

**OPERATING AGREEMENT
BETWEEN CALIFORNIA STATE UNIVERSITY
AND CAL POLY HUMBOLDT FOUNDATION**

This agreement is made and entered into by and between the Trustees of the California State University by their duly qualified Chancellor (CSU) and Cal Poly Humboldt Foundation (Auxiliary) serving California State Polytechnic University, Humboldt (University). The term of this agreement shall be July 1, 2025 through June 30, 2035.

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 University under the usual state procedures.

2. PRIMARY FUNCTIONS

In consideration of receiving recognition as an official CSU auxiliary organization, Auxiliary agrees that the primary function(s) that the Auxiliary is to manage, operate or administer are listed below as authorized by 5 CCR § 42500:

- a. Loans, Scholarships, Grants-in-Aids, Stipends, and Related Financial Assistance
- b. Alumni Programs
- c. Gifts, bequests, devises, endowments, trusts and similar funds
- d. Public relations, fundraising, fund management, and similar development programs
- e. Instructionally related Programs and activities, including Agriculture, Athletics, Radio and Television Stations, Newspapers. Films, Transportation. Printing and other Instructionally Related Programs and Activities
- f. 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 University. Auxiliary further agrees that it shall not perform any of the functions listed in 5 CCR § 42500 unless the function has been specifically assigned in this operating agreement with the University. Prior to initiating any additional functions, Auxiliary

understands and agrees that CSU and Auxiliary must amend this agreement in accordance with Section 21, Amendment.

3. CAMPUS OVERSIGHT AND OPERATIONAL REVIEW

Auxiliary must operate in conformity with CSU and University policies and under the oversight of the University. As stated in Cal. Educ. Code §§ 89756, 89900, the University President is primarily responsible for administrative compliance and fiscal oversight of Auxiliary. The University 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 University. The operations and activities of Auxiliary under this agreement shall be integrated with University operations and policies and shall be overseen by the university Chief Financial Officer (CFO) or designee so as to assure compliance with objectives stated in 5 CCR § 42401.

Each auxiliary organization governing board shall conduct an annual review and prepare a report of the fiscal viability of the auxiliary organization pursuant to Cal. Educ. Code § 89904-89905 (not including § 89905.5) 5 CCR § 42401(d), and 5 CCR § 42404. Each auxiliary organization shall prepare and submit a report of the results of the annual review of auxiliary financial standards and control self-assessment to the university president or designee for review and approval by June 30th as outlined in the [CSU Auxiliary Organizations](#) policy. A record of the approval shall be retained by the university pursuant to the [Records Retention and Disposition Schedules](#) policy.

Auxiliary agrees to assist the University CFO or designee in carrying out the compliance and operational reviews required by applicable CSU policies.

4. OPERATIONAL COMPLIANCE

Auxiliary agrees to maintain and operate its organization in accordance with all applicable laws, regulations and CSU and University 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 university name, resources and facilities (5 CCR § 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 their 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 **Exhibit 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 a statement of Auxiliary's policy on accumulation and use of public relations funds and attach to this agreement as **Exhibit 2**. 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 [5 CCR 5 § 42408](#), regarding fiscal audits. All fiscal audits shall be conducted by auditors meeting the requirements detailed in the [External Audits](#) section of the [CSU Auxiliary Organizations](#) policy.

The University 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 University 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

University 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 University, the University logo, seal or other symbols and marks of the University, provided that Auxiliary clearly communicates that it is conducting business in its own name for the benefit of University. 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 University.

Auxiliary shall use the name of University, logo, seal or other symbols or marks of University only in connection with services rendered for the benefit of University and in accordance with University guidance and direction furnished to Auxiliary by University and only if the nature and quality of the services with which the University name, logo, seal or other symbol or mark are used are satisfactory to the University or as specified by University.

University shall exercise control over and shall be the sole judge of whether Auxiliary has met or is meeting the standards of quality of the University for use of its name, logo, seal or other symbol or mark.

Auxiliary shall not delegate the authority to use the University name, logo, seal or other symbol or mark to any person or entity without the prior written approval of the University President or designee. Auxiliary shall cease using the University 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. 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 STATUS

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 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 policy Background Checks. Auxiliary will provide confirmation of completed and cleared background checks to the University President/Chancellor upon request, or as established by university policy.

12. DISPOSITION OF ASSETS

Attached hereto as **Exhibit 3** is a copy of Auxiliary's Constitution or Articles of Incorporation (as applicable) which, in accordance with 5 CCR § 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 University 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 University may agree that Auxiliary may use specified University facilities and resources for research projects and for institutes, workshops, and conferences only when such use does not interfere with the instructional program of University and upon the written approval from appropriate University administrators with such specific delegated authority. Auxiliary shall reimburse University for costs of any such use.

14. CONTRACTS FOR CAMPUS SERVICES

Auxiliary may contract with University for services to be performed by state employees for the benefit of Auxiliary. Any agreement must be documented as a contract or written memorandum of understanding between Auxiliary and University. The contract shall among other things, specify the following: (a) full reimbursement to University for services performed by a state employee in accord with 5 CCR § 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 University to provide the specified services to Auxiliary.

