requires that the Foundation be operated exclusively for charitable purposes and as such any arrangement involving private inurement or private benefit is forbidden.

B. California Nonprofit Corporation Law: Process for Approval of Self Dealing by Director and Transactions with Interlocking Directorates

The California Corporations Code specifies procedures that must be followed to approve transactions in which a director has a material financial interest (Section 5233) and in which the participating corporations have common directors (Section 5234). For an explanation of the meaning of Self Dealing and the approval procedures dictated by the Corporations Code, please see Exhibit B.

C. Special Conflict of Interest Policies Adopted by The University Foundation at Sacramento State

In addition to the rules imposed by the Internal Revenue Code and the California Corporations Code, the Board of Directors of the Foundation has adopted the following policy to address Conflicts of Interest. If a Director or a member of his or her family has a Conflict of Interest or potential Conflict of Interest, the Director shall make disclosures as described below, and the Board of Directors shall follow the procedures described below in considering the subject grant or financial, investment or business transaction.

1. Conflict of Interest Defined

A "Conflict of Interest" exists if a Foundation Director or his or her Family Members have:

- a. a (i) relationship of employee, officer, trustee, or director of, or (ii) a significant ownership interest in an organization or person seeking a grant from the Foundation or with which the Foundation proposes to enter into a financial, investment or business transaction; or
- b. a material financial interest in any existing or potential Foundation grant, or in any financial, investment or business transaction which is intended to be supported by a Foundation grant or in any potential grant, or financial, investment or business transaction to which the Foundation is a party.

2. Incidental Benefits Exempted

The receipt of the following types of benefits shall not be a Conflict of Interest or violate this Conflict of Interest Policy:

- a. incidental or tenuous benefits from the Foundation's grant making or financial, investment or business transactions; or
- b. benefits (received in good faith and without favoritism) solely by virtue of being among the class of persons intended to be benefited by charitable or public benefit programs conducted by the Foundation or supported by the Foundation's grants.

3. Family Members

Family members of a Director include their spouse, ancestors, descendants, siblings and the spouses of descendants and siblings.

D. Disclosure of Actual or Potential Conflicts of Interest

Directors will fully and regularly disclose all material facts relating to any actual or potential Conflicts of Interest. They will submit conflict of interest disclosure forms to the Chair of the Audit Committee:

- a. initially, upon joining the Board of Directors;
- b. annually, before the Annual Meeting;
- c. where appropriate at or prior to action on grant applications and business transactions; and
- d. upon becoming aware of an actual or potential Conflict of Interest.

The disclosure obligations are more fully described in Exhibit C.

E. Board Procedures for Resolution of Conflict of Interest Issues

A grant may be made, or a business transaction entered into, where there is an actual or potential Conflict of Interest if:

1. The disclosures set forth above have been made;
2. The business transaction would not constitute an Excess Benefit Transaction under Section 4958 of the Internal Revenue Code;
3. In the case of a grant, the grant meets the Foundation's stated eligibility and selection criteria and was found, after an objective review, to carry out the Foundation's programmatic goals and objectives;
4. In the case of a business transaction, the Board determines in good faith that the Foundation is entering into the business transaction for its own benefit, that the transaction is fair and reasonable to the Foundation, and that the Foundation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances;
5. The Interested Director may be present at the time of initial presentation of a prospective grant or business transaction, but is absent from the room during both Board discussion, and action or vote; and
6. If not involving a Director with a material financial interest, a grant may be approved by a majority of the Directors present. All other Grants and Business Transactions involving a Conflict of Interest must be approved by a majority of the Directors in office.

III. ADDITIONAL GUIDELINES FOR DIRECTORS

Directors shall not use their position as Director of the Foundation to advance the interests of a particular organization, constituency, or special interest group by any means, including but not limited to providing information not available to the public, lobbying on behalf of or serving as spokesperson to the Foundation for an organization or interest group with which he or she is affiliated, or attempting to effect a positive decision through his or her position within the Foundation. Directors will not materially

benefit from any information regarding grant making, investment or other business actions or decisions by the Foundation which has not been fully disclosed to the general public.

IV. RECEIPT OF BENEFITS FROM THIRD PARTIES

A. Gifts and Gratuities.

Directors will not directly or indirectly solicit or accept anything of monetary value in excess of \$50 annually, from persons or organizations doing business or seeking to do business with the Foundation unless the solicitation or acceptance is based upon a relationship with such person or organizations in a capacity other than that of Director of the Foundation.

V. REFERRAL TO COUNSEL

Questions regarding the interpretation or application of this Conflict of Interest Policy should be referred to counsel for the Foundation.

Exhibit A

Excess Benefit Transactions

Section 4958 of the Internal Revenue Code imposes a severe excise tax on disqualified persons who engage in "excess benefit transactions" with a Section 501(c)(3) foundations and upon foundation managers involved in the approval of the transactions.

Disqualified Persons:

A "disqualified person" is:

1. any person who was, at any time during the 5-year period ending on the date of such transaction, in a position to exercise substantial influence over the affairs of the foundation;
2. any member of the "family" of such person (where "family" includes the person's spouse, ancestors, descendants, siblings and the spouses of descendants and siblings); or
3. a corporation, partnership or trust controlled by such a person through the ownership, directly or indirectly of, in the case of a corporation, more than 35 percent of the total combined voting power, in the case of a partnership, more than 35 percent of the profits interest, and, in the case of a trust, more than 35 percent of the beneficial interest.

