

**OPERATING AGREEMENT  
BETWEEN CALIFORNIA STATE UNIVERSITY  
AND *SPARTAN SHOPS, INC.***

This agreement is made and entered into by and between the Trustees of the California State University by their duly qualified Chancellor (CSU) and Spartan Shops, Inc. (Auxiliary) serving San Jose State University (Campus). The term of this agreement shall be July 1, 2025 through June 30, 2026 *unless sooner terminated as herein provided.*

**1. PURPOSE**

The purpose of this agreement is to set forth the terms and conditions under which Auxiliary may operate as an auxiliary organization pursuant to California Education Code §89900 et seq. and California Code of Regulations (CCR) Title 5, § 42400 et seq. In entering this agreement, CSU finds that certain functions important to its mission are more effectively accomplished by the use of an auxiliary organization rather than by the Campus under the usual state procedures.

**2. PRIMARY FUNCTION(S) OF THE AUXILIARY**

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

- ☐ Student Body Organization
- ☐ Student Union
- ☐ Housing
- ☐ Philanthropic
- ☐ Externally Funded Projects
- ☒ Real Property Acquisition / Real Property Development
- ☒ Commercial
- ☒ Property Management

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:

**Bookstores, Food Services, and Campus Services:** Auxiliary shall provide campus bookstore and food service for students, faculty and staff of the Campus at one or more campus locations as directed by the Campus, including without limitation establishing and maintaining retail auxiliary services and an administrative office for the sale of food, refreshments and other goods and services as required by the students and the staff of the Campus.

**Acquisition, development, sale, and transfer of real and personal property including financing transactions related to these activities:** Auxiliary shall engage in the acquisition and development of real property in support of the Campus, including without limitation the management and operation of rental housing, the development and sale of near-campus housing units for faculty and staff members, the development of joint-use projects that would provide classrooms, laboratory, residential and other space for Campus activities, and such other real estate activities as may be directed by the Campus.

Auxiliary agrees to receive and apply exclusively the funds and properties coming into its possession toward furthering these purposes for the benefit of CSU and the Campus. Auxiliary further agrees that it shall not perform any of the functions listed in CCR tit.5, §42500 unless the function has been specifically assigned in this operating agreement with the Campus. Prior to initiating any additional functions, Auxiliary understands and agrees that CSU and Auxiliary must amend this agreement in accordance with Section 21, *Amendment*.

### 3. CAMPUS OVERSIGHT AND OPERATIONAL REVIEW

The responsibility and authority of the Campus president regarding auxiliary organizations is set forth in CCR tit.5, §42402, which requires that auxiliary organizations operate in conformity with CSU and Campus policies. The Campus President has been delegated authority by the CSU Board of Trustees (Standing Orders §VI) to carry out all necessary functions for the operation of the Campus. The operations and activities of Auxiliary under this agreement shall be integrated with Campus operations and policies and shall be overseen by the campus Chief Financial Officer (CFO) or designee so as to assure compliance with objectives stated in CCR tit.5, §42401.

The Campus shall review Auxiliary to ensure that the written operating agreement is current and that the activities of Auxiliary are in compliance with this agreement at least every five (5) years from the date the operating agreement is executed and at least every five years thereafter. Confirmation that this review has been conducted will consist of either an updated operating agreement, or a letter from the Campus CFO or designee to the Campus President with a copy to the Chancellor's Office, certifying that the review

has been conducted. As part of these periodic reviews, the Campus President should examine the need for each auxiliary and look at the efficiency of the auxiliary operation and administration.

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

#### **4. OPERATIONAL COMPLIANCE**

Auxiliary agrees to maintain and operate its organization in accordance with all applicable laws, regulations and CSU and Campus rules, regulations and policies. Failure of Auxiliary to comply with any term of this agreement may result in the removal, suspension or probation of Auxiliary as an auxiliary organization in good standing. Such action by CSU may result in the limitation or removal of Auxiliary's right to utilize the CSU or campus name, resources and facilities (CCR tit.5, §42406).

#### **5. CONFLICT OF INTEREST**

No officer or employee of the CSU shall be appointed or employed by Auxiliary if such appointment or employment would be incompatible, inconsistent or in conflict with his or her duties as a CSU officer or employee.

