

**MEETING DATE:** 12/11/06

**AGENDA ITEM:** Public Hearing to Consider Continuation of the  
Downtown Business Improvement District.

**ATTACHMENTS**

|                                                                                                             | <u>Pages</u> |
|-------------------------------------------------------------------------------------------------------------|--------------|
| 1. Staff Report 11/13/06 Consideration of DBA BID<br>Work Program and Budget (Approved by Council 11/13/06) | 1-7          |
| 2. 2007 BID Work Program and Budget                                                                         | 8-11         |
| 3. BID Advisory Board Recommendations 2007                                                                  | 12           |
| 4. Management Agreement                                                                                     | 13-23        |
| 5. DBA quarterly financial statements                                                                       | 24-31        |
| 6. Internal Revenue Service tax-exempt certification                                                        | 32-33        |
| 7. DBA Certificate of General Liability Insurance                                                           | 34-35        |
| 8. Resolution to Levy the Proposed Assessment                                                               | 36-38        |

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|                                                                                                                                                                                                                                                                                   |  |                                                                                                   |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------|--|
| Meeting Date: 11/13/06                                                                                                                                                                                                                                                            |  | Item Number: A-3                                                                                  |  |
| <b>AGENDA ITEM: Consideration of the Downtown Culver City Business Improvement District Advisory Committee's Annual Work Program and Budget for the Continuation of the Downtown Business Improvement District.</b>                                                               |  |                                                                                                   |  |
| Contact Person/Dept.: Glenn Heald                                                                                                                                                                                                                                                 |  | Phone Number: (310) 253-5752                                                                      |  |
| Fiscal Impact: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>                                                                                                                                                                                                |  | General Fund: Yes <input type="checkbox"/> No <input type="checkbox"/>                            |  |
| Public Hearing: <input type="checkbox"/>                                                                                                                                                                                                                                          |  | Action Item: <input checked="" type="checkbox"/> Attachments: <input checked="" type="checkbox"/> |  |
| Public Notification: Meeting notification and copy of the annual Work Program and Budget mailed to all businesses located in the Downtown Business Improvement District (11/02/06); published in the Culver City News (11/02/06 & 11/09/06); Master Notification List (11/09/06). |  |                                                                                                   |  |
| Department Approval:<br>Susan Evans (11/01/2006)                                                                                                                                                                                                                                  |  | City Manager Approval:<br>Jerry B. Fulwood (11/08/2006)                                           |  |
| City Controller Approval:<br>Marlee Chang (11/07/2006)                                                                                                                                                                                                                            |  |                                                                                                   |  |

**RECOMMENDATION:**

Staff recommends the City Council (the "Council") approve the Downtown Culver City Business Improvement District ("BID") Advisory Committee's annual Work Program and Budget for 2007 (the "Report"), and adopt a Resolution of Intention to conduct a public hearing on December 11, 2006 for the continuation of the Culver City Downtown BID.

**BACKGROUND:**

A BID provides a mechanism for businesses to levy assessments on themselves for the promotion of business activities and public events; decoration of public places; and the acquisition, construction, installation or maintenance of specific improvements. The BID allows Downtown businesses to be more self reliant, which reduces their dependency on the City of Culver City (the "City") and Culver City Redevelopment Agency (the "Agency").

The BID Work Program is managed by the Downtown Business Association (the "DBA") in accordance with a Management Agreement between the DBA and the City. The Management Agreement requires the DBA to maintain tax-exempt status with the Internal Revenue Service, maintain one million dollars of General Liability insurance, and submit quarterly reports and budget updates to the Community Development Director describing progress toward completing their approved work program. The DBA's Tax documents, insurance and quarterly reports are attached for your information (Attachment Nos. 4, 5, 6 and 7).

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In accordance with the legal process for renewing a BID, the Council is first required to review and approve the BID Advisory Committee's Report during a public meeting. The Report describes any proposed changes in the BID boundaries, a description of activities to be undertaken (a work program), an estimate of the cost to provide the activities (a budget), the assessment formula, the amount of surplus/deficit to be carried over from the previous year, and the amount of other expected BID contributions. The City Council may modify any particular element contained in the report and approve it as modified.

At the conclusion of the public meeting, the Council must adopt a Resolution of Intention (Attachment No. 1) to conduct a public hearing if the BID is to be continued for 2007. Upon completion of the public hearing, which has been tentatively scheduled for December 11, 2006, the Council must approve a final resolution to formally continue the BID. The public will be notified of the public hearing in accordance with State law.

The BID was formed in September 1998, when the Council adopted Ordinance No. 98-011, in accordance with the Parking and Business Improvement Area Law of 1989 (the "Law").

The BID was amended in December 2000, when the Council rescinded Ordinance No. 98-011 and adopted Ordinance No. 2000-027. The new ordinance revised the BID assessment formula to increase the amount of the assessment and revised the BID Management Agreement to clarify ambiguous language in an attempt to streamline the administrative process.

**DISCUSSION:**

The following section describes BID accomplishments and delinquencies in 2006, and proposed BID activities and the BID assessment in 2007.

**BID Accomplishments in 2006**

In 2006, the DBA used their assessments to fund the following:

**2006 ACCOMPLISHMENTS**

**MARKETING/EVENTS**

- Production of second annual Culver City Car Show in partnership with The Exchange Club.

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- Continuing expansion of Website with additional features including "Downtown Lowdown" email newsletter, expanded Calendar and personalized feature boxes with photos on Downtown businesses.
- Sponsorship of Summer Sunset Music Festival and promotional table at each concert.

**DESIGN/IMPROVEMENTS**

- Replacement and maintenance of Culver Boulevard decorative tree lights in response to termination of previous Agency contract.
- Replacement and refurbishment of all Holiday street ornaments.
- Meetings with Agency on implementation of Outdoor Directory project and initiation of graphic, fabrication and lighting design.

**ADMINISTRATION**

- Contract with Urban Place Consulting Group for services as Interim Executive Director in order to carry out day to day Administrative responsibilities.
- Rental of office and purchase of office equipment for greater staff efficiency and Downtown physical presence.
- Supplemental payment to Executive Director in addition to Agency grant and total payment assumed upon sunset of grant funding.
- Retained Urban Place Consulting services for research and feasibility study for possible Property Business Improvement District (PBID) creation to replace current BID and increase services to District through increased funding.

BID Delinquencies in 2006

During 2006, there were 123 businesses subject to the BID assessment. Of these, the assessment was collected from 101 businesses (81.81%). The total amount collected was approximately \$46,119. The remaining 22 businesses are delinquent. If payment is not received after a final notice, a claim will be forwarded to the City Attorney's Office and will be sent to small claims court.

BID Activities in 2007

In October the BID Advisory Committee filed the proposed 2007 Work Program and Budget (Attachment No. 6) with the City Clerk. The Advisory Board proposes the following activities within their Work Program for 2007:

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**MAINTENANCE**

- Implementing a sidewalk maintenance program:
  - Personnel to sweep litter, debris and refuse from sidewalks, alleys (paseos) and gutters of the District.
  - Power wash sidewalks within the District on a regular schedule throughout the year.
- Graffiti and handbill removal program:
  - Graffiti is removed by painting, using solvent and pressure washing.
  - Paper signs and handbills will also be removed by hand or when necessary by pressure washing.

- Landscape Program:
  - Weed Abatement in planters and sidewalks
  - Trash and debris will be removed from planting areas
  - Limited Plant Replacement program, plants will be replaced within limited budget.
  - All green spaces to be watered and maintained on a regular basis.

**COMMUNICATION/IMAGE**

- Continuing a program of branding and promoting Downtown businesses and community activities in the media.
- Continuing to develop marketing partnerships with established and new downtown business
- Continued upgrading of website with greater services, information and linkage provided.
- Replacement and maintenance of year round Culver Blvd. decorative tree lights.
- Continuing maintenance of previously purchased Holiday ornaments

**ADVOCACY & ADMINISTRATION**

- Proactive communication with City on violations of existing codes in relation to aesthetics and safety of facades and streetscape.