Approval Process

With respect to any transaction or arrangement whereby the foundation provides an economic benefit to or for the use of a "disqualified person":

1. Such transaction or arrangement shall be approved by the Board of Directors of the Corporation or a committee thereof that:
 - (i) is composed entirely of individuals unrelated to and not subject to the control of the disqualified person involved in the transaction or arrangement;
 - (ii) relies upon appropriate data as to comparability;
 - (iii) adequately documents the basis for its determination; and
 - (iv) determines that the value of the economic benefit provided by the foundation does not exceed the consideration received by the foundation (or, in the case of compensation, that the total compensation to be paid to an individual is reasonable in amount).

Exhibit B - Self Dealing and Interlocking Directorates

Self Dealing by Directors

1. Section 5233 of the California Corporations Code defines Self Dealing as a transaction in which a Director has a material financial interest.

2. The California Corporations Code does not prohibit Self Dealing Transactions. It requires adherence to a specific process in order to approve any Self Dealing Transaction with the foundation. In general, that process requires that the Directors determine in good faith that the foundation is entering into the business transaction for its own benefit, that the transaction is fair and reasonable to the foundation, and that the foundation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.¹

3. Pertinent exceptions to the mandatory process for approval of Director Self Dealing include:

- a. action fixing Board or Officer compensation;
- b. a charitable program approved in good faith and without unjustified favoritism if a Director or members of their family are within the intended class of charitable beneficiaries; and
- c. a transaction involving less than \$100,000 per year where the interested Director has no actual knowledge of the transaction.

Interlocking Directorates

Section 5234 of the California Corporations Code permits transactions between corporations having common Directors and provides an approval process for such transactions, namely:

- a. all material facts as to the transaction and the foundation Director's other directorship are known to the Board; and
- b. the matter is approved in good faith by a vote sufficient without counting the vote of the common Director(s).

¹ Note that this California law covers only Directors and not Staff Members or those associated with Directors or Staff.

Exhibit C - Implementation Procedures and Responsibilities

Responsibilities for Implementation

The following section outlines the responsibilities of different bodies within the Foundation in the disclosure process, and steps for tracking and monitoring potential conflict of interest situations. This process affirms the Foundation's commitment to integrity and fairness in the conduct of all its activities.

Board of Directors. Responsible for reviewing and ratifying the annual report of Director affiliations, as reviewed and presented by the Audit Committee and considering recommendations of the Governance Committee for amendments to the Conflict of Interest Policy.

Audit Committee. Responsible for monitoring the Foundation's conflict of interest program, including an annual review of the report of Director affiliations, prepared by staff from the Director disclosure statements, and presentation of the review to the full Board for ratification.

Governance Committee. Responsible for reviewing Conflict of Interest Policy and recommending amendments to the Board of Directors.

Individual Directors. Responsible for reporting (annually and as changes require) all relationships which may result in real or potential conflicts of interest with Foundation activities.

Staff. Responsible for managing the conflict of interest program, including collecting the annual Director disclosure statements and maintaining a documentation process for tracking Directors' relationships.

Disclosure of Affiliations

At the beginning of each Director's term and annually thereafter, the Foundation will conduct a review of the relationships and affiliations of each Director. Disclosure forms are used to collect the information used for the review. Disclosure forms will document affiliations, business relationships, and other areas of potential conflicts of interest for the Foundation's Directors. All material facts concerning the existence and nature of the actual or potential conflict of interest and the relationship of any interested Director or Staff Member to the actual or potential conflict of interest shall be disclosed to the Chair of the Audit Committee and to counsel for the Foundation. Such facts shall be recorded in the minutes of the Board meeting considering the authorization or approval of the affected grant or business transaction, and where applicable in any proposal summary or recommendations presented to committees and/or the Board for decision. The disclosure process is as follows:

Initial and New Director Process. Each Director will complete the Foundation's conflict of interest disclosure form at the beginning of his or her term. The completed form will be forwarded to the Foundation's Treasurer. The Treasurer will prepare the information for presentation to the Audit Committee at its next meeting.

Annually. Each year, prior to the annual Board meeting, a disclosure form will be forwarded to each Director. The form is to be completed and returned to the Foundation's Treasurer before annual meeting. The Treasurer collects all forms and prepares a listing ("Report"), by Director, of all affiliations reported. The report is presented to the Audit Committee at the annual meeting. The Audit Committee reviews the report and presents the findings to the full Board of Directors for approval.

Interim Review. In addition to the new Director and annual disclosure process, the Foundation and Directors are responsible for disclosure and review of potential conflicts of interest at each Board or Committee meeting as these issues arise. Directors are responsible for reporting potential conflicts of interest on any individual Board or Committee agenda or grant docket item, prior to deliberation on the item.

The University Foundation at Sacramento State

Board of Directors

Potential Conflict of Interest Disclosure Statement

I have listed below all organizations and persons with which I or my family members have a relationship that could constitute an actual or potential conflict of interest with the interests of The University Foundation at Sacramento State ("the Foundation").

For the purpose of filling out this questionnaire a "**Conflict of Interest**" exists if I or a Family Members have:

a. a **relationship** of employee, officer, trustee, or director of an organization or person which is likely to seek or receive a grant from the Foundation or with which the Foundation proposes to enter into a financial, investment or business transaction; or

b. a **material financial interest** in any existing or potential Foundation grant, or financial, investment or business transaction which is intended to be supported by a Foundation grant or potential grant, or financial, investment or business transaction to which the Foundation is a party.

Family Members include my spouse, ancestors, descendants, siblings and the spouses of descendants and siblings.

This Disclosure Statement must be updated as soon as you become aware of any information which should be disclosed under The University Foundation at Sacramento State’s Conflict of Interest Policy. (E.g., The University Foundation at Sacramento State enters into discussions on a transaction with an entity with which you are affiliated and which you have not previously listed.)

