

4/2011



ASSOCIATED STUDENTS INCORPORATED SUBLEASE

This SUBLEASE is made and entered into this 1st day of January, 2010, between, Associated Students of California State University Channel Islands, Inc. hereinafter called "Auxiliary," and, the University Glen Corporation, hereinafter called "Lessee."

WHEREAS, Auxiliary entered into a Lease (Master Lease) on December 17, 2009 with the Trustees of The California State University, herein after called "State", a copy of which is attached hereto as Exhibit "A", and

WHEREAS, in said Lease State authorizes the President of California State University Channel Islands to approve a sublease for any portion of the leased premises, and

WHEREAS, the President of California State University Channel Islands acknowledges his/her approval of this SUBLEASE by signing this SUBLEASE, and

WHEREAS, the continuance of the term of this sublease past the current term of the Master Agreement is contingent on the renewal of the Master Agreement.

NOW, THEREFORE, Auxiliary and Lessee hereby agree to the following terms:

I. Premises:

Auxiliary hereby subleases to Lessee the following property:

Student Union Building food services area, convenience store space, and a site to house a banking automated teller machine (ATM) see floor plan attached hereto as Exhibit "B" (The Premises).

II. Term of Lease

The lease is for the term beginning on the first day of January, 2010, and ending on the 30th day of June, 2015, unless sooner terminated as herein provided.

III. Use of Premises

Student Union Building services will consist of the following areas:

- 1.) Lighthouse Café kitchen and food service area serving salads, sandwiches, pizzas, and fountain drinks.
- 2.) Freudian Sip coffee service featuring coffees, teas, smoothies and pastries.
- 3.) The "Sea Store" offering convenience store type items.
- 4.) ATM installation for banking services.

IV. Consideration

Lessee shall pay to Auxiliary 2.3% of gross sales generated by the Student Union Building food services and convenience store and shall pay Five Hundred Dollars (\$500.00) monthly rent for the ATM site.



V. Conformance with State Law

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

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

VI. Buildings, Signs, Fixtures, and Equipment

During the term of the sublease, Lessee's right to erect, place, and attach exterior permanent signs shall be contingent on Lessee specifying the number, size, and location of the signs to be placed and requires the prior written approval from the President or a designated staff member. Temporary exterior signs must be submitted to Communications and Marketing Department for approval and must be in compliance with exterior sign policy. Interior sign installation is under the jurisdiction of Student Affairs and must be submitted to the Executive Director of Associated Students Incorporated for approval. Any approved fixtures, signs, and equipment so erected, placed, or attached by Lessee shall be and remain the property of Lessee and may be removed by Lessee prior to the termination of this lease.

VII. Alterations/Improvements

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

Tenant Improvements to be made to the premises must comply with the "CI Tenant Improvement Process" attached hereto as Exhibit "C" (CI Tenant Improvement Process).

VIII. Right of Entry

It is understood and agreed that at any time Auxiliary and its agents shall have the right to enter the leased premises or any part thereof for the purpose of examination or supervision.

IX. Charges for Services Provided by the State

Lessee shall reimburse State for expenditures incurred by the campus as a result of activities of Lessee under the terms of this agreement. Itemized expenses which the Lessee is responsible for are included in, but not limited to those items listed in Exhibit "D" (Lessee Expenses).

State shall provide utilities to the Premises however, State shall not be liable in any respect whatsoever for the inadequacy, stoppage, interruption or discontinuance of any utility or service. Charges shall be calculated on a direct cost basis.

Lessee expenses include any costs incurred by State on behalf of food services. Reimbursements shall be computed on a simple but equitable basis, or where applicable, on a direct cost basis in accordance with the University fee schedule attached hereto as Exhibit "E" (Chargeback Fee Schedule). Lessee shall be invoiced for expenses as they are incurred; payments are due to State within thirty (30) days receipt of invoice.