Auxiliary has established and will maintain a conflict of interest policy. The Auxiliary's Conflict of Interest Policy is attached as **Attachment 1**.

#### **6. EXPENDITURES AUGMENTING CSU APPROPRIATIONS**

With respect to expenditures for public relations or other purposes which would serve to augment appropriations for CSU operations, Auxiliary may expend funds in such amount and for such purposes as are approved by Auxiliary's governing body. Auxiliary shall file, as **Attachment 2** to this agreement, a statement of Auxiliary's policy on accumulation and use of public relations funds. The statement shall include the policy and procedures for solicitation of funds, the purposes for which the funds may be used, the allowable expenditures and procedures of control.

#### **7. FISCAL AUDITS**

Auxiliary agrees to comply with CSU policy and the provisions of CCR tit.5, §42408, regarding fiscal audits. All fiscal audits shall be conducted by auditors meeting the guidelines established the Integrated CSU Administrative Manual (ICSUAM).

The Campus CFO shall annually review, and submit a written evaluation to the Chancellor's Office in accordance with Section 20, Notices, *of* the external audit firm

selected by the Auxiliary. This review by the Campus CFO must be conducted prior to the Auxiliary engaging an external audit firm and annually thereafter. If the Auxiliary has not changed audit firms, and the audit firm was previously reviewed and received a satisfactory evaluation, a more limited review may be conducted and submitted.

## **8. USE OF NAME**

Campus agrees that Auxiliary may, in connection with its designated functions as a CSU auxiliary organization in good standing and this agreement, use the name of the Campus, the Campus logo, seal or other symbols and marks of the Campus, provided that Auxiliary clearly communicates that it is conducting business in its own name for the benefit of Campus. All correspondence, advertisements, and other communications by Auxiliary must clearly indicate that the communication is by and from Auxiliary and not by or from CSU or Campus.

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

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

Auxiliary shall not delegate the authority to use the Campus name, logo, seal or other symbol or mark to any person or entity without the prior written approval of the Campus President or designee. Auxiliary shall cease using the Campus name, logo, seal or other symbol or mark upon expiration or termination of this agreement, or if Auxiliary ceases to be a CSU auxiliary organization in good standing, dissolves or disappears in a merger.

## **9. CHANGE OR MODIFICATION OF CORPORATE STATUS**

Auxiliary shall provide notice to the CSU upon any change in Auxiliary's legal, operational or tax status including but not limited to changes in its Articles of Incorporation, bylaws, tax status, bankruptcy, dissolution, merger, or change in name.

## **10. FAIR EMPLOYMENT PRACTICES**

In the performance of this agreement, and in accordance with California Government Code §12900 et. seq., Auxiliary shall not deny employment opportunities to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, military and veteran status. Auxiliary shall adopt employment procedures consistent with the policy statement on nondiscrimination and affirmative action in employment adopted by the CSU.

## **11. BACKGROUND CHECK POLICY COMPLIANCE**

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

## **12. DISPOSITION OF ASSETS**

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

## **13. USE OF CAMPUS FACILITIES**

Auxiliary may use those facilities identified for its use in a lease agreement executed between Campus and Auxiliary. If this Operating Agreement terminates or expires and is not renewed within 30 days of the expiration, the lease automatically terminates, unless extended in writing by the parties.

Auxiliary and Campus may agree that Auxiliary may use specified Campus facilities and resources for research projects and for institutes, workshops, and conferences only when such use does not interfere with the instructional program of Campus and upon the written approval from appropriate Campus administrators with such specific delegated authority. Auxiliary shall reimburse Campus for costs of any such use.

## **14. CONTRACTS FOR CAMPUS SERVICES**

Auxiliary may contract with Campus for services to be performed by state employees for the benefit of Auxiliary. Any agreement must be documented in a written memorandum of understanding between Auxiliary and Campus. The memorandum of understanding shall among other things, specify the following: (a) full reimbursement to Campus for services performed by a state employee in accord with CCR tit.5, §42502(f); (b) Auxiliary must clearly identify the specific services to be provided by state employee, (c) Auxiliary must specify any performance measures used by Auxiliary to measure or

evaluate the level of service; (d) Auxiliary must explicitly acknowledge that Auxiliary does not retain the right to hire, supervise or otherwise determine how to fulfill the obligations of the Campus to provide the specified services to Auxiliary.