Organization or Person	Relationship or Material Financial Interest

Signature

Date

Print Name

**THIRD CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE**

The undersigned certify that:

1. They are the President and the Secretary, respectively, of The University Foundation at Sacramento State.
2. Article VI of the Articles of Incorporation of this corporation is amended to read as follows:

Dedication and Dissolution

This Corporation's assets are irrevocably dedicated to the charitable and educational purposes of Sacramento State. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any Director or officer of the Corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to one or more nonprofit funds, foundations or corporations organized and operated for the benefit of Sacramento State and that has established its exempt status under Internal Revenue Code Section 501 (c)(3). Such funds, foundations or corporations shall be selected by the Board of Directors of this Corporation and approved by the President of Sacramento State and the Chancellor of the California State University. In the alternative, upon dissolution of the Corporation, the net earnings, properties, or assets of this Corporation, other than trust funds, shall be distributed to Sacramento State.

3. The foregoing amendment of 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.

Date: May 13, 2014


Alexander Gonzalez, President


Holly Tiche, Secretary

**AMENDED AND FULLY RESTATED
BYLAWS**

**THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE
a California Nonprofit Public Benefit Corporation**

1. NAME AND OFFICES OF THE CORPORATION

1.1 Name. The name of this corporation is The University Foundation at Sacramento State.

1.2 Location of Principal Office. The principal office for the transaction of the activities and affairs of the Corporation is located in the County of Sacramento, California. The Board of Directors ("Board") may change the principal office from one location to another. Any such change shall be noted on these Bylaws opposite this Section, or this Section may be amended to state the new location.

1.3 Location of Other Offices. The Board may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to conduct its activities.

2 PURPOSES AND LIMITATIONS.

2.1 Purposes. The principal purpose of this Corporation is to further the purposes and objectives of the California State University, Sacramento ("Sacramento State"), including but not limited to the acquisition and management of bequests, endowments and other gifts in the furtherance of the purposes and objectives of Sacramento State.

2.2 Dedication of Assets. This Corporation's assets are irrevocably dedicated to the charitable and educational purposes of Sacramento State. No part of the net earnings, properties, or assets of the Corporation, on dissolution or otherwise, shall inure to the benefit of any private person or individual, or to any Director or officer of the Corporation. On liquidation or dissolution, all properties and assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be distributed to one or more nonprofit funds, foundations or corporations organized and operated for the benefit of Sacramento State and that has established its exempt status under Internal Revenue Code Section 501(c)(3). Such funds, foundations or corporations shall be selected by the Board of Directors of this Corporation and approved by the President of Sacramento State and by the Chancellor of the California State University. In the alternative, upon dissolution of the Corporation, the net earnings, properties, or assets of this Corporation, other than trust funds, shall be distributed to Sacramento State.

3. **MEMBERSHIP.**

3.1 Members. The Corporation shall have no members. Any action which would otherwise require approval by a majority of all members or approval by the members shall require only approval of the Board. All rights which would otherwise vest in the members shall vest in the directors.

3.2 Associates. Nothing in this Section 3 shall be construed as limiting the right of the Corporation to refer to persons associated with it as "members" even though such persons are not members, and no such reference shall constitute anyone a member within the meaning of Section 5056 of the California Nonprofit Corporation Law. The Corporation may confer by amendment of its Articles or of these Bylaws some or all of the rights of a member, as set forth in the California Nonprofit Corporation law, upon any person or persons who do not have the right to vote for election of directors or on a disposition of substantially all of the assets of the Corporation or on a merger or on a dissolution or on changes to the Corporation's Articles or Bylaws, but no such person shall be a member within the meaning of said Section 5056.

4. **BOARD OF DIRECTORS**

4.1 Powers of Directors.

(a) **General Corporate Powers.** Subject to the provisions and limitations of the California Nonprofit Public Benefit Corporation Law, the California Education Code, the California Code of Regulations, any other applicable laws, and the policies of the Board of Trustees of the California State University, the activities, business, and affairs of the Corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors (the "Board").

(b) **Specific Powers.** Without prejudice to the general powers set forth in Section 4.1(a) of these Bylaws, but subject to the same limitations, the Board shall have the following powers in addition to other powers enumerated in these Bylaws:

- (i) to select and remove at the pleasure of the Board, all officers, agents, and employees; to prescribe powers and duties for them as may be consistent with law, the Articles of Incorporation, and these Bylaws; to fix their compensation; and to require from them security for faithful service.
- (ii) to conduct, manage, and control the affairs and activities of the Corporation and make such rules and regulations for this purpose, consistent with law, the Articles of Incorporation, and these Bylaws, as they may deem to be in the best interests of this Corporation.
- (iii) to adopt and use a corporate seal, and alter the form of seal.

- (iv) to borrow money and incur indebtedness on behalf of the Corporation, and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

(c) **Delegation of Management.** The Board may delegate the management of the activities of the Corporation to any person or persons, a management company, or committees however composed, provided that the activities and affairs of the Corporation shall be managed and all corporate power shall be exercised under the ultimate direction of the Board.

4.2 Number and Qualifications.

(a) **Authorized Number.** The Board shall consist of at least nine (9) but no more than twenty five (25) directors (individually, a "Director" and collectively, the "Directors") until changed by amendment to these Bylaws. The exact number of Directors shall be fixed within those limits by resolutions adopted by the Board from time to time.