X Care, Maintenance, and Repair

The standard for care, maintenance, and repair of the leased property shall be as follows:

Care and Maintenance: Lessee agrees to keep and maintain the leased premises 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.

Lessee shall be responsible for costs of custodial services associated with cleaning the kitchen areas, servery, convenience store and ATM in the Student Union Building.

If Lessee should fail to maintain any area of the Premises according to the campus standard, State reserves the right to perform this work and charge the expense to Lessee.

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

XI. Insurance

LESSEE shall procure and maintain for the duration of the Sublease Agreement, at its sole cost and expense, the insurance, as specified below, against claims that may arise from or in connection with the performance of the work of the Sublease Agreement.

(a) **Mandatory Insurance Coverage/Policies:**

1. General Liability coverage in the minimum amount of \$1,000,000 combined single limit (CSL) bodily injury and property damage each occurrence and \$2,000,000 aggregate, including premises/operations, personal injury, broad form property damage, products, contractual liability, independent lessees and \$100,000 fire legal liability. A Waiver of Subrogation is required.
2. Commercial Automobile Liability coverage in the minimum amount of \$1,000,000 CSL bodily injury and property damage, including owned, non-owned and hired automobiles. Also to include Uninsured/Underinsured Motorists coverage in the minimum amount of \$1,000,000.
3. Workers' Compensation coverage, in full compliance with California statutory requirements, for all employees of LESSEE and Employer's Liability in the minimum amount of \$1,000,000. CI, CSU, its Trustees, officers, employees or agents, shall not be responsible for any claims in law or equity occasioned by failure of LESSEE to comply with this paragraph.

4. LESSEE shall furnish to State certificates of insurance evidencing coverage under sub-sections 1, 2 and 3 of this section "7 a" which shall state the name of the carrier, show the expiration date of the policy, and must exactly state the following word-for-word:

(a) "The State of California, the Trustees of the California State University, CI, and the employees, officers, agents, and volunteers of each of them are included as additional insured's."

(b) The insurer will not cancel insured's coverage without 30 days prior written notice to State in accordance with subsection d - Supplemental Terms and Conditions.

(c) The State of California, the Trustees of the California State University, State, and the employees, officers, and agents of each of them shall not be responsible for any premiums or assessments of the policy."

(b) Deductible and Self Insured Retentions:

Any deductibles or self-insured retentions must be declared to and approved by State. Insurer shall reduce or eliminate such deductibles or self insured retentions as respects State, its Trustees, officers, employees and volunteers; or the Lessee shall provide evidence satisfactory to State guaranteeing payment of losses and related investigations, claim administration and defense expenses.

(c) The General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions:

1. State, The CSU, its Trustees, officers, employees and volunteers are to be covered as Insured with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Lessee; and with respect to liability arising out of work or operations performed by or on behalf of the LESSEE including materials, parts or equipment furnished in connection with such work or operations;

2. For any claims related to this Agreement, the Lessee's insurance coverage shall be primary insurance as respects the State of California, the CSU, its Trustees, officers, employees, agents and volunteers. Any insurance or self-insurance maintained by the State, the CSU, its Trustees, officers, employees, agents or volunteers shall be excess of the Lessee's insurance and shall not

(d) Supplemental Terms and Conditions:

1. All insurance obtained by LESSEE pursuant to this Agreement shall be issued by a company or companies authorized to transact business in the State of California. All Insurance must be issued by companies licensed to write insurance policies in the State of California, which have a BEST rating of A: VII.
2. The policies shall be primary and non-contributing with any insurance coverage by State and shall contain a severability of interests' clause in respect to cross liability, protecting each named insured as though a separate policy had been issued to each.
3. All insurance required by this Agreement shall be in effect at all times during the term of this Agreement. In the event any insurance coverage is to expire during the term of this Agreement, LESSEE shall provide at least 30 days prior to the expiration date, a new certificate of insurance with itemization of exclusions evidencing coverage as provided herein for the remaining time of the Agreement term. New insurance policies are subject to the approval of the State, and LESSEE agrees that no work or services shall be performed prior to the giving of such approval. In the event LESSEE fails to keep in effect at all times insurance coverage as herein required, State may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.
4. State shall be notified immediately when claims (paid and reserved) are within \$2,000,000 of any annual aggregate insurance limit. Additional coverage must be purchased to meet limits requirements if the aggregate insurance limit is exceeded.
5. For any of the insurance coverages, which are "claims made", LESSEE must either purchase tail (extended reporting period) coverage for a period of 5 years after expiration or termination of this Agreement or maintain coverage with the same insurance company for a period of 5 years after expiration or termination of this Agreement.
6. Insurance coverage in the minimum amounts set forth herein shall not be construed to relieve LESSEE for liability in excess of such coverage, nor shall it preclude State from taking any other actions available to it under any other provisions of this Agreement or otherwise in law. LESSEE shall be solely responsible and liable for payment of any deductibles or self-insured retentions applicable to its insurance coverage for claims arising from operations under the provisions of this Agreement.
7. Except for Workers' Compensation, State, the CSU, its Trustees, offices, employees, Agents and volunteers are to be named as "additional insured" with respect to work done by LESSEE under the terms of this Agreement on all policies required.

8. Policies shall not be canceled, non-renewed or reduced in scope of coverage until after 60 calendar days' written notice has been given to State.

9. LESSEE shall provide State with the following insurance documents on or before the effective date of this Agreement:

(a) Certificates of insurance for all required coverage; and

(b) Full copies of all liability policies, which are to include additional insured endorsements and 30 days' notice cancellation clause endorsements.

XII. Indemnification

Lessee agrees to indemnify, defend, and save harmless the Trustees and the State of California and their officers, agents, and employees from any and all loss, damage, or liability that may be suffered or incurred which arises out of or is in any way connected with the use of the leased premises herein described by Lessee.

XIII. Termination

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

1. Expiration of the lease term set forth in Section II.
2. Violation of Section V or any other substantial provision of this sublease.
3. Administrative necessity for civil defense purposes, State or national emergency, or unanticipated need of State.
4. Cessation of operations of Lessee.

XIV. Holding Over

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

XV. Restoration of Premises

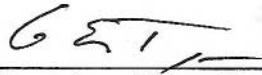
Upon termination of this sublease, Auxiliary shall have the option to require Lessee, at its own expense and risk, to restore the demised premises as nearly as possible to the condition existing prior to the execution of the sublease, with the exception of normal wear and tear.


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

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

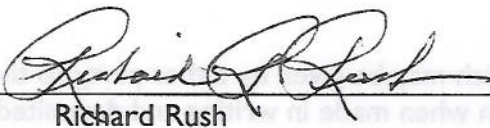
ASSOCIATED STUDENTS INC.

UNIVERSITY GLEN CORPORATION

By 
Genevieve Evans Taylor
Executive Director

By 
Erik Blaine
Executive Director

APPROVED

By 
Richard Rush
President

Attachments:

- Exhibit "A" (Master Lease)
- Exhibit "B" (The Premises)
- Exhibit "C" (CI Tenant Improvement Process)
- Exhibit "D" (Lessee Expenses)
- Exhibit "E" (Chargeback Fee Schedule)

XVI. Mortgages

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

XVII. Amendments

This sublease may not be amended, changed, modified, or altered without the written consent of Auxiliary, the Lessee, and the campus President.

XVIII. Assignment or Sublease

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

XIX. Notices

All notices herein required to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified and postage prepaid and addressed as herein provided.