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- Coordination between City Sanitation Division and businesses to improve current district dumpster/trash problems. Work to include increasing the quantity of dumpsters as well as improving the maintenance of trash compactors and dumpsters. Additionally, a program to provide more frequent emptying of dumpsters and trash receptacles will be developed.
- Actively working with the City to develop additional funding to increase the maintenance and landscape efforts in downtown.
- Fundraising effort will be explored to continue programs such as the Culver Card, Holiday Tree Lighting and other programs deemed important to the success of downtown.

- Day to day management of maintenance and communication programs
- Interacting with the City to insure timely assessment billing and payment

The Downtown Business Advisory Committee adopted this report on Monday, October 16, 2006, in a publicly noticed meeting. During this meeting staff had the opportunity to ask questions and discuss how the various activities could be implemented and funded without duplicating either the City/Agency or DBA's efforts.

**BID Assessment in 2007**

The proposed activities will primarily be funded through the assessment, which applies to Downtown businesses as follows:

| <u>Business Type</u>                            | <u>City Business License Code</u> | <u>Annual BID Fee</u> |
|-------------------------------------------------|-----------------------------------|-----------------------|
| <b><u>TYPE A</u></b>                            |                                   |                       |
| Retail 1-1000 sq. ft.                           | 036-144, 396, 399, 402            | \$300                 |
| Retail 1001-2500 sq. ft.                        |                                   | \$500                 |
| Retail 2501-5000 sq. ft.                        |                                   | \$750                 |
| Retail > 5000 sq. ft.                           |                                   | \$1000                |
| Hotel                                           | 456, 480                          | \$1500                |
| Restaurant 0-50 seats                           | 390, 654-690                      | \$1000                |
| Restaurant 51-100 seats                         |                                   | \$1500                |
| Restaurant > 100 seats                          |                                   | \$2000                |
| Computer Graphics & Computer Services           | 152, 200                          | \$500                 |
| Martial Arts Studio, Health Studios, Hair Salon |                                   |                       |
| 0-25,000 sq. ft.                                | 744, 276                          | \$500                 |
| > 25,000 sq. ft.                                |                                   | \$1000                |

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**TYPE B**

|                  |     |              |
|------------------|-----|--------------|
| Theaters         | 858 | \$2 per seat |
| Live Performance | 858 | \$1 per seat |

**TYPE C**

|                        |  |       |
|------------------------|--|-------|
| All others, not listed |  | \$300 |
|------------------------|--|-------|

**TYPE D**

|                                        |          |        |
|----------------------------------------|----------|--------|
| Banking Institutions 0-7500 sq. ft.    | 342      | \$1000 |
| Banking Institutions > 7500 sq. ft     |          | \$1500 |
| Film Studios                           | 490, 498 | \$1000 |
| Recording Studios                      | 554      | \$1000 |
| Utilities                              |          | \$1000 |
| Hospitals > 20,000 sq. ft.             | 780      | \$2000 |
| Hospitals and Clinics < 20,000 sq. ft. |          | \$1000 |

**TYPE E**

|                    |     |        |
|--------------------|-----|--------|
| Commercial Rentals | 432 |        |
| < 5,000            |     | \$1000 |
| 5,001-15,000       |     | \$1500 |
| 15,001-25,000      |     | \$2000 |
| 25,001-35,000      |     | \$2500 |
| Over 35,000        |     | \$3000 |

**FISCAL ANALYSIS:**

The BID's quarterly financial statements for 2006 are attached for your information. These financial statements describe activities undertaken and funds expended during their fiscal year.

As previously stated, funds from the 2007 BID assessment will be used for business enhancement, design and design activity and other items in accordance with the Law. During 2007, the BID anticipates assessment revenues of \$121,367 and carry-over funds in the amount of \$5,000. The DBA now funds the salary of the Executive Director (this was previously subsidized by the Agency).

The fiscal impact to the City for the approval of the BID Annual Work Program is the cost related to staff time associated with this process.

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**ATTACHMENTS:**

1. Resolution of Intention;
2. 2007 BID Work Program and Budget;
3. Internal Revenue Service tax-exempt certification;
4. DBA Certificate of General Liability Insurance;
5. Summary of 2006 4<sup>th</sup> Quarter Accounts Payable; and
6. DBA quarterly financial statements.

**MOTION:**

That the City Council:

1. Approve the 2007 BID Advisory Committee's Annual Work Program and Budget as filed with the City Clerk; and
2. Approve the Resolution of Intention to set December 11, 2006, as the date for a public hearing to consider the continuation of the Downtown Culver City Business Improvement District.



**Downtown Culver City-Business Improvement District-  
Report of Proposed Year 2007 Work Program and Budget**

The Downtown Culver City Business Improvement District Advisory Committee ("Advisory Committee") is pleased to present its Proposed Year 2007 Work Program and Budget. This report is prepared in accordance with the requirement of Culver City Ordinance No. 98-011, which established the Downtown Culver City Business Improvement District ("DCCBID"), the Business Improvement District Management Agreement between the City of Culver City ("City") and the Culver City Downtown Business Association ("CCDBA"), and the *Streets and Highways Code*, section 36533.

The Advisory Committee does not propose any changes to the Advisory Committee structure, nor to the boundaries of the parking and business improvement area. A map illustrating BID boundaries is included as Exhibit A.

The Advisory Board recommends changes to the assessment schedule as follows:

| Business Type                                   | City Business License Code | Annual BID Fee |
|-------------------------------------------------|----------------------------|----------------|
| <b><u>TYPE A</u></b>                            |                            |                |
| Retail 1-1000 sq. ft.                           | 036-144, 396, 399, 402     | \$300          |
| Retail 1001-2500 sq. ft.                        |                            | \$500          |
| Retail 2501-5000 sq. ft.                        |                            | \$750          |
| Retail > 5000 sq. ft.                           |                            | \$1000         |
| Hotel                                           | 456, 480                   | \$1500         |
| Restaurant 0-50 seats                           | 390, 654-690               | \$1000         |
| Restaurant 51-100 seats                         |                            | \$1500         |
| Restaurant > 100 seats                          |                            | \$2000         |
| Computer Graphics & Computer Services           | 152, 200                   | \$500          |
| Martial Arts Studio, Health Studios, Hair Salon |                            |                |
| 0-25,000 sq. ft.                                | 744, 276                   | \$500          |
| > 25,000 sq. ft.                                |                            | \$1000         |
| <b><u>TYPE B</u></b>                            |                            |                |
| Theaters                                        | 858                        | \$2 per seat   |
| Live Performance                                | 858?                       | \$1 per seat   |
| <b><u>TYPE C</u></b>                            |                            |                |
| All others, not listed                          |                            | \$300          |
| <b><u>TYPE D</u></b>                            |                            |                |
| Banking Institutions 0-7500 sq. ft.             | 342                        | \$1000         |
| Banking Institutions > 7500 sq. ft.             |                            | \$1500         |
| Film Studios                                    | 490, 498                   | \$1000         |
| Recording Studios                               | 554                        | \$1000         |
| Utilities                                       |                            | \$1000         |
| Hospitals > 20,000 sq. ft.                      | 780                        | \$2000         |
| Hospitals and Clinics < 20,000 sq. ft.          |                            | \$1000         |
| <b><u>TYPE E</u></b>                            |                            |                |
| Commercial Rentals                              | 432                        |                |
| < 5,000                                         |                            | \$1000         |
| 5,001-15,000                                    |                            | \$1500         |
| 15,001-25,000                                   |                            | \$2000         |
| 25,001-35,000                                   |                            | \$2500         |

Over 35,000

\$3000

The DCCBID's activities and estimated costs for the coming year are set forth in Exhibit "B" Proposed year 2007 Work Program Budget. All funds collected are used for the BID activities to implement the "Downtown Culver City 4 Points Program", modeled after the "Main Streets 4 Points Program".