(b) **Qualifications for Directors.** One or more of the Directors shall be from each of the following categories:

- (i) Administration and staff of Sacramento State;
- (ii) Faculty of Sacramento State;
- (iii) Students of Sacramento State;
- (iv) Noncampus personnel interested in pursuing fund raising activities and promoting the interests of Sacramento State;
- (v) The President of Sacramento State or his or her designated representative.
- (vi) A member of the Alumni Association Board as designated by the Alumni Association Board Executive Committee.

If, in any fiscal year, a majority of the funding of the Corporation is received from student fees collected on a campus or systemwide basis, at least a majority of the Board shall consist of California State University students with full voting privileges. This paragraph shall only be applicable to effectuate a change in the membership of the Board if the California State University Board of Trustees determines that there is no legal or contractual barrier to changing the governing structure of this Corporation.

(c) **Restriction on Interested Persons as Directors.** No more than forty nine percent (49%) of the persons serving on the Board may be interested persons. An interested person is (i) any person compensated by the Corporation for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as director; and (ii) any brother, sister, ancestor, descendent, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law or father-in-law of such person. However, any violation of the provisions of this paragraph shall not affect the validity or enforceability of any transaction entered into by the Corporation.

4.3 Appointment. All members of the Board shall be appointed by the President of Sacramento State at the regular Board meeting held in June of each year.

4.4 Term of Office. The members of the Board shall be classified so that the terms of office of one-third (1/3) of the authorized number of appointed Directors shall expire each year. Each Director shall hold office for three (3) years and until a successor has been appointed and qualified.

4.5 Vacancies on Board.

(a) **Events Causing Vacancy.** A vacancy or vacancies on the Board shall exist on the occurrence of any of the following: (i) the death or resignation of any Director; (ii) the declaration by Board resolution of a vacancy of the office of a Director who has failed to attend at least seventy five percent (75%) of the Board meetings in any twelve (12) consecutive months or who has been declared of unsound mind by an order of court or convicted of a felony or found by final order or judgement of any court to have breached a duty under Article 3 of Chapter 2 of the California Nonprofit Public Benefit Corporation Law; (iii) the increase of the authorized number of Directors; (iv) the termination of employment with Sacramento State of a Director who is from the administration/staff or faculty, or (v) the termination of student status of a student Director.

(b) **Resignations.** Except as provided below, any Director may resign by giving written notice to the Chairman of the Board, if any, or to the President or the Secretary. The resignation shall be effective when the notice is given unless it specifies a later time for the resignation to become effective. If a Director's resignation is effective at a later time, the Board may elect a successor to take office as of the date when the resignation becomes effective. No Director may resign if the Corporation would then be left without a duly elected Director or Directors.

(c) **Filling Vacancies.** Vacancies on the Board shall be filled by appointment by the President of Sacramento State for the balance of the unexpired term. A vacancy in an administration/staff, faculty or student classification shall be filled by a person associated with the same classification.

(d) **No Vacancy on Reduction of Number of Directors.** No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

4.6 Directors' Meetings.

(a) **Place of Meetings.** Regular or special meetings of the Board may be held at any place within or outside California that the Board may designate or, if not so designated, meetings shall be held at the Corporation's principal office. Notwithstanding the above provisions of this Section, a regular or special meeting of the Board may be held at any place consented to in writing by all Board members, either before or after the meeting. If such consents are given, they shall be filed with the minutes of the meeting. All meetings of the Board shall be open and public, and all persons shall be permitted to attend any such meetings, except as otherwise provided in these Bylaws or in any applicable law or regulation.

(b) **Meetings by Telephone or Other Equipment.** Any meeting may be held by conference telephone, video screen communication or other communication equipment. Participation in a meeting under this Section 4.6(b) shall constitute presence in person at the meeting if both of the following apply:

(i) Each Director participating in the meeting can communicate concurrently with all other Directors; and

(ii) Each Director is provided the means of participating in all matters before the Board, including the capacity to propose or to interpose an objection to a specific action to be taken by the Board.

(c) **Annual Meeting.** The Board shall hold an annual meeting for the purpose of organization, selection of Directors and officers, and the transaction of other business. Annual meetings of the Board shall be held in June at a date and time consistent with regularly scheduled board meetings.

(d) **Other Regular Meetings.** Other regular meetings of the Board shall be held during the first, second and third calendar quarters and on such date and time and at such place as the Board shall annually establish by resolution.

(e) Special Meetings.

(i) **Authority To Call.** Special meetings of the Board for any purpose may be called at any time by the Chairman of the Board, if any, the President or any Vice President, or the Secretary or any two Directors.

(f) Notice of Regular and Special Meetings.

(i) **Manner of Giving Notice.** Notice of the time and place of all Board meetings shall be given to each Director by (a) personal delivery of written notice; (b)

first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages, either directly to the Director or to a person at the Director's office who would reasonably be expected to communicate that notice promptly to the Director; (d) facsimile; (e) electronic mail; or (f) other electronic means. All such notices shall be given or sent to the Director's address or telephone number as shown on the Corporation's records.

(ii) **Time Requirements.** Notices of meetings of the Board sent by first-class mail shall be deposited in the United States mails at least seven (7) days before the time set for the meeting. Notices given by personal delivery, telephone, electronic mail, or facsimile shall be delivered, telephoned, or sent, respectively, at least forty eight (48) hours before the time set for the meeting.

(iii) **Notice Contents.** The notice of a meeting of the Board shall state the time of the meeting, the place if the place is other than the principal office of the Corporation, and the agenda for the business to be transacted at the meeting, including a description of the issues on which Board action will be required. No other business shall be considered at such meeting.

