

MEETING DATE

2/27/06

AGENDA ITEM

Consideration of Culver City Cultural Affairs
Foundation (501C3)

ATTACHMENTS

Pages

1) Draft By-laws

1-8

2) Draft Articles of Incorporation

9-12

BYLAWS OF THE CULVER CITY CULTURAL AFFAIRS FOUNDATION

ARTICLE I - NAME AND OFFICE

Section 1 The name of this corporation shall be the Culver City Cultural Affairs Foundation, hereinafter referred to as the "Foundation "

Section 2 The principal office for the transaction of the business of the Foundation is located at Culver City Los Angeles County California

ARTICLE II - PURPOSE AND LIMITATION

Section 1 The purpose of the Foundation shall be as stated in the Articles of Incorporation, which is to promote and support cultural affairs work programs of the City of Culver City, California (the City) by coordinating and actively pursuing outside funding sources for those programs

Section 2 The Foundation is a tax-exempt, charitable corporation and shall be non-profit, non-sectarian and non-political in all its policies and activities and at all times shall be operated exclusively for the benefit of, to perform the function of, and to carry out the purposes described herein within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, the Regulations adopted thereunder, and the corresponding provision of any applicable future United States Internal Revenue Law and Regulations (hereinafter collectively referred to as the "Code")

Section 3 In carrying out its purpose, the Foundation shall not, in any manner, be utilized to exercise any right or discharge any obligation of the City, including, but not limited to, the City's Cultural Affairs Commission (the Commission)

Section 4 Whenever the Foundation receives any money, in cash, check or otherwise it shall as soon as possible disburse that money to the City for use by the City as determined appropriate by the majority of the members of the City Council of Culver City (the "City Council), for the City's cultural affairs programs including the administration of such programs and the operation of the Foundation Whenever the Foundation receives any other asset, it shall, as soon as possible, convey ownership and possession of that asset to the City for use and disposition by the City, as determined appropriate by a majority of the members of the City Council for the City's cultural affairs programs, including the administration of such programs and the operation of the Foundation

Section 5 The Foundation shall operate pursuant to a budget (the "Foundation Budget") approved as part of the City's annual municipal budget

ARTICLE III - BOARD OF DIRECTORS

Section 1 Except as otherwise required by law or as provided for in these Bylaws, the control and management of the affairs of the Foundation shall be vested in the Board of Directors (the 'Board')

Section 2 The Board shall consist of seven (7) members selected as follows

- A Each current member of the Cultural Affairs Commission (Commissioners) shall appoint one member to the Board, and
- B The then current chair and vice-chair of the Commission shall each serve as a member to the Board

Section 3 To be eligible for appointment as a member of the Board, an individual must (i) live, work or own property or a business within the City, or (ii) have a special, widely-recognized interest in improving the cultural affairs of the community or region

Section 4 Other than as expressly provided in these Bylaws, no member of the Board shall be an officer, official or employee of the City

Section 5 An appointed member of the Board shall only serve for so long as the Commissioner who appointed that member remains on the Commission. The members who hold the position of chair and vice-chair on the Commission shall serve on the Board for so long as each remains the chair or vice-chair on the Commission, respectively

Section 6 Any member of the Board may be removed from his or her position on the Board, with or without cause, by a vote in favor of removal by four-fifths (4/5) of the members of the City Council

Section 7 Any change in the number or qualifications of members of the Board shall be made only by an amendment to these Bylaws

Section 8 A majority of the members of the Board shall be the policy making and controlling body of the Foundation. The Board shall be initially chaired by the chair of the Commission as presiding officer (the "Chairperson"). The Board shall

- A Transact the general business of the Foundation and do so in accordance with all Federal, State of California and City laws, rules and regulations applicable to the Foundation (Rules and Regulations)