Note:

1. Fee for individual business owners with multiple business licenses/operations at the same address will be based on the single highest category.
  2. Business owners with multiple business locations within the BID area will be assessed separately at each location.
  3. Commercial rentals will be assessed for each building location, not each tenant space.
  4. Multiple independent business owners at the same address will be assessed separately at their respective rates.
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The Advisory Board proposes the following Work Program for 2007:

#### MAINTENANCE

- Implementing a sidewalk maintenance program:
  - Personnel to sweep litter, debris and refuse from sidewalks, alleys (paseos) and gutters of the District.
  - Power wash sidewalks within the District on a regular schedule throughout the year.
- Graffiti and handbill removal program:
  - Graffiti is removed by painting, using solvent and pressure washing.
  - Paper signs and handbills will also be removed by hand or when necessary by pressure washing.
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  - Weed Abatement in planters and sidewalks
  - Trash and debris will be removed from planting areas
  - Limited Plant Replacement program, plants will be replaced within limited budget.
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#### COMMUNICATION/IMAGE

- Continuing a program of branding and promoting Downtown businesses and community activities in the media.
- Continuing to develop marketing partnerships with established and new downtown business
- Continued upgrading of website with greater services, information and linkage provided.
- Replacement and maintenance of year round Culver Blvd. decorative tree lights.
- Continuing maintenance of previously purchased Holiday ornaments

#### ADVOCACY & ADMINISTRATION

- Proactive communication with City on violations of existing codes in relation to aesthetics and safety of facades and streetscape.
- Coordination between City Sanitation Division and businesses to improve the district dumpster/trash issue. Work to include increasing the quantity of dumpsters as well as improving the maintenance of trash compactors and dumpsters. Additionally, a program to provide more frequent emptying of dumpsters and trash receptacles will be developed.
- Actively working with the City to develop additional funding to increase the maintenance and landscape efforts in downtown.
- Fundraising effort will be explored to continue programs such as the Culver Card, Holiday Tree Lighting and other programs deemed important to the success of downtown.
- Day to day management of maintenance and communication programs
- Interacting with the City to insure timely assessment billing and payment

## Exhibit B

## Downtown Culver City-Business Improvement District

Proposed Year 2007 Work Program and BudgetRevenue

|                                     |                         |
|-------------------------------------|-------------------------|
| 2007 BID Assessment Fees            | \$121,367               |
| Carry Forward from 2006 Assessments | \$ 5,000                |
| <b><u>Total Revenue</u></b>         | <b><u>\$126,367</u></b> |

Expenses

|                                     |                 |
|-------------------------------------|-----------------|
| Maintenance Management              |                 |
| Sidewalk Sweep                      | \$19,200        |
| Landscaping                         | \$15,000        |
| Sidewalk Pressure Washing           | \$12,000        |
| Special Projects                    | \$15,000        |
| <b>Total Maintenance Management</b> | <b>\$61,200</b> |

|                         |          |
|-------------------------|----------|
| Advocacy/Administration |          |
| Professional Fees       | \$ 1,800 |
| Insurance               | \$ 2,100 |
| Tax, Dues, Permits      | \$ 100   |
| Office Rent             | \$ 0     |
| Telephone               | \$ 500   |
| Postage                 | \$ 500   |
| Office supplies         | \$ 800   |
| Management              | \$48,000 |

|                             |                 |
|-----------------------------|-----------------|
| <b>Total Administration</b> | <b>\$53,800</b> |
|-----------------------------|-----------------|

|                                  |                 |
|----------------------------------|-----------------|
| <b>Total Communication/Image</b> | <b>\$11,000</b> |
|----------------------------------|-----------------|

|                              |                         |
|------------------------------|-------------------------|
| <b><u>Total Expenses</u></b> | <b><u>\$126,000</u></b> |
|------------------------------|-------------------------|

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BID ADVISORY BOARD RECOMMENDATIONS-2007

KEN CHERNUS/PROPERTY OWNER  
DEBBIE WEISS/PROPERTY OWNER  
HEIDI FAHRINGER/BUSINESS OWNER  
STU FREEMAN/PROPERTY OWNERS  
ANDREW N. WEISSMAN/BUSINESS OWNER  
GERALD WEINER/ATTORNEY

BUSINESS IMPROVEMENT DISTRICT  
MANAGEMENT AGREEMENT

This Agreement is entered into by and between the CITY OF CULVER CITY, a municipal corporation organized and existing under and pursuant to its Charter and the Constitution of the State of California (hereinafter "City"), and the CULVER CITY DOWNTOWN BUSINESS ASSOCIATION, INC., a California nonprofit mutual benefit corporation organized and existing under and pursuant to the laws of the State of California (hereinafter "CCDBA") with reference to the following facts:

RECITALS

- A. Following properly noticed and publicly held meetings and hearings, the City Council has continued a Business Improvement Area to be known as the Downtown Culver City Business Improvement District (hereinafter "District"), pursuant to Section 36500 et seq. of the California Streets and Highways Code (hereinafter "Act"), by and through the adoption of Ordinance No. 2000-026 on December 11, 2000 (the "Ordinance").
- B. Pursuant to the Ordinance and enabling law, benefit assessments have been levied upon the various classes of businesses located within the District.
- C. Such assessment levied and collected by City shall be used only for the purposes set forth in the Ordinance.
- D. The services to be performed by CCDBA contribute to the economic and promotional well being of the community.
- E. The City Council of the City has determined the public interest, convenience and necessity require the execution of this Agreement to provide the service to be provided by CCDBA.

NOW, THEREFORE, City and CCDBA in consideration of the recitals, mutual promises, covenants, representations and agreements set forth below, hereby promise, covenant, agree and represent as follows:

Section 1. TERM OF AGREEMENT

- 1.1 This Agreement shall be effective from January 1, 2007, through December 31, 2008, unless terminated sooner pursuant to the terms

hereof. Obligations or expenditures for items not budgeted shall not be paid through assessments collected for the District.

- 1.2 The CCDBA may terminate this Agreement in advance of the expiration of the term for cause, by giving sixty (60) days written notice to the City. Such termination shall be effective on the sixty-first (61st) day after mailing of such notice.
- 1.3 The City may terminate this Agreement in advance of the expiration of the term without cause, by giving sixty (60) days written notice to the CCDBA. Such termination shall be effective on the sixty-first (61st) day after mailing of such notice.

## Section 2. CCDBA RESPONSIBILITIES

- 2.1 CCDBA shall render professional services and shall utilize, and cooperate with, the Community Development Director, or her/his designee, to provide work program coordination consisting of project development and implementation, program administration and plans and reports.
- 2.2 CCDBA shall submit to the Community Development Director project plans and reports, including the following:
  - 2.2.1 Before the implementation of any project or expenditure of project funds, submit a project plan as described further under items 2.2.2 and 2.5 below.
  - 2.2.2 By the 30th day of the first month of each quarter, beginning April 30, 2007, submit a quarterly progress report, outlining the progress of the several projects in relation to the proposed project schedules. This report will be provided with each quarterly or periodic request for disbursement or reimbursable advance.
  - 2.2.3 By October 1, 2007, submit a report outlining the project plans, goals and budget for the ensuing fiscal year, January 1 to December 31, 2008, including all documentation, as required by Section 36533 of the Act, as well as all other pertinent provisions of the Act, as amended.
  - 2.2.4 By March 30, 2007, CCDBA shall submit to the Community Development Director a statement of income and expense of

CCDBA covering the period from January 1 to December 31, 2006, certified by an independent Certified Public Accountant.

CCDBA responsibilities pursuant to this Paragraph 2.2 shall be in conformance with accepted industry standards to the sole reasonable satisfaction of the Community Development Director.