Notice to Lessee shall be addressed as follows:

University Glen Corporation
Attn: Erik Blaine
45 Rincon Drive Suite 104-A
Camarillo, CA 93012

Notice to Auxiliary shall be addressed to:

Associated Students Incorporated
Attn: Genevieve Evans-Taylor
One University Drive
Camarillo, CA 93012

**OPERATING AGREEMENT AND LEASE
BETWEEN TRUSTEES AND
ASSOCIATED STUDENTS OF CALIFORNIA STATE UNIVERSITY CHANNEL
ISLANDS, INC.**

This agreement is made and entered into by and between the State of California through its Trustees of the California State University by their duly qualified and acting Chancellor (hereinafter called State) and Associated Students of California State University Channel Islands, Inc. (hereinafter called Auxiliary). The term of this agreement shall be July 1, 2008 through June 30, 2013 unless sooner terminated as herein provided.

1. PURPOSE

The purpose of this agreement and lease is to set forth the terms and conditions under which Auxiliary may operate as an auxiliary organization pursuant to Chapter 7, Part 55, Division 8, Title 3 (Sections 89900 et seq.) and Section 89046 of the Education Code and Subchapter 6, Article 1, Part V (Sections 42400 et seq.) and Section 42601 of Title 5 of the California Code of Regulations (CCR). In entering this agreement, Trustees find that certain functions important to the mission of the California State University are more effectively accomplished by the use of an auxiliary organization rather than the usual state procedures.

2. FUNCTION

In consideration of receiving recognition as an official auxiliary organization of the California State University, Auxiliary hereby agrees, for the period covered by this agreement, to perform the following functions specified in Section 42500, Title 5, CCR:

1. *Student Body Organization Programs*
2. *Student Union Programs*
3. *Loans, Scholarships, Grants-in-Aids, Stipends, and Related Financial Assistance*
4. *Externally Funded Projects Including Research, Workshops, Conferences, and Institutes*
5. *Instructionally related Programs and activities, including Athletics, Radio and Television Stations, Newspaper and other Instructionally Related Programs and Activities*
6. *Gifts, bequests, devises, endowments, trusts and similar funds*
7. *Public relations, fundraising, fund management, and similar development programs*
8. *Acquisition, development, sale, and transfer of real and personal property including financing transactions related to these activities*

Auxiliary further agrees to receive and apply exclusively the funds and properties coming into its possession toward furthering these purposes. Prior to initiating any additional functions, Auxiliary agrees to obtain written approval of Trustees.

Operations of Auxiliary under this Agreement shall be integrated with campus operations and shall be supervised by campus officials so as to assure compliance with the objectives stated in Title 5, CCR, 42401.

3. ADDITIONAL CONDITIONS

A. Auxiliary agrees to maintain its organization and to operate in accordance with all applicable regulations and policies of State, Chancellor, and California State University Channel Islands.

B. 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 with State 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, purposes for which the funds will be used, allowable expenditures, and procedures of control.

C. No officer or employee of the California State University 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 State officer or employee.

4. RECORDS

Auxiliary shall maintain adequate records and shall submit periodic reports as required by State 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.

5. INTERNAL COMPLIANCE AND OPERATIONAL REVIEW

Auxiliary agrees to assist the President and his or her designee in carrying out the compliance and operational reviews required by Executive Order 698 and related policies.

6. FISCAL AUDITS

Auxiliary is subject to the provisions of Section 89900 of the Education Code and Section 42408 of Title 5, CCR. In accordance with these provisions, Auxiliary agrees to:

A. *Contract with a certified public accountant for an annual audit at Auxiliary's expense. The report on such examinations shall be furnished to the State*

B. Permit examination of all Auxiliary records by State or their designee.

7. REMEDIES ON TERMINATION OR BREACH

A. Failure of Auxiliary to comply with any term of this agreement may result in the removal, suspension, or placing on probation of Auxiliary as an auxiliary organization in good standing. Such action by State may involve the limitation or removal of Auxiliary's right to utilize the resources, facilities, and name of State and California State University Channel Islands (ref. Title 5, CCR, 42406).