## **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.

## **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 the [California State University Insurance Requirements](#) 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.

## **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:

*Spartan Shops, Inc.  
San Jose State University  
ATTN: Associate Vice President, Strategic Business Services  
One Washington Square  
San Jose, CA 95192-0041*

Notice to the CSU shall be addressed to:

Trustees of the California State University  
ATTN: Executive Vice Chancellor and Chief Financial Officer  
401 Golden Shore  
Long Beach, California 90802

Notice to the Campus shall be addressed as follows:

*Office of the President  
San Jose State University  
One Washington Square  
San Jose, CA 95192-0002*

## **21. AMENDMENT**

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

## **22. RECORDS**

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

## **23. TERMINATION**

CSU may terminate this agreement upon Auxiliary's breach of or failure to comply with any term of this agreement by providing Auxiliary with a minimum of ninety (90) days

advance written notice. Auxiliary may use the ninety-day advance notice period to cure the breach. If, in the judgment of CSU, the breach has been cured, the termination notice will be cancelled.

## **24. REMEDIES UPON TERMINATION**

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

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

## **25. SEVERABILITY**

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

## **26. LEASE OF PREMISES**

Auxiliary may occupy, operate, and use the leased property only in connection with the following functions and activities in accordance with the terms of this agreement. Operating of a bookstore and food service for the students, faculty, staff, alumni, and guests of the campus.

Campus hereby leases to the Auxiliary the following premises:

- Bookstore
- Student Union Food Facilities
- MacQuarrie Retail & Administration Spaces
- Student Residential Market
- Residential Dining Commons (onsite and Spartan Village on the Paseo)
- South Campus and CEFCU Stadium Catering, Kitchens and Concession Services
- Other Commercial Spaces as determined by the Campus

Attached hereto as Attachment 4 is a list of all leased premises square footage designations.

The lease of the premises is subject to:

- A. The use of the property for civil defense purposes or in the event of a State, Campus or national emergency.
- B. Unanticipated need to meet the demands of the educational objectives of the Campus. The right to the use of any property included in this lease shall cease



upon written notice by the Campus to Auxiliary that the property is needed for exclusive use.

## **27. CONSIDERATION**

- A. Auxiliary shall operate as an auxiliary organization as set forth in this agreement.
- B. Auxiliary shall manage and operate the facilities in accordance with the policies of the CSU, Campus, this agreement, and for the benefit of the Campus.
- C. Auxiliary and the Campus will negotiate the annual facility use payment as stated in the Campus Annual Cost Allocation Plan. Both parties will renegotiate this amount on an annual basis after the year-end reconciliation of sales revenue. The determination of the amount of operations and reserves shall be approved by the Campus CFO.
- D. In return for ongoing property and financial management of the Campus Presidential residence, Campus shall pay the Auxiliary an annual payment of \$49,500. Both parties will consider renegotiation of this amount on as needed basis and shall be approved by the Campus CFO.
- E. Should adverse economic conditions occur which jeopardize the profitability of the Auxiliary, the parties will confer and take appropriate actions, which might include development of a plan to restore Auxiliary' fiscal health while allowing the Campus to meet its requirements and obligations.

## **28. CONFORMANCE WITH STATE LAW**

During the term of this lease, Lessee shall operate the premises described in conformance with all applicable policies of Trustees and SJSU which are currently in effect or which may be adopted hereafter. Further, Lessee agrees to operate as an organization in good standing.

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

## **29. BUILDING, SIGNS, FIXTURES, AND EQUIPMENT**

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

## **30. ALTERATIONS**

All alterations, renovations, and projects located in CSU property shall be coordinated with and approved by the Campus Executive Facility Officer. Cal. Ed. Code § 89911, PPC 10704. The leased premises shall not be altered or changed in any manner or respect without the written consent of the Campus, and changes that may be authorized shall be made under the direction of the Campus and at the expense of Auxiliary. Permanent alterations shall have prior written approval of the Campus.