- 2.3 CCDBA shall administer the entire work program in a prudent manner within the budget attached hereto and made a part hereof as Exhibit A. CCDBA assumes responsibility for contracting for support services as required and paying for all such direct out-of-pocket expenses as may be necessary for the timely completion of work. Obligations or expenditures for items not budgeted shall not be paid through assessments collected for the District.
- 2.4 CCDBA shall maintain ongoing liaison with the community, which shall include holding an annual public meeting to be noticed in writing to all assessed business establishments in the District. This meeting will be conducted in the community in order to allow the business establishments to familiarize themselves with CCDBA functions and to inform CCDBA of their concerns and desires. A representative of the Community Development Director's office may attend as a member of the panel to provide information as required.
- 2.5 In addition to an annual work program, CCDBA may choose for each project to be implemented, to submit for the Community Development Director's approval a focused project plan, including a project budget and proposed project schedule. Each project shall be implemented within the budget amount specified. If the budget amount for any project is not sufficient, CCDBA has the authority to make reasonable budget adjustments not to exceed twenty-five percent (25%) of the total budget for that project, between several projects as necessary, and as limited by the total annual budget for the program. The projects shall be as follows, in no order of priority:

#### 2.5.1 Commercial Marketing

CCDBA shall develop a general commercial marketing program, which may include such items as a public relations campaign, institutional advertising, a community newsletter, and a business directory and member mailing list of all businesses in the District.

#### 2.5.2 Special Events and Activities



CCDBA shall develop and carry out an annual program of special events and activities, which may include such items as street fairs, carnivals, circuses, farmers' market and other sales and promotional activities.

#### 2.5.3 Beautification

CCDBA shall develop and implement a physical beautification program, which may include items such as special event banners and flags, holiday lighting and decorations, and other area wide amenities as appropriate.

#### 2.5.4 Other

CCDBA shall provide for other organization related services, functional duties and expenses such as insurance, bookkeeping/accounting, printing, postage, office supplies, equipment and utilities, as appropriate.

- 2.6 CCDBA shall maintain tax-exempt status with the United States Internal Revenue Service and the California State Franchise Tax Board for the term of this Agreement. CCDBA shall provide documentation of such status to the City Treasurer prior to the disbursement of any funds to CCDBA pursuant to this Agreement.
- 2.7 CCDBA shall recommend to the City Council for appointment CCDBA members who will act as a Business Improvement District Advisory Board. This committee shall be named the CCDBA BID Advisory Board Committee. Members of this committee shall be limited to representatives of businesses that are within the District and are subject to the assessments. Members shall be in good standing with the District and shall be current in regard to Culver City Business Tax, or any other debts to the CCDBA, District, or the City.
- 2.8 CCDBA, and subcontractors and consultants, if any, shall be required to obtain all necessary documentation including, but not limited to, any and all certificates, licenses and permits required to do business in the City. A list of said subcontractors and consultants shall be submitted to the City Treasurer on a quarterly basis, commencing April 1, 2007.

### Section 3. CITY RESPONSIBILITIES

- 3.1 The City shall be responsible for mailing billings, for collecting the assessment and for authorizing disbursements of funds collected to CCDBA.

3.1.1 Refunds and Adjustments

The City Treasurer shall reserve the right to retain a sum equal to the amount of assessments known to be in dispute for a period of forty-five (45) calendar days after the close of the fiscal year ending on December 31, 2007, as a contingency fund for the processing of valid claims for refunds or adjustments submitted to the City by business establishments within the District. The City's standard policy for processing claims for refunds or adjustments shall apply.

- 3.2 The Community Development Director shall review CCDBA's quarterly reports.

- 
- 3.3 City Treasurer shall disburse funds on a monthly basis when the assessment fund account balance exceeds \$100. The City's standard policy for processing requests for disbursement shall apply.

- 3.4 CCDBA shall pay to City all standard City fees including, but not limited to, fees or service charges for photocopy and reproduction requests and generation of real property, parcel or business ownership lists, as applicable.

- 3.5 Certain types of information obtained and possessed by the City including, but not limited to, certain tax data, have been determined to be confidential information by the City Attorney and will not be made available to CCDBA. Notwithstanding, the City Treasurer's Office shall inform the CCDBA when a new business enters the District. This shall occur each quarter. The list shall include a method by which the CCDBA may contact a new business.

- 3.6 The City recognizes the CCDBA BID Advisory Board Committee as the BID advisory board within the meaning of that term as referenced in Section 36530 of the Act.

- 3.7 The CCDBA understands and acknowledges that the CCDBA BID Advisory Board Committee will be subject to all State and City laws and regulations relating to government entities' conflict of interest, open meetings and public records, and hereby agrees to comply with all such laws and regulations.

Section 4. DISBURSEMENTS

- 4.1 An amount proportionate to the total amount collected shall be disbursed to the CCDBA by the City Treasurer's Office, not to exceed the total budget as approved by the City Council, less one percent of the total assessment to cover City expenses. If CCDBA dissolves itself prior to or upon the expiration of this Agreement, any unexpended monies shall be returned to the City Treasurer.
- 4.2 By the thirtieth (30th) day of the first month of each quarter, CCDBA shall submit in duplicate a quarterly report to the Community Development Director specifying. Such report shall:
1. Include the quarterly progress report, including supporting documentation of expenditures incurred in the previous quarter and an itemized request for disbursement for the current quarter.
  2. Contain a statement by CCDBA certifying CCDBA staff time, if any, expended and payment requested is for services performed in accordance with the provisions of this Agreement.
- 

#### Section 5. NOTICES

- 5.1 Notices to the parties shall, unless otherwise requested in writing, be sent to:

|        |                                                                                                                                                                |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| City   | City of Culver City<br>Office of the Community Development Director<br>Attention: Community Development Director<br>P.O. Box-507<br>Culver City, CA 90232-0507 |
| CCDBA: | Downtown Culver City Business Association<br>Attention: President<br>P.O. Box 1322<br>Culver City, CA 90232                                                    |

#### Section 6. OWNERSHIP OF DOCUMENTS

- 6.1 The work product prepared or acquired by CCDBA pursuant to this Agreement including, but not limited to, any and all data, documents, memoranda, sketches, drawings, photographs, audio tapes, video tapes, computer disks, designs, plans, reports, investigations and materials (collectively and individually, the "Work Product") shall be and shall remain property of City and the District for the exclusive use of the District. CCDBA shall have the right to retain copies of the Work Product. CCDBA acknowledges that the Work Product shall be and shall remain confidential, to the extent permitted by law, and shall not be made

available to any individual or organization without the prior written consent of the City. The Work Product shall, upon demand of the City, be delivered to the City without additional cost or expense to the City.

## Section 7. CONFLICT OF INTEREST

- 7.1 For the duration of this Agreement, CCDBA or its employees will not act as consultant or perform services or any kind for any person or entity in regard to the District without the prior written consent of the City. In addition, neither members of the Board of Directors of CCDBA nor paid staff, if any, may enter into any contract on behalf of CCDBA, nor vote on any District matters when such contract or matter would be of financial benefit to the member of the Board of Directors over and above the general financial benefit to all businesses in the District.

## Section 8. COST RECORDS

- 8.1 In accordance with generally accepted accounting principles, CCDBA shall maintain full and complete records of services performed under this Agreement. Such records shall be open to the inspection of the City and shall be kept for a 5-year period in case of audit.
- 8.2 The records maintained by CCDBA shall include all receipts for expenditures incurred. The City reserves the right for the Community Director to perform a contract compliance audit at any time during the fiscal year. CCDBA agrees to keep all receipts and other supporting documents available for inspection during said audits.

## Section 9. EQUAL OPPORTUNITY PROGRAM

### 9.1 Nondiscrimination and Affirmative Action

CCDBA shall comply with the applicable nondiscrimination and affirmative action provisions of the laws of the United States of America, the State of California and the City. In performing this Agreement, CCDBA shall not discriminate in its employment practices against any employee or applicant for employment because of such person's race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status or medical conditions.

## Section 10. AMENDMENTS

~~10.1~~ City periodically may request change in the scope of services to be performed hereunder. Such changes, which are mutually agreed upon by and between City and CCDBA, shall be incorporated in written amendments to this Agreement.

10.2. This Agreement may not be amended except in writing by mutual agreement of both parties. A failure to object to a breach of this Agreement shall not constitute an amendment thereof, nor shall it waive any future breach of this Agreement.

