

BYLAWS

UNIVERSITY ENTERPRISES CORPORATION AT CSUSB AMENDED MAY 2023

ARTICLE I Objectives

The corporation is organized and at all times hereafter will be operated exclusively for the benefit of, to perform the functions of, or to conduct the purposes of California State University, San Bernardino. The corporation and all of its functions and activities are to be operated and conducted in the promotion of its charitable purposes as specified in its Articles of Incorporation.

This corporation operates as a public benefit, charitable-educational organization under the provisions of the California Revenue and Taxation Code, Section 23701(d) and the United States Internal Revenue Codes, Section 501(c)(3). As a recognized auxiliary of the California State University, the corporation conforms to the California Code of Regulations, Title 5, Section 42400 et seq. established by the Trustees of the California State University. The University's administrative organization supervises this corporation, as required by Title 5, California Code of Regulations, Section 42402.

ARTICLE II Powers

The corporation shall have such powers as are now or may hereafter be granted by the Nonprofit Corporation Law of the State of California, except as limited by the Education Code or the provisions of its Articles of Incorporation or these Bylaws

ARTICLE III Principal Office

The principal office for the transaction of business of this Corporation is hereby fixed and located at California State University, in the City of San Bernardino, County of San Bernardino, State of California. The Directors of this corporation are hereby granted full power and authority to change said principal office from one location to another in said county.

ARTICLE IV Members

Section 4.1 No regular members. In accordance with Section 5310 of the California Corporations Code, the Corporation shall have no members within the meaning of Section 5056 of that law. All action which would otherwise require approval by a majority of all members or approval by members shall require only approval of the Board of Directors. All rights which would otherwise vest in members shall vest in the Directors.

Section 4.2 Persons associated with the Corporation. By resolution, a majority of the Board of Directors may create any advisory boards, councils, or other bodies as it deems appropriate. The Board of Directors may also, by resolution, confer upon any such class or classes of persons some or all of the rights identical to those of a member under the California Nonprofit Public Benefit Corporation Law other than the right to vote.

- a. for the election of a Director or Directors or an officer or officers; or
- b. on a disposition of all or substantially all of the assets of the Corporation; or
- c. on a merger; or
- d. on a dissolution; or
- e. on changes to the Corporation's Articles of Incorporation or Bylaws.

ARTICLE V

Board of Directors

Section 5.1. Definition of Terms. For the purpose of these Bylaws, "Board of Directors" or "Board" refers to the Board of Directors of this corporation. "Corporation" refers to the University Enterprises Corporation at CSUSB. "Board of Trustees" refers to the Board of Trustees of the California State University.

Section 5.2. Duties of Directors

A Director shall perform the duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. In performing the duties of a Director, a Director shall be entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, in each case prepared or presented by:

- a. One or more officers or employees of this Corporation whom the Director believes to be dependable and competent in the matters presented;
- b. Counsel, independent accountants, or other persons as to matters which the Director believes to be within any such person's professional or expert competence; or
- c. A committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director believes to merit confidence; so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances, and without knowledge that would cause such reliance to be unwarranted.

Section 5.3. Power of Directors. Subject to limitations imposed by law, the Articles of Incorporation or these Bylaws, the activities and affairs of this corporation shall be conducted, and all corporate powers shall be exercised by or under direction of the Board of Directors. The Board may delegate the management of the activities of the Corporation to any person or persons, provided that the activities and affairs of the Corporation shall be managed, and all corporate powers shall be exercised under the ultimate direction of the Board.

Section 5.4. Number of Directors. The authorized number of voting Directors shall be up to nineteen (19) until changed by an amendment of these Bylaws as hereinafter provided.

Section 5.5. Selection of Directors. The composition of the Board of Directors shall be in conformity with Section 42602 of the California Code of Regulations, Title 5. Up to nineteen (19) Directors shall be drawn from the membership of faculty, administration, staff, and students of the University and the community and shall serve their designated terms, if any, or until the termination of their employment with the University or their death, resignation, or removal. The composition of the membership shall be as follows unless there is an elimination of a position:

- (a) University President (1), who is also the Chief Executive Officer of this corporation.
- (b) University Vice Presidents (6) comprising the Provost/Vice President for Academic Affairs, Vice President for Administration and Finance, Vice President for University Advancement, Vice President for Student Affairs, Vice President for Information Technology Services, and the Vice President for Human Resources
- (c) Faculty Directors (3). Three (3) of the Faculty Directors shall be recommended by the Faculty Senate, nominated by the University President, and elected by the Board of Directors. The term of office shall be for a period of three (3) years.
- (d) Staff Director (1). Staff Director who shall be employed by the University, shall be nominated by the University President, and elected by the Board of Directors. The term of office shall be for a period of three (3) years.
- (e) Sponsored Programs Administration Director (1). Sponsored Programs Administration Director, who shall be employed by the University, shall be nominated by the University President, and elected by the Board of Directors. This Director position to be filled by the Associate Provost of Research and Dean of Graduate Studies.
- (f) Student Directors (3). Student Directors shall be recommended by the Associated Students Senate, nominated by the University President, and shall be elected by the Board of Directors. The term of office shall be for a period of two (2) years. Student Directors must be regularly enrolled for at least seven (7) units of courses carrying resident credit at California State University, San Bernardino, except for those students who have completed ninety (90) units, who must be regularly enrolled in at least six (6) units of courses carrying resident credit at California State University, San Bernardino, and shall maintain a scholastic standing of at least 2.75 grade point average for work completed at said University (2.0=C). Student Director must be in good conduct standing

with California State University, San Bernardino. In the event any student Director ceases to have any aforementioned qualifications, such individual shall cease to be a Director of this Corporation and shall be notified of their removal from the Board of Directors. The Student Director shall provide the Board of Directors with sufficient information to verify their meeting of the required student standing criteria.

- (g) Community Directors (not more than 4). Not more than four (4) Directors shall be members of the general community and shall not be employed by California State University, San Bernardino, or its Auxiliary Corporations. These Community Directors shall be nominated by the University's President and then elected by the Board of Directors. The term of office shall be for a period of three (3) years

Each member of the Board of Directors, except the President and Vice President Directors, shall be elected by the Board of Directors, and any Director vacancy occurring by expiration of term of office, or otherwise, shall be filled by majority vote of the remaining Directors at the annual meeting of the Board, or at a special meeting called for that purpose. The term of the office of a Director shall begin immediately after the election.

Section 5.6. Voting. Each member of the Board shall have one vote. There shall be no proxy voting permitted for the transaction of any of the business of this corporation. Proxies may attend Board or Executive Committee meetings but are not permitted to vote.

Section 5.7. Vacancies. Subject to the provisions of Section 5226 of the California Nonprofit Public Benefit Corporation Law, any Director may resign effective upon giving written notice to the Chair or Secretary of the Board, unless the notice specifies a later time for the effectiveness of the resignation. If the resignation is effective at a future time, a successor may be selected before that time, to take office when the resignation becomes effective. Vacancies on the Board shall be filled by the University President. Each Director so appointed shall hold office until the expiration of the term of the replaced Director or until a successor has been appointed by the University President. A vacancy or vacancies on the Board shall be deemed to exist in case of the death, resignation, or removal of any Director, or if the authorized number of Directors is increased. Directors may be removed without cause (a) by the University President, or (b) by a two-thirds (2/3) majority of the voting Directors then in office, subject to approval of the University President. No reduction of the authorized number of Directors shall have the effect of removing any Director before expiration of the Director's term of office.

Section 5.8. Conflict of Interest.

No Director 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. The following contractual relationships are specifically not allowed:

- a. Any contract, other than an employment contract, directly between the Corporation and a Director.

- b. Any contract between the Corporation and a partnership or unincorporated association in which a Director is a partner, or an owner, or a holder, directly or indirectly, of a proprietorship interest.
- c. Any contract between the Corporation and a for-profit corporation in which a Director is the owner or holder, directly or indirectly, of five percent (5%) or more of the outstanding stock.

Any Director who has a conflict and cannot divest himself/herself of such interest as specified in subsections a, b, and c above, shall be required to resign his/her Board position.

A Director must disclose any financial interest which could be affected by the action of the Board. Under these circumstances, the Director must recuse himself or herself from the action to approve such a transaction on the part of the Board. Failure to disclose may result in avoidance (voiding) of the contract.

Every Director shall be required to execute and deliver to the Secretary a written Conflict of Interest statement. Failure to do shall be grounds for removal from the Board of Directors.

Section 5.9. Compensation of Directors. No Director shall receive any salary or other similar compensation for any services as a Director; however, the Board of Directors may authorize the reimbursement of actual and necessary expenses incurred by individual Directors performing duties as Directors.