### **31. RIGHT OF ENTRY**

It is understood and agreed that at any time CSU and its agents shall have the right to enter the leased premises or any part thereof for the purpose of examination or supervision. Care, maintenance, and repair of the leased property shall be provided as follows:

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

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

### **32. CHARGES FOR SERVICES PROVIDED BY THE CAMPUS**

Lessee shall reimburse the Campus for expenditures incurred by the Campus as a result of activities of Lessee under the terms of this agreement. This reimbursement shall include, but not limited to, utility costs and maintenance expenses above and beyond ongoing infrastructure maintenance. Said reimbursement shall be computed on a simple but equitable basis. The Sr. Associate Vice President of Facilities Development & Operations, with the approval of the Campus President and the CFO, shall determine and specify such costs and amount thereof, and reimbursement shall be made by Lessee within 30 days of the receipt of a written notice of such determination.

### **33. HOLDING OVER**

Should Lessee hold over after the expiration of the term hereof with the express or implied consent of the Campus, such holding over shall be on a month-to-month basis subject to the terms and conditions of this lease.

### **34. RESTORATION OF PREMISES**

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

If Lessee shall fail to do so within 90 days after Campus's option, Campus may restore

the property at the risk of the Lessee and all costs and expenses of such removal or restoration shall be paid by Lessee upon demand of State. Campus shall have the right to exercise this option within 30 days after the expiration of this lease, but not thereafter.

### 35. MORTGAGES

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

### 36. ASSIGNMENT OR SUBLEASE

This lease is not assignable by Lessee either in whole or in part, nor shall Lessee sublet the lease premises or any part thereof without written permission of the Campus.

### 38. POSSESSORY INTEREST

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

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

Approved: July 01, 2025

San Jose State University

Signed by:  
By Cynthia Teniente-Matson  
BA56DA146880405...  
Cynthia Teniente-Matson, President

Executed on July 15, 2025

Spartan Shops, Inc.

DocuSigned by:  
By Sara Bonakdar  
0CFC9329A649458...  
Sara Bonakdar, AVP, Strategic Business Services  
On behalf of Spartan Shops

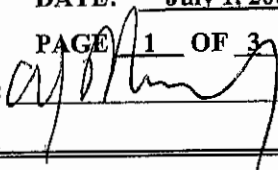
Executed on July \_\_, 2025  
Jul 15, 2025

California State University  
Office of the Chancellor

By Patrick J. Lenz  
Patrick J Lenz, Interim Executive Vice Chancellor  
& CFO



## POLICY AND PROCEDURES MANUAL

PROCEDURE NO.: <u>1.02.0</u>	REVISION: <u>#1</u>	DATE: <u>July 1, 2003</u>
TITLE: <u>Conflict of Interest</u>		PAGE <u>1</u> OF <u>3</u>
APPROVED BY: 		

**PURPOSE:** To establish a policy that defines conflict of interest for both Board members and employees, states company buying ethics, and a general code of ethics to which all should adhere.

**SCOPE:** Applies to all Board members and employees of the company.

### STATEMENT:

Definition: A conflict of interest is defined as any situation in which a Board member or an employee has an outside personal economic interest in which has the potentiality of being opposed to the best interest of Spartan Shops, Inc..

Spartan Shops, Inc. expects that each member of the Board of Directors and each employee will use good judgment, high ethical standards, and honesty in all business dealings. Observing these principles should prevent any conflicts of interest. Where there is a questions as to potential conflict, management expects that each Board member or employee to take the most conservative position.

It is the practice of Spartan Shops, Inc. to respect the rights of its employees to engage in activities outside their employment that are private in nature and which in no way conflict with or reflect upon Spartan Shops, Inc. or its corporate image. It is not feasible or possible to describe all the circumstances and conditions that might potentially be considered as conflicts of interest. Any question that might arise as to potential conflicts is set forth below as a guideline for Board members and employees:

Board of Directors and management employees will complete a Conflict of Interest Statement at the time of appointment or hire.