#### Section 11. INSURANCE

11.1 Without limiting its obligations pursuant to Section 12 of this Agreement, CCDBA shall submit proof of Comprehensive General Liability insurance of minimum One Million Dollars (\$1,000,000) single limit coverage, or statutorily required amounts, whichever is greater. Proof of insurance shall consist of a Certificate of Insurance and the City's Special Endorsement Form, attached hereto as Exhibit "B," executed by CCDBA's insurer in amounts satisfactory to, and in a form approved by, the City Attorney.

#### Section 12. INDEMNITY

12.1 Except for the active negligence or willful misconduct of City, CCDBA undertakes and agrees to defend, indemnify and hold harmless City, the CCRA and each of their, officers, agents, employees, assigns and successors in interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees and cost of litigation, damage or liability or any nature whatsoever, for death or injury to any person, including CCDBA's employees and agents, or damage or destruction of any property of either party hereto or of third parties arising in any manner by reason of the acts, errors, omissions or willful misconduct incident to the performance of this Agreement by CCDBA or its subcontractors of any tier.

The City does not waive any rights against CCDBA, which it or the CCRA may have by reason of the above hold-harmless clause due to the acceptance by the City of insurance policies described herein.

In the event CCDBA, City and/or CCRA are sued by a third party for damages caused or allegedly caused by of CCDBA or by a dangerous condition of City's or CCRA's property created by CCDBA or existing while the property was under the control of CCDBA, CCDBA shall not be relieved of its indemnity obligation to City or CCRA by any settlement with any such third party unless that settlement includes a full release and dismissal of all claims by the third party against the City or CCRA.

### Section 13. ASSIGNMENT

- 13.1 CCDBA covenants and agrees it will not assign or transfer its rights under this Agreement, either in whole or in part, without first obtaining the written consent of City, which consent may be granted or denied at the sole and absolute discretion of City. Any attempt by CCDBA to assign or transfer its rights or obligations without such prior written consent shall be null and void and may, at the option of City, automatically terminate this Agreement.

### Section 14. ASSETS OF THE DISTRICT

- 14.1 In the event the District is disestablished or otherwise discontinued, then the existing assets of the District shall be the property of City. However, said assets shall only be used (1) to pay the City any outstanding sums due to it by the District and (2) to disburse the remaining assets after payment to City by the then current members of the District on a pro-rata basis.

### Section 15. ATTORNEY FEES

- 15.1 If any action is brought in law or equity to enforce or interpret the provisions of the Agreement, the prevailing party shall be entitled to reasonable attorney fees in addition to any other relief to which it may be entitled.

### Section 16. SEVERABILITY

- 16.1 If any clause, provision, or section of the Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining provisions hereof.

### Section 17. WAIVER

- 17.1 Waiver by either party of any breach of any term, covenant or condition herein contained shall not be deemed a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained.

### Section 18. SECTION HEADINGS

- 18.1 The section headings of the Agreement are for convenience and reference only, and shall in no way be deemed to define, limit or add to the meaning of any provision of the Agreement.

## Section 19. GOVERNING LAW/COMPLIANCE WITH LAWS

19.1 The Agreement shall be governed by, and construed in accordance independent with, the laws of the State of California. The parties hereto agree to be found by all federal, state and local laws, ordinances, regulations and directives pertaining to the services to be performed hereunder. All disputes arising hereunder shall be resolved in Los Angeles County.

## Section 20. COUNTERPARTS

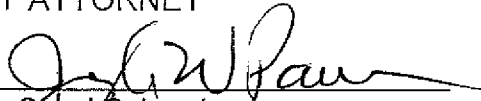
20.1 The Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

## Section 21. EXTENT OF AGREEMENT

21.1 The Agreement represents the entire and integrated agreement between the City and CCDBA and supercedes any and all prior negotiations, representations or agreements, either oral or written.

IN WITNESS WHEREOF, this Agreement is executed by the CITY OF CULVER CITY, acting by and through its Mayor, and the CULVER CITY DOWNTOWN BUSINESS ASSOCIATION, acting by and through its President and Vice-President or Secretary.

APPROVED AS TO FORM:  
CITY ATTORNEY

By   
for Carol Schwab  
City Attorney

CITY OF CULVER CITY, A Municipal  
Corporation of the State of California

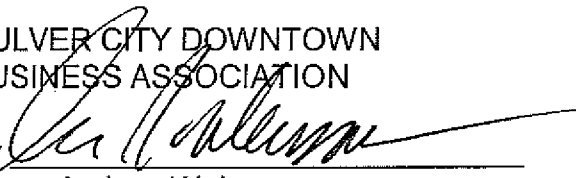
By \_\_\_\_\_  
Gary Silbiger  
Mayor

Date \_\_\_\_\_

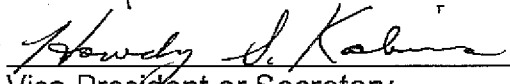
ATTEST:  
CITY CLERK

By \_\_\_\_\_  
Christopher Armenta  
City Clerk

CULVER CITY DOWNTOWN  
BUSINESS ASSOCIATION

By   
Andrew Weissman  
President

Date 11/15/06

By   
Vice-President or Secretary

Date 11/16/06



CC Downtown BID  
Profit & Loss  
January through March 2006

|                                     | Jan - Mar 06 |
|-------------------------------------|--------------|
| Ordinary Income/Expense             |              |
| Income                              |              |
| 4000 · Income                       |              |
| 4010 · Bid Income                   | 41,000.00    |
| 4080 · Reimbursed Expenses          |              |
| 4081 · Contract Labor               | 9,007.00     |
| Total 4080 · Reimbursed Expenses    | 9,007.00     |
| 4090 · Miscellaneous Income         |              |
| 4091 · Interest income              | 1.03         |
| Total 4090 · Miscellaneous Income   | 1.03         |
| Total 4000 · Income                 | 50,008.03    |
| Total Income                        | 50,008.03    |
| Expense                             |              |
| BID Establishment                   | 9,007.00     |
| Void                                | 0.00         |
| 8000 · Administration Expense       |              |
| 8012 · Contract Labor               | 10,500.00    |
| 8400 · Office Expenses              |              |
| 8420 · Bank Service Charges         | 12.00        |
| 8470 · Office Supplies              | 19.99        |
| 8480 · Rent                         |              |
| 8482 · Office Rent                  | 1,460.00     |
| Total 8480 · Rent                   | 1,460.00     |
| Total 8400 · Office Expenses        | 1,491.99     |
| 8450 · Parking                      | 120.00       |
| Total 8000 · Administration Expense | 12,111.99    |
| Total Expense                       | 21,118.99    |
| Net Ordinary Income                 | 28,889.04    |
| Net Income                          | 28,889.04    |