(iv) **Public Notice.** The notice of each meeting shall be publicly posted for not less than seven (7) calendar days prior to the date of the meeting and shall be given by personal delivery or by first-class mail, postage prepaid, to any individual or entity that has filed a written request for notice with the Corporation. Any such request for notice filed pursuant to this provision shall be valid for one (1) year from the date on which it is filed unless a renewal request is filed.

(g) **Quorum.** A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, except to adjourn. Every action taken or decision made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be the act of the Board, subject to the more stringent provisions of the California Nonprofit Public Benefit Corporation Law, including, without limitation, those provisions relating to (i) approval of contracts or transactions in which a Director has a direct or indirect material financial interest; (ii) approval of certain transactions between Corporations having common directorships, (iii) creation of and appointments to committees of the Board, and (iv) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, despite the withdrawal of Directors, if any action taken or decision made is approved by at least a majority of the required quorum for that meeting.

(h) **Waiver of Notice.** Notice of a meeting need not be given to any Director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any Director who attends the meeting and does not protest, before or at the commencement of the meeting, the lack of notice to him or her.

(i) **Adjournment.** A majority of the Directors present, whether or not a

quorum is present, may adjourn any meeting to another time and place.

(j) **Notice of Adjourned Meeting.** Notice of the time and place of holding an adjourned meeting need not be given unless the original meeting is adjourned for more than twenty four (24) hours, notice of any adjournment to another time and place shall be given, before the time of the adjourned meeting, to the Directors who were not present at the time of the adjournment.

(k) **Closed Sessions of the Board.** Notwithstanding the requirement of public meetings, the Board may hold closed sessions to consider matters relating to litigation, collective bargaining, or the appointment, employment, evaluation of performance, or dismissal of an employee. For the purposes of this provision, "employee" does not include any person elected or appointed as an officer of this Corporation. The Board, upon a favorable majority vote of the Directors, may also hold a closed session to discuss investments where a public discussion could have a negative impact on the Corporation's financial situation. In such case, a final decision of the Board shall only be made during a public session.

4.6 Contracts with Directors. No Director shall be financially interested in any of the following contracts or other transactions entered into by the Board, and any such contract or transaction entered into in violation of this provision is void:

- (a) The contract or transaction is between this Corporation and a Director.
- (b) The contract or transaction is between this Corporation and a partnership or unincorporated association of which any Director is a partner or in which he or she is the owner or holder, directly or indirectly, of a proprietorship interest.
- (c) The contract or transaction is between this Corporation and a corporation in which any Director is the owner or holder, directly or indirectly, of five percent (5%) or more of the outstanding common stock.
- (d) A Director is interested in a contract or transaction within the meaning of this provision if, without first disclosing such interest to the Board at the public meeting of the Board, such Director influences or attempts to influence another Director or Directors to enter into the contract or transaction.

No contract or other transaction entered into by the Board is void under these provisions, nor shall any Director be disqualified or deemed guilty of misconduct in office under these provisions, if (i) the fact of such financial interest is disclosed or known to the Board and noted in the minutes, and the Board thereafter authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such financially interested Director or Directors, and (ii) before authorizing or approving the contract or transaction, the Board considers and in good faith decides after reasonable investigation that the Corporation could not obtain a more advantageous arrangement with reasonable effort under the circumstances, and (iii) the contract or transaction is fair and

reasonable as to this Corporation at the time it is authorized or approved, and the Corporation is entering into the contract or transaction for its own benefit.

No Director shall utilize any information, not a matter of public record, which is received by him or her by reason of his or her membership on the Board, for personal pecuniary gain, regardless of whether he or she is not a Director at the time such gain is realized.

4.7 Compensation and Reimbursement. Directors and members of committees shall receive no compensation for their services as Directors, but may receive just and reasonable reimbursement for expenses in attending meetings.

4.8 Committees.

(a) **Committees of the Board.** The Board, by resolution adopted by a majority of the Directors then in office, provided a quorum is present, may create one or more committees, each consisting of two or more Directors and no persons who are not Directors, to serve at the pleasure of the Board. The Board may appoint one or more Directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the Board resolution, shall have all authority of the Board, except that no committee, regardless of Board resolution, may:

- (1) fill vacancies on any committee that has the authority of the Board;
- (2) fix compensation of the Directors for serving on the Board or on any committee;
- (3) amend or repeal Bylaws or adopt new Bylaws;
- (4) amend or repeal any Board resolution that by its express terms is not so amendable or repealable;
- (5) create any other committees of the Board or appoint members of committees of the Board;
- (6) expend corporate funds to support a nominee for Director after more people have been nominated for Director than can be elected; or
- (7) approve any contract or transaction to which the Corporation is a party and in which one or more Directors has a material financial interest, except as special approval is provided for in Section 5233(d)(3) of the California Corporations Code.

(b) **Executive Committee.** The Executive Committee shall consist of not less than three (3) Directors. Appointments to the Executive Committee shall be made by a majority vote of the Board and shall include the President of Sacramento State, or his or her designee, whoever is then a Director, and the President, Secretary and Chief Financial Officer of the Corporation, to the extent any such officers are then Directors. If any such officers of this Corporation are not members of the Board, he or she may be invited to attend meetings of the Executive Committee, but he or she shall have no vote and shall not be considered members of the Executive Committee for purposes of a quorum.

The Executive Committee shall have all the authority of the Board at times when it is not convenient for the Board to act at a special meeting except with respect to those matters described in Paragraph 4.8(a) and to any expenditures in excess of ten thousand dollars (\$10,000).