- B Recommend the initial Foundation Budget to the City Council for approval no later than ninety (90) days after the first Board meeting of the initial Board subject to any extension mutually approved by the Chairperson, as detailed below, and the chair of the Commission. The first Foundation Budget shall cover the period beginning upon installation of the initial seven (7) members of the Board until the following June 30th provided, that if the installation of the initial Board occurs after the last day of the month of November, then the first Foundation Budget shall cover the period from when the Foundation's initial Board members are installed until the second June 30th occurring after the installation.
- C For each annual Foundation Budget thereafter, by, on or prior to the last day of the month of June, recommend to the City Council the Foundation Budget for the Foundation's upcoming Fiscal Year (hereinafter defined) commencing on the immediately succeeding July 1. The "Fiscal Year" of the Foundation shall commence on July 1st and end on the following June 30th.
- D Set the time and place of the Semi-Annual Meetings (as defined in Article VII, below).
- E Arrange for an annual certified audit or compilation review of the Foundation by an independent certified public accountant chosen by the Board at the close of the Fiscal Year (the Annual Audit). Type of annual review is at the discretion of the Board. The Annual Audit shall be submitted to the City Council for review within three (3) months following the close of the Fiscal Year. Part of the work performed will include preparation of necessary tax documents.
- F Make reasonable requests to the Community Development Director for assistance from City staff. Such requests for assistance shall only be made at duly noticed public meetings of the Community Development Department of the City. The Community Development Director shall reasonably determine the availability, level and extent of assistance, if any, the City staff shall provide to the Foundation and whether the costs for such assistance is within the Foundation Budget.
- G Receive and file the annual work program of the Cultural

Affairs Division of the Community Development Department

- H Actively engage in achieving the purposes of the Foundation, as set forth in Article II, Section 1

ARTICLE IV - OFFICERS

Section 1 The officers of the Foundation shall consist of

- A Chairperson
- B Vice Chairperson
- C Treasurer
- D Secretary

Section 2 The term of each officer shall be for one (1) year provided that any member's term may expire earlier in the event the Commissioner who appointed such member no longer serves on the Commission or the member serving on the Board as a result of his/her position on the Commission ceases to hold such position, as described in Article III, Section 5, above. No member of the Board shall simultaneously hold more than one office. No member of the Board shall serve more than two (2) consecutive years as Chairperson.

Section 3 Each officer shall be elected annually by a majority of the members of the Board from nominees submitted by any member of the Board.

Section 4 Each officer shall be regularly elected at the Semi-Annual Meeting of the Board in July and shall be effective on the day following such election.

Section 5 Any officer may be removed from office for cause by a vote in favor of removal by a majority of the members of the Board. For purposes of this Section, "cause" shall mean any or all of the following: (i) an officer's absence from two consecutive regular Board meetings or (ii) inappropriate behavior or language that in the reasonable judgment of the majority of the members of the Board is detrimental to the function of the Foundation. Immediately upon removal of an officer, a majority of the Board shall elect a replacement to fill the vacant office for the remaining term of the removed officer.

ARTICLE V - DUTIES OF OFFICERS

Section 1 The Chairperson shall preside at all meetings of the Board and shall be responsible for the general supervision of Board activities during meetings.

Section 2 In March of each year, the Chairperson and Treasurer, with assistance from the Community Development Director of the City shall prepare a budget, which shall then be presented for recommendation by the Board to the

City Council the following June, as required by Article III Section 8 , Subsections B and C

Section 3 Each disbursement of money to the City as required by Article II Section 4 (i) in an amount not to exceed Ten Thousand Dollars (\$10,000 00), shall be made with the signature of the Community Development Director or (ii) in an amount in excess of Ten Thousand Dollars (\$10,000 00) shall be made with the signatures of the Chairperson or Treasurer and the Community Development Director

Section 4 The Vice Chairperson shall preside at meetings in the absence of the Chairperson

Section 5 The Secretary shall provide notice of Board meetings and activities to all members of the Board and shall maintain a permanent set of minutes of all Board meetings The Secretary may be assisted by the Community Development Director or her/his designee, to accomplish the duties of the Secretary

Section 6 At least quarterly, the Treasurer shall submit a written report reflecting the current financial condition of the Foundation to the Board The Treasurer shall also prepare a year-end financial statement prior to the end of the fiscal calendar detailing the financial status of the Foundation The Treasurer may be assisted by the City Community Developer Director or her/his designee to accomplish the Treasurer s duties

ARTICLE VI - VACANCIES

A vacancy on the Board shall be deemed to exist upon the occurrence of one of the following (i) expiration of a term, (ii) death or resignation of a member, or (iii) removal of a member, with or without cause, by four-fifths (4/5) vote of the members of the City Council