**CC Downtown BID**  
**Balance Sheet**  
As of March 31, 2006

Mar 31, 06

**ASSETS**

**Current Assets**

**Checking/Savings**

**1000 - Cash**

1030 - BID Account2 - Bank of the West

41,848.60

1090 - Petty Cash

200.00

1000 - Cash - Other

1.82

**Total 1000 - Cash**

42,050.42

**Total Checking/Savings**

42,050.42

**Accounts Receivable**

1200 - Accounts Receivable

9,007.00

**Total Accounts Receivable**

9,007.00

**Total Current Assets**

51,057.42

**Fixed Assets**

**1700 - Fixed Asset**

1701 - Furniture & Fixtures

646.09

1702 - Computer Equipment

1,603.03

**Total 1700 - Fixed Asset**

2,249.12

**Total Fixed Assets**

2,249.12

**TOTAL ASSETS**

**53,306.54**

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Accounts Payable**

2000 - Accounts Payable

730.00

**Total Accounts Payable**

730.00

**Total Current Liabilities**

730.00

**Total Liabilities**

730.00

**Equity**

3000 - Opening Balance Equity

5,867.79

3100 - Retained Earnings

17,819.71

Net Income

28,889.04

**Total Equity**

52,576.54

**TOTAL LIABILITIES & EQUITY**

**53,306.54**

**CC Downtown BID**  
**Profit & Loss**  
 April through June 2006

Apr - Jun 06

|                                              |            |
|----------------------------------------------|------------|
| Ordinary Income/Expense                      |            |
| Income                                       |            |
| 4000 - Income                                |            |
| 4080 - Reimbursed Expenses                   |            |
| 4081 - Contract Labor                        | 1,563.80   |
| Total 4080 - Reimbursed Expenses             | 1,563.80   |
| 4090 - Miscellaneous Income                  |            |
| 4091 - Interest income                       | 9.54       |
| Total 4090 - Miscellaneous Income            | 9.54       |
| Total 4000 - Income                          | 1,573.34   |
| Total Income                                 | 1,573.34   |
| Expense                                      |            |
| 5000 - Marketing and Promotion Expense       |            |
| 5200 - Promotional Events                    |            |
| 5216 - Summer Sunset                         | 0.00       |
| 5200 - Promotional Events - Other            | 2,500.00   |
| Total 5200 - Promotional Events              | 2,500.00   |
| Total 5000 - Marketing and Promotion Expense | 2,500.00   |
| 8000 - Administration Expense                |            |
| 8012 - Contract Labor                        | 12,063.80  |
| 8200 - Insurance                             | 770.00     |
| 8400 - Office Expenses                       |            |
| 8480 - Rent                                  |            |
| 8482 - Office Rent                           | 730.00     |
| Total 8480 - Rent                            | 730.00     |
| Total 8400 - Office Expenses                 | 730.00     |
| 8450 - Parking                               | 180.00     |
| 8700 - Taxes                                 |            |
| 8710 - Franchise Tax Board                   | 10.00      |
| Total 8700 - Taxes                           | 10.00      |
| Total 8000 - Administration Expense          | 13,753.80  |
| Total Expense                                | 16,253.80  |
| Net Ordinary Income                          | -14,680.46 |
| Net Income                                   | -14,680.46 |

**CC Downtown BID**  
**Balance Sheet**  
As of June 30, 2006

Jun 30, 06

**ASSETS**

**Current Assets**

**Checking/Savings**

**1000 - Cash**

1030 - BID Account2 - Bank of the West 33,881.34

1090 - Petty Cash 200.00

1000 - Cash - Other 1.82

**Total 1000 - Cash 34,083.16**

**Total Checking/Savings 34,083.16**

**Accounts Receivable**

1200 - Accounts Receivable 1,563.80

**Total Accounts Receivable 1,563.80**

**Total Current Assets 35,646.96**

**Fixed Assets**

**1700 - Fixed Asset**

1701 - Furniture & Fixtures 646.09

1702 - Computer Equipment 1,603.03

**Total 1700 - Fixed Asset 2,249.12**

**Total Fixed Assets 2,249.12**

**TOTAL ASSETS 37,896.08**

**LIABILITIES & EQUITY**

**Equity**

3000 - Opening Balance Equity 5,867.79

3100 - Retained Earnings 17,819.71

Net Income 14,208.58

**Total Equity 37,896.08**

**TOTAL LIABILITIES & EQUITY 37,896.08**

**CC Downtown BID**  
**Profit & Loss**  
 July through September 2006

|                                              | Jul - Sep 06 |
|----------------------------------------------|--------------|
| Ordinary Income/Expense                      |              |
| Income                                       |              |
| 4000 · Income                                |              |
| 4090 · Miscellaneous Income                  |              |
| 4091 · Interest income                       | 6.86         |
| Total 4090 · Miscellaneous Income            | 6.86         |
| Total 4000 · Income                          | 6.86         |
| Total Income                                 | 6.86         |
| Expense                                      |              |
| 5000 · Marketing and Promotion Expense       |              |
| 5200 · Promotional Events                    |              |
| 5214 · Car Show                              | 0.00         |
| Total 5200 · Promotional Events              | 0.00         |
| 5400 · Website                               |              |
| 5411 · Website Maintenance                   | 1,010.00     |
| Total 5400 · Website                         | 1,010.00     |
| Total 5000 · Marketing and Promotion Expense | 1,010.00     |
| 8000 · Administration Expense                |              |
| 8012 · Contract Labor                        | 10,500.00    |
| 8400 · Office Expenses                       |              |
| 8430 · Postage and Delivery                  | 89.10        |
| 8470 · Office Supplies                       | 82.23        |
| 8480 · Rent                                  |              |
| 8482 · Office Rent                           | 1,460.00     |
| 8480 · Rent - Other                          | 0.00         |
| Total 8480 · Rent                            | 1,460.00     |
| Total 8400 · Office Expenses                 | 1,631.33     |
| 8450 · Parking                               | 180.00       |
| 8500 · Professional Fees                     | 20.00        |
| Total 8000 · Administration Expense          | 12,331.33    |
| Total Expense                                | 13,341.33    |
| Net Ordinary Income                          | -13,334.47   |
| Net Income                                   | -13,334.47   |

**CC Downtown BID**  
**Balance Sheet**  
As of September 30, 2006

Sep 30, 06

**ASSETS**

Current Assets

Checking/Savings

1000 - Cash

1030 - BID Account2 - Bank of the West

19,710.67

1090 - Petty Cash

200.00

1000 - Cash - Other

1.82

Total 1000 - Cash

19,912.49

Total Checking/Savings

19,912.49

Total Current Assets

19,912.49

Fixed Assets

1700 - Fixed Asset

1701 - Furniture & Fixtures

646.09

1702 - Computer Equipment

1,603.03

Total 1700 - Fixed Asset

2,249.12

Total Fixed Assets

2,249.12

**TOTAL ASSETS**

**22,161.61**

**LIABILITIES & EQUITY**

Liabilities

Current Liabilities

Accounts Payable

2000 - Accounts Payable

-2,400.00

Total Accounts Payable

-2,400.00

Total Current Liabilities

-2,400.00

Total Liabilities

-2,400.00

Equity

3000 - Opening Balance Equity

5,867.79

3100 - Retained Earnings

17,819.71

Net Income

874.11

Total Equity

24,561.61

**TOTAL LIABILITIES & EQUITY**

**22,161.61**

CC Downtown BID  
A/R Aging Summary  
As of October 2, 2006

|       | <u>Current</u> | <u>1 - 30</u> | <u>31 - 60</u> | <u>61 - 90</u> | <u>&gt; 90</u> | <u>TOTAL</u> |
|-------|----------------|---------------|----------------|----------------|----------------|--------------|
| TOTAL | <u>0.00</u>    | <u>0.00</u>   | <u>0.00</u>    | <u>0.00</u>    | <u>0.00</u>    | <u>0.00</u>  |

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**CC Downtown BID**  
**A/P Aging Summary**  
As of October 25, 2006

|                  | <u>Current</u> | <u>1 - 30</u> | <u>31 - 60</u> | <u>61 - 90</u> | <u>&gt; 90</u>   | <u>TOTAL</u>     |
|------------------|----------------|---------------|----------------|----------------|------------------|------------------|
| The Larkin Group | 0.00           | 0.00          | 0.00           | 0.00           | -2,400.00        | -2,400.00        |
| <b>TOTAL</b>     | <u>0.00</u>    | <u>0.00</u>   | <u>0.00</u>    | <u>0.00</u>    | <u>-2,400.00</u> | <u>-2,400.00</u> |



INTERNAL REVENUE SERVICE  
DISTRICT DIRECTOR  
P. O. BOX 2808  
CINCINNATI, OH 45201

Date: APR 26 1988

SILVER CITY DOWNTOWN BUSINESS  
ASSOCIATION INC  
PO BOX 1323  
SILVER CITY, OH 45222

U.S. DEPT OF THE TREASURY

Attachment #6

Employer Identification Number:

26-6576549

NAME:

319063016

Contact Person:

VICTORIA LANEY

ID# 31304

Contact Telephone Number:

(577) 629-8569

Internal Revenue Code

Section 501(c)(6)

Accounting Period Ending:

July 31

Form 990 Required:

Yes

Additional Applicant:

No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in the section indicated above.

Unless specifically exempted, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) for each employee to whom you pay \$100 or more during a calendar year. And, unless exempted, you are also liable for tax under the Federal Unemployment Tax Act for each employee to whom you pay \$50 or more during a calendar quarter if, during the current or preceding calendar year, you had one or more employees at any time in each of 20 calendar weeks or you paid wages of \$1,500 or more in any calendar quarter. If you have any questions about excise, employment, or other Federal taxes, please address them to this office.