B. Upon termination or breach of this agreement, State, at its sole discretion, may require Auxiliary to transfer all assets in its possession by reason of its status as a CSU auxiliary organization to a successor nonprofit corporation qualifying as an auxiliary organization. This remedy shall be in addition to any other remedies available to State upon termination or breach of this agreement.

C. In addition to any other remedies, State may, upon breach or termination of this agreement, withhold from Auxiliary all funds or fees collected by State for benefit of Auxiliary.

8. FAIR EMPLOYMENT PRACTICES

In the performance of this agreement, Auxiliary shall not deny employment opportunities to any person on the basis of race, color, religion, ethnic group identification, sex, sexual orientation, marital status, pregnancy, age, physical or mental disability, medical condition, or veteran's status. Auxiliary shall adopt employment procedures consistent with the policy statement on nondiscrimination and affirmative action in employment adopted by State.

9. DISPOSITION OF ASSETS

Attached hereto as Attachment 1 is a copy of Auxiliary's Articles of Incorporation, which establishes that upon dissolution of Auxiliary, the net assets other than trust funds shall be distributed in accord with Section 42600, Title 5, California Code of Regulations. For the period covered by this agreement, 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 disposition of the net assets, this agreement shall terminate as of the date immediately preceding the date such change becomes effective, and all net assets shall become the property of State.

10. USE OF CAMPUS FACILITIES

Auxiliary may use those facilities identified for its use in this agreement. . In addition to the facilities covered by the lease agreement, California State University Channel Islands may permit Auxiliary to utilize other campus facilities. Permission shall be granted by

the execution of a license agreement with California State University Channel Islands. Such a license must be set forth in the format provided by State.

11. DISPOSITION OF NET EARNINGS

Auxiliary agrees to comply with Trustee's and California State University Channel Islands policy on expenditure of funds, including but not limited to State guidelines for the disposition of revenues in excess of expenses and State policies on maintaining appropriate reserves.

12. INDEMNIFICATION

Auxiliary agrees to indemnify, defend, and save harmless the State, the Trustees of the California State University, Chancellor, and California State University Channel Islands, their officers, agents and employees of each of them (all of which are hereinafter referred to as "State") from any and all loss, damage, or liability that may be suffered or incurred by State, caused by, arising out of, or in any way connected with the operation of Auxiliary as an auxiliary organization.

13. CHARGES FOR FACILITIES & SERVICES PROVIDED BY THE STATE

Auxiliary agrees to reimburse State for expenses incurred by State as the result of Auxiliary's activities under this agreement. Reimbursement shall be for items including, but not limited to utility costs, custodial services, maintenance costs, supplies, rentals, campus services, and the indirect costs. Reimbursement shall be on a simple but equitable basis and in accordance with the policies for reimbursement of costs as established by State. Auxiliary agrees to make reimbursement within 30 days from receipt of notice of such determination.

14. MAINTENANCE AND OPERATING EXPENSE

Auxiliary shall be responsible for the payment of organizational maintenance and operating expense during the term of this agreement.

15. INSURANCE

A. Auxiliary shall maintain in force during the term of this Agreement and all extensions thereof liability insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Auxiliary, its agents, representatives, employees or subcontractors.

B. Minimum Scope of Insurance Coverage shall be at least as broad as:

- 1) Insurance Services Office Commercial General Liability coverage (occurrence

form CG 0001).

- 2) Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto).
- 3) Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
- 4) "All Risk" Property Insurance with applicable limits for all property that the Campus has an insurable interest in.

C. Minimum Limits of Insurance

Auxiliary shall maintain limits no less than:

- 1) General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- 2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
- 3) Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
- 4) Property Insurance: Full replacement of insured property.

D. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the Campus. At the option of the Campus, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Campus, its trustees, officers, employees and volunteers; or the Auxiliary shall provide a financial guarantee satisfactory to the Campus guaranteeing payment of losses and related investigations, claim administration and defense expenses.

E. Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

- 1) The Campus, its trustees, officers, employees, and volunteers are to be covered as additional insured with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Auxiliary; and with respect to liability arising out of work or operations performed by or on behalf of the Auxiliary including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Auxiliary's insurance, or as a separate owner's policy.
- 2) For any claims related to a project, the Auxiliary's insurance coverage shall be primary insurance as respects the Campus, its trustees, officers, employees, and volunteers. Any insurance or self-insurance maintained by the Campus, its trustees,

enrolled students. After required funds have been set aside for debt service and all reserves, Trustees agrees to make available to Auxiliary a portion of any remaining funds, as authorized by Education Code, Section 90076. State agrees to transfer such funds, if any, in the Student Union Net Revenue Fund account, in the following circumstances:

- 1) Auxiliary shall be entitled to a transfer of funds as required for operating purposes. The transfer for operating purposes will be based on needs as shown in the operating budget and approved by the campus and Office of the Chancellor, subject to the availability of such funds.
- 2) Additional transfers of revenue may be made for extraordinary expenses as requested by Auxiliary and approved by the Office of the Chancellor, subject to the availability of funds.

B. This Section shall be subject to and construed in conformity with the Resolution of the State adopted authorizing the issuance of California State University Student Union Revenue Bonds attached as Exhibit A hereto and made a part of this agreement by reference thereto or the CSU Systemwide Revenue Bond Program, as applicable.

21. BUILDINGS, SIGNS, FIXTURES, AND EQUIPMENT

During the term of this Agreement, Auxiliary may be permitted to erect, place, and attach buildings, fixtures, signs, and equipment in and upon the leased property. Plans and working drawings for buildings to be placed on the leased land require prior approval of State. The number, size, and location of signs are subject to prior written approval of the campus president. 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.

22. ALTERATIONS

The leased premises shall not be altered or changed in any manner or respect without (following process as prescribed by the written consent of the campus President, and changes that may be authorized shall be made under the direction of the president and at the expense of Auxiliary. Permanent alterations shall have prior approval of State.

23. RIGHT OF ENTRY

It is understood and agreed that at any time State 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.

24. RESTORATION OF PREMISES

Upon termination of this lease, State 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.

But, if Auxiliary shall fail to do so within 90 days after State's option, State may restore the property at the risk of the Auxiliary and all costs and expenses of such removal or restoration shall be paid by Auxiliary upon demand of State. State shall have the right to exercise this option within 30 days after the expiration of this lease, but not thereafter.

25. MORTGAGES

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

26. POSSESSORY INTEREST

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

27. ASSIGNMENTS OR SUBLEASE

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

State agrees, however, that Auxiliary may sublease any portion of the premises with the approval of the campus President. Substantial deviation from State's policy and model sub-leases requires the approval of the California State University Channel Islands.

Subleases may be written with terms in excess of this agreement; however, the continuation of the sublease past the term of this Agreement is contingent on this Agreement's renewal

17. STUDENT BODY ORGANIZATION FUNDS

A. All funds obtained from mandatory fees shall be expended by Auxiliary in accordance with the regulations and policies of State and the policies of the campus.

B. All funds and money collected by or on behalf of Auxiliary, except funds and money collected from commercial services, shall be deposited in trust by the campus chief fiscal officer in accordance with procedures approved by the campus and Auxiliary. Investment, accounting, control, and expenditure of such funds shall be in accordance with the regulations and policies of State and the policies of the campus.

D. Preparation, review, and approval of Auxiliary's budget by the campus President shall be in accordance with the regulations and policies of State and the policies of the campus.

28. AMERICANS WITH DISABILITIES ACT (ADA) Rev. 9/03

Auxiliary assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, if that act is otherwise applicable. The ADA prohibits discrimination on the basis of disability. (42 U.S.C. 12101 et seq.)

29. NOTICES

All notices herein required to be given, or which may be given by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified and postage prepaid and addressed as herein provided.