Section 5.10. Inspection by Directors. Each Director shall have the right at any reasonable time to inspect all books, records, and documents and the physical properties of the corporation for a purpose reasonably related to such person's interest as a Director, provided that the Director shall not have the right to inspect those books, records or documents made privileged or confidential by law. This inspection must be made by the Director or the Director's agent or attorney, and the right of inspection includes the right to copy and make extracts of documents. Nothing in this section shall affect the right of the Board of Directors to conduct the business of the corporation as set forth in these Bylaws.

Section 6.1. Place of Meetings.

- (a) Meetings of the Board of Directors shall be held at any place within this State which has been designated from time to time by resolution of the Board or by written consent of all Directors. In the absence of such designation, regular meetings shall be held at the University.
- (b) Any meeting may be held by conference telephone, through the internet, or by means of any other electronic communications equipment, as long as all Directors participating in the meeting can hear one another, and any members of the public in attendance can hear all of the Directors. All such Directors shall be deemed to be present in person at such meetings.

Section 6.2. Annual Meeting. An annual meeting of the Board of Directors shall be held during the month of May of each calendar year for the purpose of electing Directors and Officers of the corporation and for the transaction of such other business as may come before the meeting.

Section 6.3. Regular Meetings. Regular Meetings of the Board of Directors shall be held quarterly upon notice in accordance with Section 5 of this Article VI. The meetings should be scheduled in advance for the year.

Section 6.4. Special Meetings. Special meetings of the Board may be called in order to transact specific business of the corporation prior to the next regular meeting, as is necessary, and within the provisions of this Section, on at least twenty-four (24) hours' notice delivered personally or by mail, or by telephone, including a voice messaging system, facsimile, electronic mail or other electronic means. The notice of any special meeting shall specify the time and place of the meeting and the business to be transacted. No other business may be conducted at such special meeting of the Board.

Section 6.5. Notices.

(a) Notice of the time and place of any meeting of the Board of Directors, other than special meetings, shall be given at least seven (7) days in advance and delivered personally or sent by mail, electronic mail, or facsimile to each Director at his/her address as shown on the records of the corporation. If mailed, such notice shall be deemed to be delivered the next day during which regular mail deliveries are made after the day such notice is deposited in the U.S. Postal Service in a sealed envelope with postage prepaid. If notice is given by email or facsimile, such notice shall be deemed to be delivered when transmitted. The business to be transacted at any regular meeting of the Board shall be specified in the notice of such meeting.

(b) The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6.6. Open Meetings. All meetings of the Board shall be open and public, and all persons shall be permitted to attend any meeting of the Board, provided, however, that the Board may hold closed sessions during any meeting to consider those matters that may lawfully be considered in such sessions under Article 2 (commencing with Section 89920) of Chapter 7 of Part 55 of the Education Code.

Section 6.7. Quorum and Adjourned Meetings. A majority of the number of voting Directors in office shall constitute a quorum of the Board of Directors for the transaction of business, except to adjourn. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of a Director or Directors, if any action taken is approved by at least a majority of the required quorum for that meeting. A quorum of the Directors may adjourn any Board meeting to meet again at a stated date, time, and place; provided however, that in the absence of a quorum, a majority of the Directors present at any regular or special meeting, may adjourn the meeting to reconvene later. Notice of the date, time, place, and business to be

transacted at such meeting shall be given to any Directors who were not present at the time the meeting was adjourned.

Section 6.8. Minutes of Meetings and Conduct. Written minutes of all meetings of the Board of Directors shall be kept. The Board of Directors may adopt its own rules of procedure insofar as such rules are not inconsistent with, or in conflict with, these Bylaws, the Articles of Incorporation or with the law.

Section 6.9. Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if a majority of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

ARTICLE VII

Officers

Section 7.1. Officers. The officers of this corporation shall be Chair, Vice Chair, Secretary, Treasurer, and such other officers as the Board of Directors may appoint. The offices of Secretary and Treasurer may be held concurrently by the same person. Any number of offices may be held by the same person, except that neither the Secretary nor the Treasurer may serve concurrently as the Chair.

Section 7.2. Election and Terms of Office. All Officers of the corporation shall be nominated by the University President and elected by the Board of Directors at its annual meeting (or if not at the annual meeting, as soon thereafter as may be conveniently scheduled). Each officer shall hold office for a term of one (1) year and until his or her successor shall have been elected, unless he or she shall sooner resign, be removed, or become ineligible to continue to serve in such capacity. Elected officers may serve as many successive one (1) year terms as the Board of Directors deems appropriate.