If your business of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5

Letter 244 (07/88)

-2-

## CLIVER CITY DOWNTOWN BUSINESS

percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$20,000. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Except Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, any supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$20 per day each day there is a failure to comply (up to a maximum of \$10,000 in the case of an annual return).

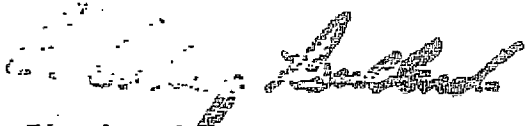
You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

  
District Director

Letter 242 (12/01)

|                                                                                                                                                        |  |                                                                                                                                                                                                             |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| <b>ACORD™ CERTIFICATE OF LIABILITY INSURANCE</b>                                                                                                       |  | DATE (MM/DD/YYYY)<br>10/26/2006                                                                                                                                                                             |               |
| <b>PRODUCER</b> (530) 273-7213<br>Acordia of California Insurance Services, Inc.<br>CA DOI LIC #0352275<br>P O Box 1106<br>Grass Valley, CA 95945-4701 |  | THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. |               |
| <b>INSURED</b> Culver City Downtown Business Assoc.<br>P.O. Box 1322<br>Culver City, CA 90232-                                                         |  | <b>INSURERS AFFORDING COVERAGE</b><br>INSURER A: U.S.L.I<br>INSURER B:<br>INSURER C:<br>INSURER D:<br>INSURER E:                                                                                            | <b>NAIC #</b> |

**COVERAGES**

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| INSR ADD'L LTR | INSRD | TYPE OF INSURANCE                                                                                                                                                                                                                                                                                | POLICY NUMBER | POLICY EFFECTIVE DATE (MM/DD/YY) | POLICY EXPIRATION DATE (MM/DD/YY) | LIMITS                                                                                                  |                      |
|----------------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------|-----------------------------------|---------------------------------------------------------------------------------------------------------|----------------------|
|                |       | <b>GENERAL LIABILITY</b><br><input type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR<br>GEN'L AGGREGATE LIMIT APPLIES PER:<br><input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC |               |                                  |                                   | EACH OCCURRENCE<br>DAMAGE TO RENTED PREMISES (Ea occurrence)                                            | \$                   |
|                |       |                                                                                                                                                                                                                                                                                                  |               |                                  |                                   | MED EXP (Any one person)                                                                                | \$                   |
|                |       |                                                                                                                                                                                                                                                                                                  |               |                                  |                                   | PERSONAL & ADV INJURY                                                                                   | \$                   |
|                |       |                                                                                                                                                                                                                                                                                                  |               |                                  |                                   | GENERAL AGGREGATE                                                                                       | \$                   |
|                |       |                                                                                                                                                                                                                                                                                                  |               |                                  |                                   | PRODUCTS - COM/PROP AGG                                                                                 | \$                   |
|                |       | <b>AUTOMOBILE LIABILITY</b><br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> ALL OWNED AUTOS<br><input type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> HIRED AUTOS<br><input type="checkbox"/> NON-OWNED AUTOS                                                     |               |                                  |                                   | COMBINED SINGLE LIMIT (Ea accident)                                                                     | \$                   |
|                |       |                                                                                                                                                                                                                                                                                                  |               |                                  |                                   | BODILY INJURY (Per person)                                                                              | \$                   |
|                |       |                                                                                                                                                                                                                                                                                                  |               |                                  |                                   | BODILY INJURY (Per accident)                                                                            | \$                   |
|                |       |                                                                                                                                                                                                                                                                                                  |               |                                  |                                   | PROPERTY DAMAGE (Per accident)                                                                          | \$                   |
|                |       | <b>GARAGE LIABILITY</b><br><input type="checkbox"/> ANY AUTO                                                                                                                                                                                                                                     |               |                                  |                                   | AUTO ONLY - EA ACCIDENT<br>OTHER THAN EA ACC<br>AUTO ONLY: AGG                                          | \$<br>\$<br>\$       |
|                |       | <b>EXCESS/UMBRELLA LIABILITY</b><br><input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE<br><input type="checkbox"/> DEDUCTIBLE<br><input type="checkbox"/> RETENTION \$                                                                                                          |               |                                  |                                   | EACH OCCURRENCE<br>AGGREGATE                                                                            | \$<br>\$<br>\$<br>\$ |
|                |       | <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b><br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?<br>If yes, describe under SPECIAL PROVISIONS below                                                                                                                             |               |                                  |                                   | WC STATU-TORY LIMITS<br>E.L. EACH ACCIDENT<br>E.L. DISEASE - EA EMPLOYEE<br>E.L. DISEASE - POLICY LIMIT | \$<br>\$<br>\$<br>\$ |
| A              |       | <b>OTHER</b><br>Directors & Officers                                                                                                                                                                                                                                                             | NDO1036688D   | 9/27/2006                        | 9/27/2007                         | Claims Made                                                                                             | \$1,000,000          |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

\*Proof of Insurance Only\*

10 days' notice for nonpayment of premium

**CERTIFICATE HOLDER****CANCELLATION**

|                                                                    |                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| City of Culver City<br>9770 Culver Blvd.<br>Culver City, CA 90232- | SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.<br>AUTHORIZED REPRESENTATIVE<br><i>Peggy Hernandez</i> |
|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

**ACORD™ INSURANCE BINDER**

DATE (MM/DD/YY)

OCT 10 06

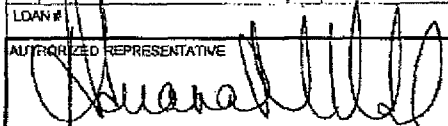
THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE REVERSE SIDE OF THIS FORM.

|                                                                                                                                                                                        |  |                                                                                                                 |  |                                                    |  |                                                                                                  |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------------------------------------------------------------------------------------------------------------|--|----------------------------------------------------|--|--------------------------------------------------------------------------------------------------|--|
| <b>PRODUCER</b><br>E.L.M. INSURANCE BROKERS, INC.<br>P.O. BOX 2668<br>1990 E. GRAND AVE STE 210 CA LIC 0D28706<br>EL SEGUNDO CA 90245-1768<br>PHONE: 310-322-1301<br>FAX: 310-322-1302 |  | <b>PHONE</b><br>(A/C, No. 54): 310-322-1301                                                                     |  | <b>COMPANY</b><br>United States Liability Ins. Co. |  | <b>BINDER #</b><br>17925                                                                         |  |
| <b>AGENCY</b><br>CUSTOMER ID: 27735                                                                                                                                                    |  | <b>DATE</b><br>SEP 27 06                                                                                        |  | <b>EFFECTIVE</b><br>12:01                          |  | <b>TIME</b><br>X AM<br>PM                                                                        |  |
| <b>INSURED</b><br>CULVER CITY DOWNTOWN BUSINESS ASSOCIATION<br>P.O. BOX 1322<br>CULVER CITY CA 90232                                                                                   |  | <b>DATE</b><br>NOV 27 06                                                                                        |  | <b>EXPIRATION</b><br>X 12:01 AM<br>NOON            |  | <b>THIS BINDER IS ISSUED TO EXTEND COVERAGE IN THE ABOVE NAMED COMPANY PER EXPIRING POLICY #</b> |  |
| <b>CODE</b><br>SUB CODE                                                                                                                                                                |  | <b>DESCRIPTION OF OPERATIONS/VEHICLES/PROPERTY (including Location)</b><br>BUSINESS ASSOCIATION<br>NDO10C36688D |  |                                                    |  |                                                                                                  |  |