Notice to Auxiliary shall be addressed as follows:

ATTN: Missy Jarnagin, Treasurer
CSUCI
One University Drive
Camarillo, CA 93012

Notice to the State shall be addressed to:

Trustees of the California State University
401 Golden Shore
Long Beach, California 90802
Attention: Contract Services & Procurement

Notice to the President shall be addressed as follows:

ATTN: Joanne Coville
CSUCI
One University Drive
Camarillo, CA 93012

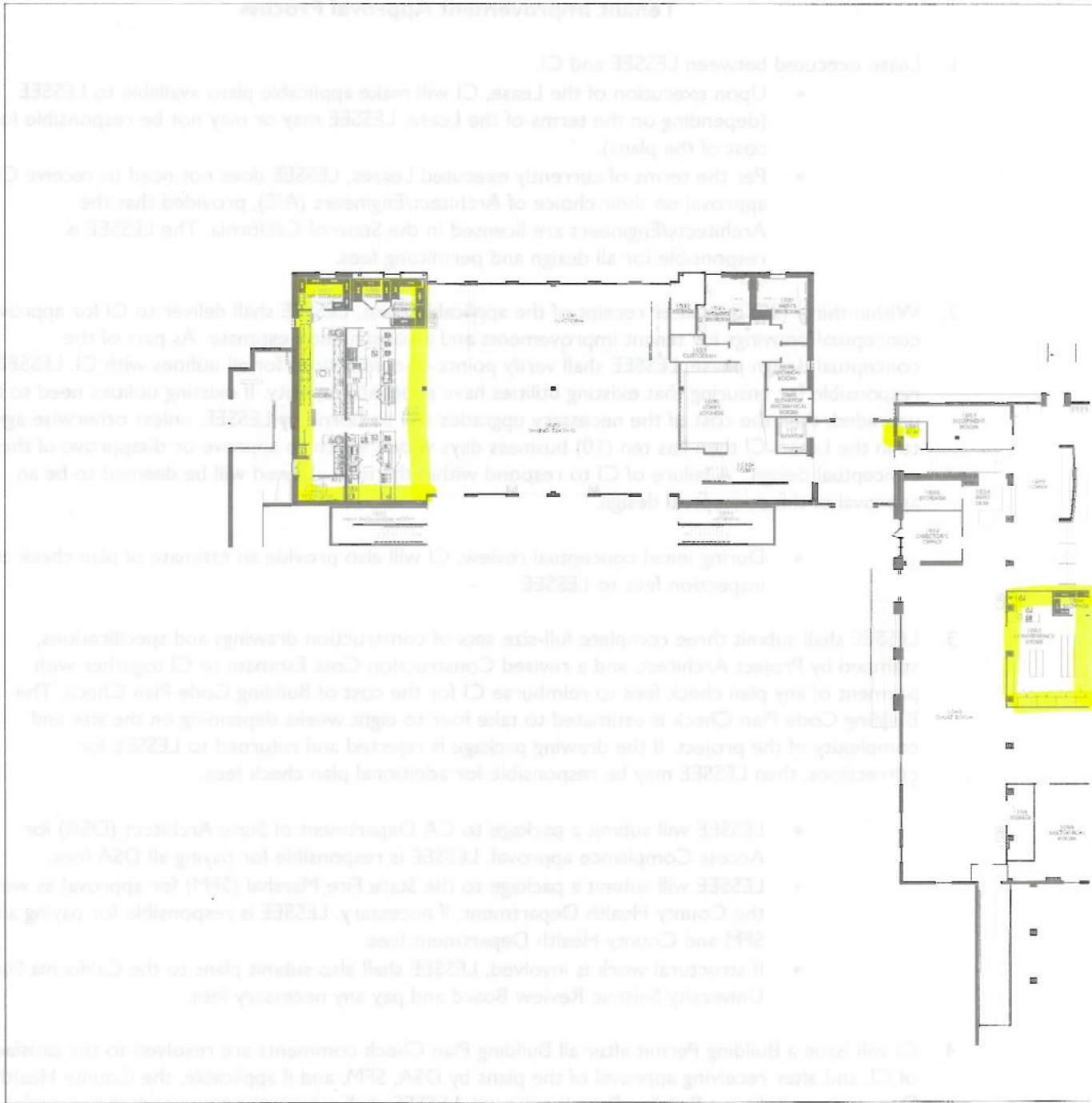


Exhibit "B" (The Premises)