(c) **Audit Committee.** The Audit Committee shall consist of not less than three (3) Directors but may have any number of members who are not Directors. However, membership shall be subject to the following restrictions: the Corporation's staff (including the President or Chief Executive Officer and the Treasurer or Chief Financial Officer) shall not be members; the chairperson of the Audit Committee may not be a member of the Corporation's finance committee; and fifty percent (50%) or more of the Audit Committee members may not be members of the finance committee. The Audit Committee shall be under the supervision of the Board and shall be responsible for: (i) recommending to the Board the retention and termination of the independent auditor; (ii) negotiating the auditor's compensation on behalf of the Board; (iii) conferring with the auditor to assure that the Corporation's financial affairs are in order; (iv) reviewing and determining whether to accept the audit; (v) assuring that any nonaudit services performed by the auditor conform with standards for auditor independence set forth in the Government Auditing Standards issued by the Comptroller General of the United States; (vi) approving the performance by the auditor of nonaudit services; and (vii) such other matters as the Board may determine. Audit Committee members may not receive compensation in excess of that, if any, provided to Board members for Board service. The Corporation shall not engage in business with any Audit Committee member or with any entities in which an Audit Committee member has a material financial interest.

(d) **Meetings and Action of Committees.** Meetings and actions of committees of the Board shall be governed by, held, and taken in accordance with the provisions of these Bylaws concerning meetings and other Board actions, except that the time for regular meetings of such committees and the calling of special meetings of such committees may be determined either by Board resolution or, if there is none, by resolution of the committee of the Board. Minutes of each meeting of any committee of the Board shall be kept and shall be filed with the corporate records. The Board may adopt rules for the governance of any committee that are consistent with these Bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.

5. OFFICERS.

5.1 Officers Of the Corporation. The officers of the Corporation shall be a President, a Secretary, and a Chief Financial Officer. The Corporation may also have, at the

Board's discretion, a Chairman of the Board, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with Section 5.3 of these Bylaws. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as either the President or the Chairman of the Board.

5.2 Election of Officers. The officers of the Corporation, except those appointed under Section 5.3 of these Bylaws shall be chosen annually by the Board and each shall serve at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment.

5.3 Other Officers. The Board may appoint and may authorize the Chairman of the Board, the President, or other officer to appoint any other officers that the business of the Corporation may require, each of whom shall hold office for one year and have the title, have the authority, and perform the duties determined by the Board.

5.4 Removal of Officers. Without prejudice to any rights of an officer under any contract of employment, any officer may be removed, with or without cause, by the Board or by an officer on whom the Board may confer that power of removal.

5.5 Resignation of Officers. Any officer may resign at any time by giving written notice to the Corporation. The resignation shall take effect as of the date the notice is received or at any later time specified in the notice and, unless otherwise specified in the notice, the resignation need not be accepted to be effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

5.6 Vacancies in Offices. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office, provided that such vacancies shall be filled as they occur and not on an annual basis.

5.7 Responsibilities of Officers.

(a) **Chairman of the Board.** If a Chairman of the Board is elected, he or she shall preside at Board meetings and shall exercise and perform such other powers and duties as may be assigned by the Board or prescribed by the Bylaws. If there is no President, the Chairman of the Board shall also be the Chief Executive Officer and shall have the powers and duties prescribed by these Bylaws for the President of the Corporation.

(b) **President.** Subject to such supervisory powers as the Board may give to the Chairman of the Board, if any, the President shall, subject to the control of the Board, be the Chief Executive Officer of the Corporation and shall supervise, direct, and control the business, activities, affairs and the officers of the Corporation. The President shall preside at all Board meetings in the absence of the Chairman of the Board. The President shall have such other powers and duties as the Board or the Bylaws may prescribe.

(c) **Vice Presidents.** In the absence or disability of the President, the Vice Presidents, if any, in order of their rank as fixed by the Board or, if not ranked, a Vice President designated by the Board, shall perform all duties of the President. When so acting, a Vice President shall have all powers of and be subject to all restrictions on the President. The Vice Presidents shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(d) **Secretary.**

(i) **Book of Minutes.** The Secretary shall keep or cause to be kept, at the Corporation's principal office or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board, or committees of the Board. The minutes of meetings shall include the time of holding the meeting, the place of the meeting, whether the meeting was general or special and, if special, how authorized, the notice given, the names of those present at the Board and committee meetings. The secretary shall keep a copy of the Articles of Incorporation and Bylaws, as amended to date, at the Corporation's principal office in California.

(ii) **Notices, Seal, and Other Duties.** The Secretary shall give, or cause to be given, notice of all meetings of the Board and of committees of the Board required by the Bylaws to be given. The Secretary shall keep the corporate seal in safe custody, and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(e) **Chief Financial Officer.**

(i) **Books of Account.** The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the Corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any Director at all reasonable times.

(ii) **Deposit and Disbursement of Money and Valuables.** The Chief Financial Officer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board may designate, shall disburse the Corporation's funds as the Board may order, shall render to the President and Directors, when requested, an account of all transactions as Chief Financial Officer and of the financial condition of the Corporation, and shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

(iii) **Bond.** If required by the Board, the Chief Financial Officer shall give the Corporation a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of his office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in his possession or under his control on his death, resignation, retirement, or removal from the office.

6. INDEMNIFICATION.

To the fullest extent permitted by law, this Corporation shall indemnify its Directors, officers, employees, and other persons described in Corporations Code Section 5238(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in such section of the Corporations Code.

On written request to the Board by any person seeking indemnification under Corporations Code Section 5238(b) or Section 5238(c), the Board shall promptly decide under Corporations Code Section 5238(e) whether the applicable standard of conduct set forth in Corporations Code Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification.