A, The following situations are considered to have the potential of being in conflict and, therefore, are to be avoided:

1. Investing in the securities of any supplier of Spartan Shops, Inc. whose performance is significantly influenced by Spartan Shops, Inc. purchases, if the individual's responsibilities involve decisions directly or indirectly related to Spartan shops, Inc.'s relationship with such suppliers.

Revised: 07-01-03  
Revision #1

1.02.0 Conflict of Interest

Effective: 07-01-03

Page 2 of 3

2. Engaging in any transaction or employment that is in any competitive with, or in conflict with, any activity or objective of Spartan Shops, Inc.
  3. Engaging in any transaction or employment that could be considered supplying goods or services to Spartan Shops, Inc..
  4. Participating in any personal financial dealings with any individual or business organization furnishing merchandise, supplies, property or services to Spartan Shops, Inc.. An example of prohibited dealings would include arrangements to receive loans (other than from banks with whom Spartan Shops, Inc. deals), commissions, royalties, property or share in profit.
  5. Accepting gifts of greater than normal value; or of any favors that go beyond courtesies usually associated with good business practices.
  6. Accepted the extended use of any vehicle, appliance or other merchandise from an individual or business organization doing business with Spartan Shops, Inc. (excluding bona fide testing of any products which are arranged for by authorized managers of Spartan Shops, Inc.).
- B. No conflict of interest situation will be deemed to have arisen solely by virtue of ownership of:
1. Stock in a supplier, competitor or customer of Spartan Shops, Inc. or other corporation that does business with Spartan Shops, Inc. provided that the interest is solely of an investment nature. An interest of one percent or less of outstanding stock in a company whose shares are available to the public is considered to fall in the investment category.
  2. Deposits in a financial institution that does business with Spartan Shops, Inc. such as banks, trust companies or savings and loan institutions.
  3. Personal insurance policies issued by 1) mutual insurance carriers doing business with Spartan Shops, Inc. or 2) other insurance carriers doing business with Spartan Shops, Inc. wherein ownership of a policy beneficial rights on the policyholder.

**BUYING ETHICS**

Spartan Shops, Inc. promotes a high standard of ethics in its day-to-day operation of the corporation. We have a responsibility to ourselves, the industries in which we operate, our corporation, and our customers to discharge our duties in an ethical manner. An important activity when high ethical standards should be performed is our buying operations.

All public institutions of the State of California are subject to rigid policy and procedures with regard to buyers and purchasing agents. While those policies are designed for institutional purchasing rather than retail buying, it is understood that buyers are expected to transact business in a prudent manner and may not profit personally by virtue of the position they occupy. Any assets acquired through sales transactions are the property of Spartan Shops, Inc..

Revised: 07-01-03  
Revision #1

1.02.0 Conflict of Interest

Effective: 07-01-03

Page 3 of 3

**CODE OF ETHICS**

1. To give first consideration to the objectives and policies of Spartan Shops and San Jose State University.
2. To strive to obtain the maximum ultimate value of each dollar of expenditure.
3. To cooperate with trade and industrial associations, governmental, and private agencies engaged in the promotion and development of sound business methods.
4. To demand honesty in sales representation, whether offered through the medium of a verbal or written statement, an advertisement or a sample of the product.
5. To decline personal gifts or gratuities.
6. To grant all vendors equal consideration, to regard each transaction on its own merits, to foster and promote fair, ethical, and legal trade practice.
7. To use, only by consent, original ideas and designs devised by one vendor for competitive purchasing purposes.
8. To accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.

Revised: 07-01-03  
Revision #1

**Auxiliary's Policy on Accumulation and Use of Public Relations Funds**

Auxiliary does not accumulate or utilize funds for public relations, nor are they expecting to in the foreseeable future. In the event this situation changes, the Auxiliary will address this and provide the required statement.

**RESTATED ARTICLES OF INCORPORATION**  
**OF**  
**SPARTAN SHOPS, INC.**

The undersigned certify that:

1. They are the president and the secretary/treasurer, respectively, of SPARTAN SHOPS, INC., a California corporation.
2. The Articles of Incorporation of this corporation are amended and restated to read as follows:

**ARTICLE I.**

**Name**

The name of this corporation is SPARTAN SHOPS, INC.

**ARTICLE II**

**Corporate Status**

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.