ARTICLE VII - MEETINGS

Section 1 All regular and special meetings of the Board shall be notified posted and conducted in every way consistent with the requirements set forth in the California Government Code §§ 54950 *et seq* , as may be amended (the Brown Act), provided, that these Bylaws shall control to the extent the Bylaws are more stringent than the Brown Act

Section 2 The Board shall conduct two (2) regular meetings per year (each such meeting is referred to herein as a 'Semi-Annual Meeting) The Semi-Annual Meetings shall be held at such time and location within the City as determined by the Board

Section 3 During every calendar year, a Semi-Annual Meeting of the Board shall be held during the month of July following the July Cultural Affairs meeting and another Semi-Annual Meeting shall be held during the month of January. The initial members of the Board shall be installed at the initial Semi-Annual Meeting of the Board in July.

Section 4 Special meetings of the Board may be called at any time by submission to the Chairperson of a request in writing for a special meeting, signed by a majority of the members of the Board and specifying the purpose for such special meeting. Written notice, stating the time and place of any special meeting as well as the purpose of such meeting shall be given to each member of the Board at least four (4) days prior to the date of the special meeting.

Section 5 A majority of the members of the Board shall constitute a quorum. An affirmative vote of at least four (4) members of the Board shall be required for the Board to take any action.

ARTICLE VIII - MEMBERSHIP AND SHARES

Section 1 The Foundation shall have no membership and no members other than the persons constituting the Board.

Section 2 The Foundation shall not have nor issue shares of stock and shall declare no dividends.

Section 3 No part of the Foundation shall inure to the benefit of any private individual, and no part of the direct or indirect activities of the Foundation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, or of participating in, or intervening in (including the publication or distribution of statements), any political campaign on behalf of any candidate for public office. Notwithstanding any other provision herein, the Foundation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt under Section 501(c)(3) of the Code or by an organization contributions to which are deductible under Section 170(c)(2) of such Code.

ARTICLE IX - POWERS

Section 1 The decisions and acts by a majority of the members of the Board qualified and serving shall constitute an exercise of the powers of the Foundation and shall constitute and be taken as the decisions and acts of the entire membership.

Section 2 The Board may adopt policies so long as such policies are not inconsistent with these Bylaws, the Articles of Incorporation of the Foundation, the Rules and Regulations or the rights and obligations of the City Council or the Commission.

Section 3 A majority of the members of the Board may recommend amending the Bylaws at any meeting of the Board. However, no such amendment or modification shall alter the intention of the Foundation to be operated exclusively to promote and support cultural affairs work programs of the City in a manner which shall make the Foundation tax exempt and the donations to it deductible from taxable income to the extent allowed by the provisions of the Code and other applicable legislation and regulations as they now exist or as they may hereafter be amended. Every amendment or modification of these Bylaws shall be in writing, shall be approved by a majority of the City Council then serving and shall be delivered to each member of the City Council, the Commission and the Board then in office.

ARTICLE X- COMPENSATION

The members of the Board shall serve without compensation, however members may be reimbursed for reasonable out-of-pocket expenses related to Board activity as approved by the Board provided in the Foundation Budget.

ARTICLE XI- ADVISORY COMMITTEE

The Foundation shall be aided by an advisory committee comprised of persons who have demonstrated an interest in assisting the Foundation in fulfilling its purposes (the Advisory Committee). Qualified persons shall be invited to serve as members of the Advisory Committee by staff, the City Council or the Commission. Members of the Advisory Committee shall not be required to attend meetings of the Board. The Board shall call upon the assistance and advice of the Advisory Committee as it deems necessary.

ARTICLE XII- LIABILITY OF DIRECTORS

No member of the Board shall be liable for the acts or omissions of any other member of the Board, or of any accountant, agent, counsel or custodian selected with reasonable care. Each member of the Board shall be fully protected in acting upon any instrument, certificate or paper, believed by him/her to be genuine and to be signed or presented by the proper person or persons and no member of the Board shall be under any duty to make any investigation or inquiry as to any statement contained in any such writing but may accept the same as conclusive evidence of the truth and accuracy of the statement therein contained.