**California State University Channel Islands (CI)
Tenant Improvement Approval Process**

1. Lease executed between LESSEE and CI.
 - Upon execution of the Lease, CI will make applicable plans available to LESSEE (depending on the terms of the Lease, LESSEE may or may not be responsible for cost of the plans).
 - Per the terms of currently executed Leases, LESSEE does not need to receive CI's approval on their choice of Architect/Engineers (A/E), provided that the Architects/Engineers are licensed in the State of California. The LESSEE is responsible for all design and permitting fees.

2. Within thirty (30) days after receipt of the applicable plans, LESSEE shall deliver to CI for approval, conceptual drawings for tenant improvements and a construction estimate. As part of the conceptual design phase, LESSEE shall verify points-of-connections for all utilities with CI. LESSEE is responsible for ensuring that existing utilities have adequate capacity. If existing utilities need to be upgraded, then the cost of the necessary upgrades will be borne by LESSEE, unless otherwise agreed to in the Lease. CI then has ten (10) business days within which to approve or disapprove of the conceptual design. A failure of CI to respond within the time allowed will be deemed to be an approval of the conceptual design.
 - During initial conceptual review, CI will also provide an estimate of plan check and inspection fees to LESSEE.

3. LESSEE shall submit three complete full-size sets of construction drawings and specifications, stamped by Project Architect, and a revised Construction Cost Estimate to CI together with payment of any plan check fees to reimburse CI for the cost of Building Code Plan Check. The Building Code Plan Check is estimated to take four to eight weeks depending on the size and complexity of the project. If the drawing package is rejected and returned to LESSEE for corrections, then LESSEE may be responsible for additional plan check fees.
 - LESSEE will submit a package to CA Department of State Architect (DSA) for Access Compliance approval. LESSEE is responsible for paying all DSA fees.
 - LESSEE will submit a package to the State Fire Marshal (SFM) for approval as well as the County Health Department, if necessary. LESSEE is responsible for paying all SFM and County Health Department fees.
 - If structural work is involved, LESSEE shall also submit plans to the California State University Seismic Review Board and pay any necessary fees.

4. CI will issue a Building Permit after all Building Plan Check comments are resolved to the satisfaction of CI, and after receiving approval of the plans by DSA, SFM, and if applicable, the County Health Department. Before a Building Permit is issued, LESSEE shall submit the name and contractor's license number for the Construction Contractor and a Certificate of Liability Insurance from the Contractor naming CI as an additional insured. LESSEE shall not begin work until CI has issued a Building Permit.

Exhibit "C" (CI Tenant Improvement Process)

Lessee shall be responsible for all costs associated with campus food service operations including cleaning, maintenance, repairs, replacements and improvements. These expenses shall include, but not be limited to, the following items:

Services

Custodial (kitchen areas, servery, food court, dining room, convenience store)
Cooking/Exhaust Systems
Fire Alarm Inspections
Grease Trap
HVAC
Pest Control
Trash

Maintenance & Repairs

Computer Systems
Exterior Concrete
Fire Alarm Systems
Fixtures & Cabinets
Floors and Carpets
Indoor & Outdoor Furniture
Kitchen Equipment
Lighting Systems, Bulbs, Ballasts
Paint
Phone System
Plumbing & Electrical
Leased Premises
Windows and Blinds

Utilities

Electricity
Gas
Heating & Cooling
Sewer
Steam
Water

Exhibit "D" (Lessee Expenses)

To be attached: Exhibit "E" (Chargeback Fee Schedule)