To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Section 6 of these Bylaws in defending any proceeding covered by such Section shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the Corporation for those expenses.

6.1 Insurance. The Corporation shall have the power to purchase and maintain insurance on behalf of any agent of the Corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not the Corporation would have the power to indemnify the agent against such liability under the provisions of this Section 6, provided, however, that a Corporation shall have no power to purchase and maintain such insurance to indemnify any agent of the Corporation for a violation of Section 5233 of the California Nonprofit Public Benefit Corporation Law.

6.2 Nonapplicability to Fiduciaries of Employee Benefit Plans. This Section 6 does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in such person's capacity as such, even though such person may also be an agent of the Corporation as defined in Section 6.1 of these Bylaws. The Corporation shall have power to indemnify such trustee, investment manager, or other fiduciary to the extent permitted by Section 207(f) of the California General Corporation Law.

7. RECORDS AND REPORTS.

7.1 Maintenance of Corporate Records. The Corporation shall keep the original or a copy of its Articles of Incorporation and Bylaws, adequate and correct books and records of account, and written minutes of the proceedings of the Board and its committees. They shall be kept as such place or places as designated by the Board or, in the absence of any such designation, at the principal office of the Corporation.

7.2 Inspection by Directors. Each Director shall have the absolute right at any reasonable time to inspect and copy, personally or by any agent or attorney, all books, records, and documents of every kind and to inspect the physical properties of the Corporation for a purpose reasonably related to the Director's interests as a Director.

8. ENDORSEMENT OF DOCUMENTS; CONTRACTS.

The Board may authorize one or more officers, agents or employees to enter into any contract or to execute any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances and, unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, to pledge its credit or to render it liable for any purpose or in any amount.

Subject to the provisions of applicable law, any note, mortgage, evidence of indebtedness, contract, conveyance, or other instrument in writing and any assignment or endorsement thereof executed or entered into between the Corporation and any other person, when signed by the Chairman of the Board, the President, or any Vice President and the Secretary, any Assistant Secretary, the Treasurer, or any Assistant Treasurer of the Corporation shall be valid and binding on the Corporation in the absence of actual knowledge on the part of the other person that the signing officers had no authority to execute the same. Any such instruments may be signed by any other person or persons and in such manner as from time to time shall be determined by the Board, and, unless so authorized by the Board, no officer, agent, or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose.

9. FINANCIAL STATEMENTS.

9.1 Annual Reports. The Corporation shall cause to be sent to each Director not later than one hundred twenty (120) days after the close of its fiscal year, an annual report containing the following information in appropriate detail:

(a) A balance sheet as of the end of the fiscal year, an income statement, and statement of changes in financial position for the fiscal year, all audited by an independent certified public accountant.

(b) Any information required by Section 6322 of the California Corporations Code relating to annual statements of certain transactions and indemnifications.

(c) The Corporation shall otherwise fully comply with any mandatory disclosure requirements now or hereafter in effect under the California Nonprofit Corporation Law.

9.2 Publication. The Corporation shall annually publish the audited statement of its financial condition described in Section 9.1(a), which statement shall be disseminated as widely

as feasible and be available to any person on request. Publication in the Sacramento State campus student newspaper shall be deemed compliance with the dissemination requirement.

10. CHECKS, DRAFTS OR OTHER ORDERS FOR PAYMENT OF MONEY.

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Corporation and all securities owned or held by the Corporation requiring signature for transfer shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by the Board.

11. CONSTRUCTION AND DEFINITIONS.

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law and in the California Nonprofit Public Benefit Law shall govern the construction of these Bylaws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular and the term "person" includes both a legal entity and a natural person.

12. AMENDMENTS.

New Bylaws may be adopted, or these Bylaws may be amended or repealed, by approval of the Board.

A0678103

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

JUN - 6 2008

SECOND CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE

The undersigned certify that:

1. They are the president and the secretary, respectively, of The University Foundation at Sacramento State.
2. Article VI of the Articles of Incorporation of this corporation is amended to read as follows:

Dedication and Dissolution

The property, assets, profits and net income of this Corporation are irrevocably dedicated to the charitable purposes set forth in Article II, and no part of the profits or net income or assets of this Corporation shall ever inure to the benefit of any private shareholder or individual. 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, Sacramento and the Trustees of the California State University. Any nongovernmental successor shall be a nonprofit organization organized and operated exclusively for charitable or educational purposes meeting the requirements for exemption provided by Section 214 of the California Revenue and Taxation Code, and which has established its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986.

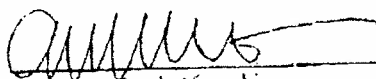
3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors.
4. The foregoing amendment of Articles of Incorporation has been duly approved by the required vote of the members.

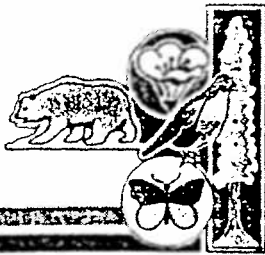
We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: June 6, 2008




President: Alexander Gonzalez


Secretary: Carole I. Layashinov



State of California

OFFICE OF THE SECRETARY OF STATE

CORPORATION DIVISION

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

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

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

DEC 4 1986



March Fong Eu

Secretary of State

1392823

ARTICLES OF INCORPORATION
OF
CALIFORNIA STATE UNIVERSITY, SACRAMENTO
TRUST FOUNDATION

RECEIVED
CLERK OF THE COURT
COUNTY OF SACRAMENTO

ARTICLE I

DEC 1 1986

Name

California State University

The name of this Corporation is the:

CALIFORNIA STATE UNIVERSITY, SACRAMENTO, TRUST FOUNDATION

ARTICLE II

Purposes

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 of this Corporation are to further the purposes and objectives of the California State University, Sacramento.