15. DISPOSITION OF NET EARNINGS

Auxiliary agrees to comply with CSU and University 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, pursuant to Cal. Educ. Code § 89904; CSU policy [University Auxiliary Organizations](#), and CSU policy [Designated Balances and Reserves](#).

16. FINANCIAL CONTROLS

Recovery of allowable and allocable indirect costs and maintenance and payment of operating expenses must comply with CSU policy [Placement and Control of Receipts for University Activities and Programs](#), 5 CCR § 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 University..

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 Cal. Educ. 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 university 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 Cal. Educ. Code § 89720.

18. INDEMNIFICATION

Auxiliary agrees to indemnify, defend and save harmless the CSU, its officers, agents, employees and constituent universities 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 University 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 [California State University Insurance Requirements](#) 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 University 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:

Cal Poly Humboldt Foundation
1 Harpst Street
Arcata, CA 95521

Notice to the University shall be addressed as follows:

California State Polytechnic University, Humboldt
1 Harpst Street
Arcata, CA 95521
procure@humboldt.edu

Notice to the CSU shall be addressed as follows:

Trustees of the California State University
Attention: Executive Vice Chancellor & CFO, Business and Finance
401 Golden Shore
Long Beach, California 90802

21. AMENDMENT

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

22. RECORDS

Auxiliary shall maintain adequate records and shall submit periodic reports as required by CSU showing the operation and financial status of Auxiliary. The records and reports shall cover all activities of Auxiliary whether pursuant to this agreement or otherwise.

23. TERMINATION

CSU may terminate this agreement upon Auxiliary's breach of or failure to comply with any term of this agreement by providing Auxiliary with a minimum of ninety (90) days advance written notice. Auxiliary may use the ninety-day advance notice period to cure the breach. If, in the judgment of CSU, the breach has been cured, the termination notice will be canceled. The ninety-day notice provision is not required for a breach noted in Section 12 of this Agreement.

24. REMEDIES UPON TERMINATION

Termination by CSU of this agreement pursuant to Section 23, Termination, may result in Auxiliary's removal, suspension or probation as a CSU auxiliary in good standing, and loss of any right for Auxiliary to use the name, resources or facilities of CSU or any of its universities.

Upon expiration of the term of this agreement, the parties shall have 30 days to enter into a new operating agreement which period may be extended by written mutual agreement.

25. SEVERABILITY

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

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

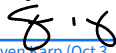
Approved: 08/25/2025

California State Polytechnic University,
Humboldt

By 
Michael Spagna, Interim President

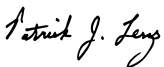
Executed on 10/03/2025

Cal Poly Humboldt Foundation

By 
Steve Karp, Interim Executive Director

Executed on Oct 3, 2025

California State University
Office of the Chancellor

By 
Patrick J. Lenz, Interim Executive Vice
Chancellor and Chief Financial Officer

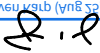

(10/3/2025 08:07:02 PDT)

Exhibit 1

Humboldt State University Foundation Conflict of Interest Statement

As a matter of public trust, the Humboldt State University Foundation (the Foundation) avoids conflicts of interest. In addition, as a California State University Auxiliary Organization, the Foundation is subject to provisions of the California State Education Code, California State University policies, and its own bylaws and policies regarding conflicts of interest.

Section 6.1 of the California State University Compilation of Policies and Procedures for Auxiliary Organizations refers to the conflict of interest policy contained in the California Education Code, Section 89906 which states that:

“No member of the governing board of an auxiliary organization shall be financially interested in any contract or other transaction entered into by the board of which he is a member, and any contract or transaction entered into in violation of this section is void.”

Humboldt State University Foundation Bylaws, Article V, Section 9, Conflict of Interest, states that:

“No member of the Board of Directors shall be financially interested in any contract or other transaction entered into by the Board of Directors that is not in accordance with the conflict of interest provisions set forth in Education Code Sections 89906-89909.”

Further, California Education Code Section 89909 states that:

“It is unlawful for any person to utilize any information, not a matter of public record, which is received by him by reason of his membership on the governing board of an auxiliary organization, for personal pecuniary gain, regardless of whether he is or is not a member of the governing board at the time such gain is realized.”

The following relationships and circumstances are specifically prohibited:

- a) Any contract, other than an employment contract, directly between the Foundation and a Director
- b) Any contract between the Foundation and a partnership or unincorporated association in which a Director is a partner, owner, or holder, directly or indirectly, of a proprietorship interest
- c) Any contract between the Foundation and a for-profit corporation in which a Director is the owner or holder, directly or indirectly, of five percent or more of the outstanding equity stock
- d) A Director who is interested in a contract or transaction who influences or attempts to influence another Director to enter into the contract or transaction without first disclosing such interest to the Board of Directors at a public meeting of the board

Members of the Board are required at least annually to acknowledge in writing their acceptance of these requirements and to disclose any potential conflicts of interest.