ARTICLE XIII - DONATIONS

The Board may receive donations from donors or from any other source in cash or in other property acceptable to the Board. The Board may accept donations, which restrict their uses, and purposes and which limit the time, manner, amount, or other terms of distribution, provided that the restrictions are within the uses and purposes set forth in Article II. Notwithstanding any restrictions and unless otherwise specifically required, the Board may mingle those restricted donations with other assets of the Foundation.

ARTICLE XIV - TERM OF FOUNDATION

The Foundation shall continue in perpetuity. However, it may be dissolved and the assets distributed with the approval of four/fifths (4/5) of the members of the City Council. Upon any such dissolution, the assets of the Foundation shall be distributed exclusively to the City for such purpose(s) as are consistent with the purpose of the Foundation.

Created by the Culver City Community Cultural Foundation on XX day of XXX, 2006

**ARTICLES OF INCORPORATION
OF
THE CULVER CITY COMMUNITY CULTURAL FOUNDATION**

I

The name of this corporation is

THE CULVER CITY COMMUNITY CULTURAL FOUNDATION

II

This corporation is a nonprofit public benefit corporation and is organized pursuant to the general non-profit law of the State of California

III

The purposes for which this corporation is formed are

- a) To promote and support the historic preservation, public art and cultural programming services in Culver City and,
- b) To act as an additional funding source to municipal financing for the public support required for historic preservation, public art and cultural programming services in Culver City and
- c) To carry out the mission of the Culver City Council and Cultural Affairs Commission as it so relates to historic preservation, public art and cultural programming in Culver City
- d) To act as a coordinating organization to foster, promote, encourage and increase the knowledge, appreciation and practice of Cultural Affairs in the city of Culver City and,

IV

This corporation is not organized nor would it be operated, for pecuniary gain or profit, and does not contemplate the distribution of gains, profits or dividends to its members or to any private shareholder or individual. The property, assets, profits, and net income of this corporation are irrevocably dedicated to the public and charitable purposes set forth in Article III, and no part of the profits or net income of this corporation shall ever inure to the benefit of any private shareholder or individual except that this provision shall not be construed so as to prevent the payment to directors, officers, or employees of reasonable compensation for services actually rendered to this corporation

V

No substantial part of the activities of this corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation, nor shall this corporation participate or intervene in any political campaign (including publishing or distribution of statements) on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the 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 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation's contributions which are deductible under section 170(c)(2) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States Internal Revenue Law.

VI

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 as stated in the Bylaws. No member of the Culver City Council shall be eligible to serve as a director of this corporation.

VII

The name of the initial agent of this corporation for service of process is

Susan Evans, Director of Community Development
9770 Culver Boulevard 3rd Floor
Culver City, CA 90232

VIII

This corporation shall have no members other than the persons constituting its Boards 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.

IX

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

X

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.

XI

Upon dissolution of this corporation, net assets other than trust funds, shall be distributed to one or more nonprofit corporations organized and operated for the benefit of encouraging and enhancing the cultural environment of the City of Culver City, such corporation or corporations to be selected by the City Council. Such nonprofit corporation or corporations must be qualified for federal income tax exemption under Section 501(c)(3) of the United States Internal Revenue Code of 1954, and be organized and operated exclusively for charitable, cultural, historic preservation, public art, purposes, or for a combination of said purposes. In no event shall any assets be distributed to any member, director, or officer of this corporation.

XII

The Articles of Incorporation of this corporation shall not be amended without the vote of a 2/3 (two-thirds) majority of the total voting membership of the Board of Directors and the approval of the City Council.

IN WITNESS WHEREOF, for the purpose of forming this nonprofit under the laws of the State of California, I, the undersigned, constituting the incorporator of this corporation, have executed these Articles of Incorporation this XX day of XXX, 2006.

(Signature)

DECLARATION

I am the person whose name is subscribed below. I am the incorporator of the Culver City Community Cultural Foundation, and I have executed these Articles of Incorporation. The foregoing Articles of Incorporation are my act and deed.

Executed on XXX, 2006, at Culver City, California

I declare that the foregoing is true and correct.

Susan Evans, Director of Community Development
Incorporator