**COVERAGES****LIMITS**

| TYPE OF INSURANCE                                                                                                                                                                                                                            | COVERAGE/FORMS                                                                                                                       | DEDUCTIBLE                                                                                                                                                               | COINS %                                                                                      | AMOUNT |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|--------|
| <b>PROPERTY</b><br>CAUSES OF LOSS<br><input type="checkbox"/> BASIC <input type="checkbox"/> BROAD <input type="checkbox"/> SPEC.                                                                                                            | NOT INCLUDED                                                                                                                         |                                                                                                                                                                          |                                                                                              |        |
| <b>GENERAL LIABILITY</b><br><input type="checkbox"/> COMMERCIAL GENERAL LIABILITY<br><input checked="" type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR.<br><input checked="" type="checkbox"/> NON PROFIT D&O                   | NON PROFIT DIRECTORS & OFFICERS LIABILITY<br>SUBJECT TO A \$0 PER CLAIM DEDUCTIBLE<br>FULL PRIOR ACTS<br>RETRO DATE FOR CLAIMS MADE: | EACH OCCURRENCE<br>DAMAGE TO RENTED PREMISES<br>MEDICAL EXPENSE (Any one person)<br>PERSONAL & ADV INJURY<br>GENERAL AGGREGATE<br>PRODUCTS - COMPROP AGG                 | \$ 1,000,000<br>NOT INCLUDED<br>NOT INCLUDED<br>NOT INCLUDED<br>\$ 1,000,000<br>NOT INCLUDED |        |
| <b>AUTOMOBILE LIABILITY</b><br><input type="checkbox"/> ANY AUTO<br><input type="checkbox"/> ALL OWNED AUTOS<br><input type="checkbox"/> SCHEDULED AUTOS<br><input type="checkbox"/> HIRED AUTOS<br><input type="checkbox"/> NON-OWNED AUTOS | NOT INCLUDED                                                                                                                         | COMBINED SINGLE LIMIT<br>BODILY INJURY (Per person)<br>BODILY INJURY (Per accident)<br>PROPERTY DAMAGE<br>MEDICAL PAYMENTS<br>PERSONAL INJURY PROT<br>UNINSURED MOTORIST | \$<br>\$<br>\$<br>\$<br>\$<br>\$                                                             |        |
| <b>AUTO PHYSICAL DAMAGE</b><br>COLLISION:<br>OTHER THAN COLL:                                                                                                                                                                                | DEDUCTIBLE<br><input type="checkbox"/> ALL VEHICLES <input type="checkbox"/> SCHEDULED VEHICLES<br>NOT INCLUDED                      | ACTUAL CASH VALUE<br>STATED AMOUNT<br>OTHER                                                                                                                              | \$<br>\$<br>\$                                                                               |        |
| <b>GARAGE LIABILITY</b><br><input type="checkbox"/> ANY AUTO                                                                                                                                                                                 | NOT INCLUDED                                                                                                                         | AUTO ONLY - EA ACCIDENT<br>OTHER THAN AUTO ONLY:<br>EACH ACCIDENT<br>AGGREGATE                                                                                           | \$<br>\$<br>\$<br>\$                                                                         |        |
| <b>EXCESS LIABILITY</b><br><input type="checkbox"/> UMBRELLA FORM<br><input type="checkbox"/> OTHER THAN UMBRELLA FORM                                                                                                                       | NOT INCLUDED<br>RETRO DATE FOR CLAIMS MADE:                                                                                          | EACH OCCURRENCE<br>AGGREGATE<br>SELF-INSURED RETENTION                                                                                                                   | \$<br>\$<br>\$                                                                               |        |
| <b>WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY</b>                                                                                                                                                                                        | NOT INCLUDED                                                                                                                         | WC STATUTORY LIMITS<br>E.L. EACH ACCIDENT<br>E.L. DISEASE - EACH EMPLOYEE<br>E.L. DISEASE - POLICY LIMIT                                                                 | \$<br>\$<br>\$<br>\$                                                                         |        |
| <b>SPECIAL CONDITIONS/ OTHER COVERAGES</b><br>SUBJECT TO CARRIER'S TIMELY RECEIPT OF THE PREMIUM!!!                                                                                                                                          |                                                                                                                                      | FEES<br>TAXES<br>ESTIMATED TOTAL PREMIUM                                                                                                                                 | \$<br>\$<br>\$                                                                               |        |

**NAME & ADDRESS**

|            |                                                                                                                   |                    |
|------------|-------------------------------------------------------------------------------------------------------------------|--------------------|
| ATTENTION: | MORTGAGEE<br>LOSS PAYEE                                                                                           | ADDITIONAL INSURED |
|            | LOAN #                                                                                                            |                    |
|            | AUTHORIZED REPRESENTATIVE<br> |                    |
|            | OC72477                                                                                                           |                    |

ACORD 75-S (2001/01)

NOTE: IMPORTANT STATE INFORMATION ON REVERSE SIDE

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35

## RESOLUTION NO. 2006-R085

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CULVER CITY, CALIFORNIA, DECLARING ITS INTENTION TO CONDUCT A PUBLIC HEARING TO CONSIDER CONTINUATION OF THE DOWNTOWN CULVER CITY BUSINESS IMPROVEMENT DISTRICT ON DECEMBER 11, 2006.

WHEREAS, the Parking and Business Improvement Area Law of 1989 (California Streets and Highway Code, sections 36500 *et seq.* (the "Act")) authorizes cities to establish parking and business improvement areas for the purpose of imposing assessments on businesses for certain purposes; and

WHEREAS, the City established by Ordinance No. 98-011 the Downtown Culver City Business Improvement District (the "District"); and

WHEREAS, on November 13, 2006, the City approved the District's Annual Report (work program and budget), prepared by the Culver City Business Improvement District Advisory Committee; and

WHEREAS, businesses in the District have requested the City Council to reauthorize continuation of the District for the year 2007.

NOW, THEREFORE, the City Council of the City of Culver City DOES HEREBY RESOLVE as follows:

1. Pursuant to the provisions of the Act, the City Council declares its intent to consider the continuation for the year 2007 of a Parking and Business Improvement Area named the Downtown Culver City Business Improvement District.

2. The proposed boundaries of the District are set forth in Exhibit "A," which is attached hereto and incorporated herein by reference, and are the same as those

1 contained in Ordinance No. 2000-027, which replaced Ordinance No. 98-011 (ordinance  
2 that established the District).

3 3. The improvements and activities proposed for the District shall be  
4 funded by the levy of assessments on businesses within the District boundaries and may  
5 include, but are not limited to, the following:

6 a. General promotion of business activities within the District;

7 b. Promotion of public events which benefit businesses in the  
8 District and which take place on or in public places within the District;

9 c. Decoration of any public place within the District; and

10 d. Acquisition, construction, installation or maintenance of  
11 improvements identified in section 36510 of the Act.

12 4. The City Council intends to levy assessments on businesses located  
13 within the boundaries of the District, in the amounts and on the business classifications set  
14 forth in Exhibit "B," which is attached hereto and incorporated by reference as though fully  
15 set forth herein. The levy assessments are set forth in Ordinance No. 2000-027.

16 5. Except where funds are otherwise available, an assessment to pay for  
17 all specified improvements and activities within the District will be used to fund the activities  
18 and improvements shown on Exhibit "C," attached hereto and incorporated herein, which  
19 are also described in the Report to the City Council on file with the City Clerk that was  
20 prepared by the Culver City Downtown Business Association.

21 6. Businesses commenced during the year following the renewal of the  
22 District shall not be exempt from such assessments, but shall be assessed the appropriate  
23 amounts as listed on Exhibit "B" in a prorated format based upon the number of whole  
24 months remaining in the assessment period.

7. The City Council shall hold a public hearing on the 11th day of December 2006, at 7:00 p.m., or as soon thereafter as this matter may be heard, in the Council Chambers at 9770 Culver Boulevard, Culver City, California.

8. The City Clerk shall certify to the passage of this Resolution and cause the same to be published once in a daily newspaper of general circulation in the Culver City area, not less than seven days before the hearing.

APPROVED and ADOPTED this 13th day of November 2006.

  
GARY SILBIGER, MAYOR  
City of Culver City, California

ATTEST:

APPROVED AS TO FORM:

  
CHRISTOPHER ARMENTA, City Clerk  
A06-00676

  
for CAROL A. SCHWAB, City Attorney