Section 7.3. Removal and Resignation. Any officer elected by the Board of Directors may be removed from office by a vote of a majority of the Board of Directors at any meeting at which a quorum is present whenever, in their judgment, the best interests of the corporation would be served thereby. Any elected officer may resign from office at any time by giving written notice to the University President or any other officer of the corporation and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

Section 7.4. Vacancies. A vacancy in any office other than one occupied by a Vice President Director, may be filled by the majority of the remaining Directors of the Board in accordance with the provisions of these Bylaws.

Section 7.5. Chair. The Chair shall have general supervision, direction and control of the business and affairs of this corporation, shall preside at all meetings of the Board of Directors, and shall

have such other powers and duties as may be prescribed from time to time by the Board of Directors.

Section 7.6. Vice Chair. In the absence or disability of the Chair, the Vice Chair shall perform all the duties of the Chair, and in so acting shall have the powers of the Chair. The Vice Chair shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors.

Section 7.7. Secretary. The Secretary shall ensure that a full and complete record of the proceedings of the Board of Directors is maintained, shall affix the seal of this corporation to such papers and instruments as may be required in the regular course of business, shall make service of such notices as may be necessary or proper, shall supervise the keeping of books of this corporation and shall discharge such other duties as pertain to the office or as prescribed by the Board of Directors.

Section 7.8. Treasurer. The Treasurer shall ensure the deposit of all funds of this corporation in such bank or banks as may be designated by the Board of Directors. Such funds shall be paid out only on the check of this corporation signed as directed by the Board of Directors. The Treasurer shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors.

Section 7.9. Executive Director. The Executive Director shall be nominated by the University President and approved by the Board of Directors. The Executive Director shall not be a member of the Board of Directors but shall exercise and perform such powers and duties as are, from time to time, delegated or assigned to him/her by the Chair of the Board, the University President, or the Board of Directors.

ARTICLE VIII

Committees

Section 8.1. Committees. The Board may appoint one or more committees, each consisting of two or more Directors, and delegate to such committees any of the authority of the Board except with respect to:

- (a) The fixing of compensation of the Directors for serving on the Board or on any committee, should Article IV, Section 6 be amended to allow such compensation;
- (b) The amendment or repeal of Bylaws or the adoption of any new Bylaws;
- (c) The amendment or repeal of any resolution of the Board which by its express terms is not amendable or repealable;
- (d) The appointment of other committees or the Directors thereof; or
- (e) The approval of any self-dealing transaction, as such transaction is defined in Section 5233(a) of the California Nonprofit Public Benefit Corporations Law.

Any such committee must be created, and the Directors thereof appointed, by resolution adopted by a majority of the Board of Directors then in office.

The University President shall serve as a voting member of each committee and shall appoint the Chairs of all committees from the members thereof. The Board may appoint, in the same manner, alternate members of any committee who may replace any absent member at any meeting of the committee. Non-Board Members can become voting members of committees; however, the total committee membership must consist of a majority of Board Members.

The Board shall have the power to prescribe the manner in which proceedings of any such committee shall be conducted. In the absence of any such prescription, such committee shall have the power to prescribe the manner in which its proceedings shall be conducted. Minutes shall be kept of each meeting of each committee.

Section 8.2. Standing Committees

The Corporation's Board of Directors shall have three (3) standing committees: Finance, Commercial Enterprises, and Audit. Members of the Corporation's staff shall not have voting rights; however, the Executive Director, Director of Auxiliary Financial Services, and/or their designees, are required to participate in committee meetings.

- (a) Finance Committee. The Finance Committee shall be responsible for all fiscal matters affecting the Corporation including, but not limited to, the reviewing of and forwarding to the Board of Directors financial statements, annual budget, reserves, operating policies, investment information and compliance.

The Finance Committee shall be comprised of the Chair of the Board, Secretary, Treasurer, one (1) student board member, one (1) faculty board member and two (2) community members. The Treasurer shall serve as the Chair of the Finance Committee. The Committee may select and appoint additional members and advisors from time to time to assist it in performing its duties.

A quorum in attendance is required for action to be taken. A quorum is defined as one-half (1/2) of the Finance Committee, plus one. Any action taken requires a two-thirds (2/3) affirmative vote of the members present.