ARTICLE III

Conformity with Regulations

This Corporation shall conduct its operations in conformity with general regulations established by the Board of Trustees of The California State University as required by the Education Code, Section 89900(c) and it shall be operated as an integral part of the University as required by the California Administrative Code, Title 5, Section 42401.

ARTICLE IV

Exempt Status and Limitations on Activities

This Corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

Notwithstanding any other provision of these Articles, this Corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (2) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

No substantial part of the activities of this Corporation shall consist of the carrying on of 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.

ARTICLE V

Directors

The number of directors, the method of their selection and the terms of their office shall be as specified by the Bylaws of this Corporation. The President of the University or his or her designated representative shall be a member of the Board of Directors of this Corporation to insure that this Corporation operates in conformity with University policy. This Corporation

shall have no members other than the persons constituting its Board of Directors. The persons constituting its Board of Directors shall, for the purpose of any statutory provision or rule of law relating to nonprofit corporations or otherwise, be taken to be the members of such Corporation and exercise all the rights and powers of members thereof.

ARTICLE VI

Dedication and Dissolution

The property, assets, profits, and net income of this Corporation are irrevocably dedicated to the charitable purposes set forth in Article II, and no part of the profits or net income or assets of this Corporation shall ever inure to the benefit of any private shareholder or individual. Upon the dissolution of this Corporation, net assets, other than trust funds, shall be distributed to one or more nonprofit corporations organized and operated for the benefit of the California State University, Sacramento; such corporation or corporations to be selected by the Board of Directors of this corporation and approved by the President of the University and the Board of Trustees of the California State University. Such nonprofit corporation or corporations must be qualified for Federal income tax exemption under Section 501(a) and 501(c)(3) of the United States Internal Revenue Code of 1954 and be organized and operated exclusively for charitable, scientific, literary or educational purposes, or for a combination of said purposes. In the alternative, upon

dissolution of the corporation, net assets other than trust funds shall be distributed to the California State University, Sacramento.

ARTICLE VII

Initial Agent for Service of Process

The name and address in the State of California of this Corporation's initial agent for service of process is:

John W. Francis
1901 E. Lambert Road, Suite 102
La Habra, CA 90631

ARTICLE VIII

Amendment of Articles

The Articles of Incorporation of this Corporation may be amended only by the vote of two-thirds (2/3) of the total voting membership of the Board of Directors.

IN WITNESS WHEREOF, for the purpose of forming this nonprofit corporation under the laws of the State of California, we, the undersigned, constituting the incorporators of this Corporation, have executed these Articles of Incorporation this 26th day of June, 1986.

Donald R. Gerth
Donald R. Gerth
Incorporator

W. Bell
Robert W. Bell
Incorporator


Norman J. Phillips
Norman J. Phillips
Incorporator

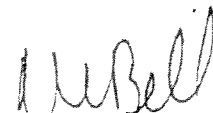
DECLARATION


We are the persons whose names are subscribed below. We are the incorporators of the Auxiliary Services Enterprise, Inc. and we have executed these Articles of Incorporation. The foregoing Articles of Incorporation are our act and deed.

Executed on June 26 , 1986, at Sacramento, California.

We declare that the foregoing is true and correct.


Donald R. Gerth
Incorporator


Robert W. Bell
Incorporator


Norman J. Phillips
Incorporator

A0645238

State of California
Secretary of State



I, **BRUCE McPHERSON**, Secretary of State of the State of California, hereby certify:

That the attached transcript of 2 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

MAY 27 2006

BRUCE McPHERSON
Secretary of State

A0645236

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

MAY 24 2006

FIRST CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
CALIFORNIA STATE UNIVERSITY, SACRAMENTO TRUST FOUNDATION

Alexander Gonzalez and Carole Hayashino hereby certify that:

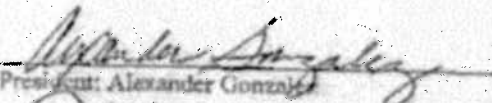

1. They are, respectively, the President and Secretary of California State University, Sacramento Trust Foundation, a California non-profit, public benefit corporation.
2. The following amendment to the Articles of Incorporation of the corporation has been duly approved by the board of directors of the corporation:

Article I of the Articles of Incorporation is amended and restated to read in its entirety as follows:

ARTICLE I

The name of the corporation is THE UNIVERSITY FOUNDATION AT SACRAMENTO STATE.

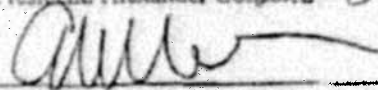
3. Per Article V of the corporation's Articles of Incorporation, "[t]his Corporation shall have no members other than the persons constituting its Board of Directors. The persons constituting its Board of Directors shall, for the purpose of any statutory provision or rule of law relating to nonprofit corporations or otherwise, be taken to be the members of such Corporation and exercise all the rights and powers of members thereof."


President: Alexander Gonzalez

Secretary: Carole Hayashino

Verification

Each of the undersigned declares under penalty of perjury under the laws of the State of California that the statements in the foregoing certificate are true and correct of his or her own knowledge, and that this declaration was executed on May 24, 2006, at Sacramento, California.


President: Alexander Gonzalez


Secretary: Carole Hayashino



A0678103

State of California
Secretary of State



I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of ___/___ 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

JUN - 9 2008

A handwritten signature in cursive script that reads "Debra Bowen".

DEBRA BOWEN
Secretary of State