Exhibit 2

HSU FOUNDATION PUBLIC RELATIONS EXPENDITURE POLICY APPROVED May 11, 2016

I. PURPOSE

To provide policy guidance on the use of funds by the Humboldt State University Foundation (“the Foundation”) for public relations or other purposes which serve to augment State appropriations for the operation of the campus.

II. BACKGROUND

Per Title 5 California Code of Regulations §42502(i), each auxiliary organization shall maintain a policy with respect to expenditures for public relations or other purposes which serve to augment State appropriations for the operation of the campus.

III. SOLICITATION AND ACCUMULATION OF FUNDS FOR PUBLIC RELATIONS PURPOSES

The Foundation does not solicit funds for public relations or other purposes which serve to augment State appropriations for the operation of the campus, and does not annually budget for funds to be available for such purposes.

IV. EXPENDITURES FOR PUBLIC RELATIONS PURPOSES

Expenditures for public relations purposes may be made from the Foundation unrestricted funds. Expenditures for public relations purposes must clearly advance the objectives of the campus and the California State University, and be consistent with applicable procurement and accounting practices. In general, expenditures must be appropriate for campus authorized educational, social, development, hospitality, community and employee relations, employee business travel and related considerations, student aid, and for other purposes that benefit California State University or the campus.

V. PROCEDURES

Any expenditure of the Foundation funds for public relations purposes shall be at the request of the University President. The request shall be accompanied by the appropriate supporting documentation, with dates, purpose and individuals or groups involved, location, and amounts clearly stated, and any other requirements.

VI. POLICY FILING

The Foundation shall file a copy of this Policy with the Chancellor's Office, per the requirements of Title 5 California Code Relations. §42502(i).

Exhibit 3

ARTICLES OF INCORPORATION OF CAL POLY HUMBOLDT FOUNDATION

ARTICLE I

The name of this corporation is Cal Poly Humboldt Foundation.

ARTICLE II

A. 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.

B. The specific and primary purpose of this corporation is to engage in charitable and educational activities within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future United States internal revenue law (the "Code"), that support, benefit, perform the functions of, or carry out the purposes of Humboldt State University, a campus of The California State University.

ARTICLE III

A. This corporation is organized and operated exclusively for exempt purposes within the meaning of Section 501(c)(3) of the Code. Notwithstanding any other provision of these Articles, this corporation shall not carry on any activities not permitted to be carried on

(1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or

(2) by a corporation, contributions to which are deductible under Sections 170(c)(2), 2055(a)(2), 2106(a)(2)(A)(ii), 2522(a)(2), or 2522(b)(2) of the Code.

B. Except as permitted by law, no substantial part of the activities of this corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation, nor shall this corporation participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE IV

This corporation shall be an auxiliary organization of The California State University, and shall conduct its operations in conformity with the California statutes governing such organizations (Chapter 7, commencing with Section 89900, of Part 55, Division 8, Title 3 of the California Education Code), the regulations established by the Board of Trustees of The California State University (Subchapter 6, commencing with Section 42400 of Chapter 1, Division 5 of Title

Exhibit 3

5 of the California Code of Regulations) as required by the California Education Code Section 89900(c), and such rules and regulations as may be established by the Board of Trustees of The California State University and Humboldt State University.

ARTICLE V

The property of this corporation is irrevocably dedicated to charitable purposes, and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer, or member (if any) of this corporation, or to the benefit of any private person. Upon the winding up and dissolution of this corporation and after paying or adequately providing for the debts and obligations of this corporation, the remaining assets shall be distributed to one or more nonprofit corporations organized and Operated for the benefit of Humboldt State University, to be selected and approved by the President of Humboldt State University and the Chancellor of The California State University, so long as such nonprofit corporation is organized and operated exclusively for charitable purposes and has established its tax-exempt status under Section 501(c)(3) of the Code.

ARTICLE VI

Any amendment to these Articles of Incorporation shall require the written consent of the person then serving as the President of Humboldt State University.



STATE OF CALIFORNIA
Office of the Secretary of State
CERTIFICATE OF AMENDMENT
CA NONPROFIT CORPORATION

California Secretary of State
1500 11th Street
Sacramento, California 95814
(916) 653-3516

For Office Use Only

-FILED-

File No.: BA20220362612

Date Filed: 6/13/2022

Corporation Details

Corporation Name

HUMBOLDT STATE UNIVERSITY FOUNDATION

Entity No.

0130351

Amendment Details

Article Article I of the Articles of Incorporation is amended to read:

Corporation Name

Cal Poly Humboldt Foundation

Approval Statements

Approval Statements

- 1) The Board of Directors has approved the amendment of the Articles of Incorporation.
- 2) Member approval was by the required vote of the members (in accordance with California Corporations Code sections 5812, 7812, and 12502.)

Signatures

- ☒ By signing, I declare under penalty of perjury under the laws of the State of California that the information herein is true and correct of my own knowledge and that I am authorized by California law to sign.

Chairperson of the Board

Jennifer Harris

06/13/2022

Officer Title

Officer Signature

Date

Secretary

Frank Whitlatch

06/13/2022

Officer Title

Officer Signature

Date