**ARTICLE III**

**Purposes**

This corporation is organized exclusively for charitable purposes within the meaning of Section 501(c)(3) of the internal Revenue Code of 1986. The charitable purposes, for which this corporation is organized, are to promote and assist the educational programs of San Jose State University (hereafter "University"), by:

1. establishing, maintaining, and providing Bookstore Services,
2. establishing, maintaining, and providing Food Services,
3. establishing, maintaining, and operating Real Estate Services,
4. establishing, maintaining, and providing Information Technology and Consulting Services,
5. establishing maintaining and providing Retail Services, and
6. establishing maintaining, and operating other Commercial Services on or near facilities of the University.



#### **ARTICLE IV.**

##### **Conformity with Laws and Regulations**

This corporation shall be an auxiliary organization of the San Jose 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 Education Code) and 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 5 of the California Code of Regulations) as required by Education Code, Section 89900(c).

#### **ARTICLE V.**

##### **Exempt Status and Limitation on Activities**

No substantial part of the activities of this corporation shall consist of carrying on of propaganda, or otherwise attempting to influence legislation, nor shall this corporation participate in or intervene in any political campaign (including publishing or distributing of statements) on behalf of (or in opposition to) any candidate for public office. Notwithstanding any other provision of these articles, this corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986 or (b) by a corporation contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code of 1986.

#### **ARTICLE VI.**

##### **Directors**

The number of directors, the manner in which they shall be chosen and removed from office, their qualifications, powers, duties, compensation and tenure of office, the manner of filling vacancies on the Board, and the manner of calling and holding meetings of directors, shall be stated in the Bylaws.

#### **ARTICLE VII.**

##### **Members**

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 otherwise, be taken to be the members of such corporation and exercise all the rights and powers of members thereof.

## **ARTICLE VIII**

### **Personal Liability**

The directors shall not be personally liable for the debts, liabilities, or obligations of this corporation.

## **ARTICLE IX.**

### **Voting**

Each member of the Board of Directors shall have one vote. There shall be no proxy voting permitted for the transaction of any of the business of this corporation. The President shall vote on all matters in Directors meetings.

## **ARTICLE X.**

### **Irrevocable Dedication and Dissolution**

The property of the corporation is irrevocably dedicated to charitable purposes set forth in Article III, and no part of the net income or assets of this corporation shall ever inure to the benefit of any private persons. Upon the dissolution or winding up of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation, shall be distributed to one or more nonprofit corporations organized and operated for the benefit of San Jose State University, and approved by the President of the University and the Chancellor of The California State University. Such nonprofit corporation or corporations must be qualified for Federal income tax exemption under Section 501(c)(3) of the Internal Revenue Code of 1986, and be organized and operated exclusively for charitable purposes.

## **ARTICLE XI**

### **Amendment**

Subject to written approval of the President of the University, the Articles of Incorporation of this corporation shall be amended only by the vote of a majority of the total voting membership of the Board of Directors, providing that the amendment has been submitted in writing at the previous regular meeting.

## **ARTICLE XII**


### **Election to Be Governed by Nonprofit Public Benefit Corporation Law**


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

3. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the board of directors in the manner required by Article XI of the corporation's current Articles of Incorporation.
4. The corporation has not members.
5. The foregoing amendment and restatement of Articles of Incorporation has been duly approved in writing by the President of the University as required by Article XI of the corporation's current Articles of Incorporation.

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: 10/26/2020 \_\_\_\_\_

DocuSigned by:  
  
A8A67319C3F8409...  
Charlie Faas, President

DocuSigned by:  
  
581848F39B214DC...  
Secretary/Treasurer

AUXILIARY LEASED LOCATIONS SQUARE FOOTAGE

LEASED SITE	SPACE ASSIGNED TO SPARTAN SHOPS (SQFT)
Bookstore	20,804
Student Union Food Facilities	26,084
MacQuarrie Retail & Administration Spaces	8,946
Residential Dining Commons (onsite and Spartan Village on the Paseo)	22,606 (onsite DC) 8,539 (SVOP)
South Campus and CEFCU Stadium Catering, Kitchens & Concession Services	N/A
Other Commercial Spaces	N/A