Members of the Finance Committee shall not have a material financial interest in any entity doing business with the Corporation.

- (b) Commercial Enterprises Committee. The Commercial Enterprises Committee shall review and oversee the corporation's commercial operations. This committee will be primarily concerned with the integrity, financial viability, and quality of service and efficiency of the commercial programs. The Committee will ensure commercial enterprises are serving their identified missions in support of the University.

The Commercial Enterprises Committee shall include at least one (1) faculty and one (1) student board members.

- (c) Audit Committee. The Audit Committee is established in compliance with the California Nonprofit Integrity Act (“Act”). The committee is responsible for assuring compliance with the Act, including but not limited to, recommending to the Board of Directors the retention and termination of independent auditors; conferring with auditors to satisfy committee members that the financial affairs of the corporation are in order; reviewing and determining whether to accept the audit; assuring that any non-audit services performed by the auditing firm conform with the standards for auditor independence set forth in the latest revision of auditing standards; and approving performance of non-audit services by the auditing firm.

Members of the Audit Committee shall not have a material financial interest in any entity doing business with the corporation.

ARTICLE IX

Indemnification of Directors, Officers, and Other Agents

Section 9.1. Right of Indemnity. To the fullest extent permitted by law, the corporation shall indemnify its Board Members, Officers, employees, and other persons described in Section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any “proceeding”, as that term is used in that Section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. “Expenses,” as used in this Bylaw, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

Section 9.2. Approval of Indemnity. On written request to the Board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporations Code, the Board shall promptly determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification.

Section 9.3. Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by those Sections shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

Section 9.4. Insurance. The corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Board Members, employees, and other agents, against any liability asserted against or incurred by any Officer, Board Member, employee, or agent in such capacity or arising out of the Officer’s, Board Member’s, employees, or agent’s status as such.

ARTICLE X
Contracts, Loans, Checks, Deposits

Section 10.1. Contracts. The Board of Directors may authorize any Officer or agent of the corporation, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 10.2. Loans. The Board of Directors shall not make any loan of money or property to or guarantee the obligation of any Director unless approved by the Attorney General.

Section 10.3. Borrowing. No loan shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors.

Section 10.4. Checks, Drafts, Etc. All checks, drafts, or other orders for payment of money, and all notes or other evidence of indebtedness issued in the name of the corporation shall be signed by such Officer or Officers, agent or agents of the corporation and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 10.5. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

ARTICLE XI
Miscellaneous

Section 11.1. Fiscal Year. The Fiscal year of the corporation shall begin on the first day of July and end on the last day of June in each year unless otherwise determined by resolution of the Board of Directors.

Section 11.2. Rules. The Board of Directors may adopt, amend, or repeal rules consistent with these Bylaws for the management of the internal affairs of the corporation and the governance of its Officers, agents, committees, and employees.

Section 11.3. Books and Records. The corporation shall keep correct and complete books and records of account and shall also keep records and minutes of the proceedings of the Board of Directors and committees. Copies of the minutes of the Board and committee meetings shall be regularly distributed to each member of the Board of Directors.

Section 11.4. Corporate Seal. The Board of Directors may provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of the corporation, the date of its incorporation, and the word, "California."

Section 11.5. Waiver of Notice. Whenever any notices are required to be given under the provisions of the Nonprofit Corporation Act of the State of California, or under the provisions of the Articles of Incorporation of the corporation, or these Bylaws, a waiver thereof in writing signed by the persons entitled to such notice, whether dated before or after the time stated herein, to the extent permitted by law, shall be deemed equivalent to the giving of such notice.


ARTICLE XII
Amendment to Bylaws

These Bylaws may be amended at any regular meeting of the Board of Directors by a majority of the members in office, providing that the amendment has been submitted in writing at the previous regular meeting or submitted in writing to Board members at least seven (7) days prior to the next regular meeting of the Board of Directors.

SECRETARY'S CERTIFICATE

THIS IS TO CERTIFY that the foregoing Bylaws of UNIVERSITY ENTERPRISES CORPORATION AT CSUSB have been duly adopted by the Board of Directors of this corporation at a meeting of said Board held on May 12th, 2023.

IN WITNESS WHEREOF, the undersigned duly elected and acting Secretary of this corporation has signed this Certificate and affixed the seal of said corporation hereon this 6 day of June 2023.



Juan Herrera
Interim Board Secretary

