MEETING DATE: February 2, 2010

AGENDA ITEM: Reconsideration of a Recommendation to the City Council Regarding the Development of a 501(c)(3) Foundation as a Resource for Funding City Parks and Open Space Enhancements.

ATTACHMENTS

ATTACHMENT A

EXCERPT OF THE MINUTES OF THE

REGULAR MEETING OF THE PARKS AND RECREATION COMMISSION CITY OF CULVER CITY, CALIFORNIA

May 2, 2006
7:00 p.m.

CHAIR JEANETTE JAMES

Call to Order

The meeting of the Parks and Recreation Commission was called to order by Chair James at 7:10 p.m. in the Council Chambers, City Hall.

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Roll Call

Members Present: Commissioners James, Daly Redholtz, Deen, Shapiro, Cooper

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<u>Item A-1.</u>

Consideration to establish and appoint a Commission subcommittee on the development of a 501(c)(3) entity to explore funding opportunities to support park improvement projects and recreational programs.

Bill La Pointe gave the staff report.

Commissioner Daly Redholtz clarified the intent of the subcommittee is not to establish a new 501(c)(3) entity but to support funding opportunities/find ways to go about increasing the PRCS Department's ability to raise more money from grants.

MOVED BY COMMISSIONER DALY REDHOLTZ AND SECONDED BY COMMISSIONER COOPER THAT THE PARKS AND RECREATION COMMISSION APPOINT A SUBCOMMITTEE TO EXPLORE FUNDING OPPORTUNITIES TO SUPPORT PARK IMPROVEMENT PROJECTS AND RECREATION PROGRAMS AND TO INCLUDE DISCUSSIONS WITH THE CULVER CITY PARKS AND SERVICE FOUNDATION IN THIS EFFORT.

Discussion ensued.

Commissioner Shapiro pointed out that this is not the issue on the agenda.

Heather Iker clarified the agenda item is broad enough to include the action proposed by Commissioner Daly Redholtz.

Commissioner James said she is in favor of developing a subcommittee and expressed her desire to serve on the subcommittee.

Commissioner Deen said the issue is far too broad for a subcommittee, pointing out that the Cultural Affairs Commission created a 501(c)(3) after a cultural plan was developed. He said he would vote against it.

Commissioner Shapiro said she is not in favor of creating a 501(c)(3) because of the cost to staff time, but indicated she would support a subcommittee to explore funding opportunities and the subcommittee could bring back information/a report of their findings to the Commission.

AYES:	Commissioners James, Daly Redholtz, Cooper, and Shapiro
NOES:	Commissioner Deen
ABSTAIN:	None
ABSENT:	None

The Motion carried by a 4-1 vote.

Commissioner Daly Redholtz emphasized the purpose of the subcommittee is to explore funding opportunities for the benefit of the City and enhance the quality of the parks for the public.

MOVED BY COMMISSIONER SHAPIRO AND SECONDED BY COMMISSIONER COOPER TO APPOINT COMMISSIONERS JAMES AND DALY REDHOLTZ TO SERVE ON THE COMMISSION FUNDRAISING SUBCOMMITTEE TO EXPLORE FUNDING OPPORTUNITIES FOR PARKS AND RECREATION.

AYES:	Commissioner James, Daly Redholtz, Cooper and Shapiro
NOES:	Commissioner Deen
ABSTAIN:	None
ABSENT:	None

The Motion carried by a 4-1 vote.

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ATTACHMENT B

EXCERPT OF THE MINUTES OF THE

REGULAR MEETING OF THE
PARKS, RECREATION AND
COMMUNITY SERVICES COMMISSION
CITY OF CULVER CITY,
CALIFORNIA

June 2, 2009
7:00 P.M.

Call to Order & Roll Call

The meeting of the Parks, Recreation and Community Services Commission was called to order at 7:07 P.M.

Present: Chair Anita Shapiro
Vice Chair Vicki Daly Redholtz
Commissioner Jeffrey Cooper*
Commissioner Rick Hudson
Commissioner Marianne Kim

* arrived at 7:09 P.M. and left at 8:07 P.M.

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Item A-2

Consideration of a Recommendation to the City Council Regarding the Development of a 501(c)(3) Foundation as a Resource for Funding City Parks and Open Space Enhancements

Bill LaPointe, Parks, Recreation and Community Services Director, provided a summary of the material of record.

Discussion between staff and the Commission included clarification regarding the differences between the proposed foundation and the Culver City Parks and Services Foundation.

Chair Shapiro invited public participation.

The following members of the audience addressed the Commission:

Laura Stewart expressed support for the formation of a 501(c)(3) foundation.

Hannah Dershowitz, Culver City Great Parks Association (CCGP), reported that the organization stood ready to participate and was willing to consider changing their charter to serve the function for what is being considered.

A discussion ensued between the Commission, staff and the speaker regarding: whether existing 501(c)(3)s might not be ready to accept donations in excess of $20,000; donation thresholds that require an organization to file a tax return; a suggestion that staff be directed to work on the item with CCGP; a suggestion that the groups work together; and clarification that the proposed group could serve as an additional resource for funding and would not be limited to parks.

Moved by Commissioner Cooper and seconded by Commissioner Hudson to support the development of a 501(c)(3) corporation.

Commissioner Cooper indicated that he would have to leave the meeting.

Vice Chair Daly Redholtz thanked Commissioner Cooper for his mentorship and hard work on the Commission.

Chair Shapiro also thanked Commissioner Cooper for his service.

Commissioner Cooper left Council Chambers at 8:07 P.M.

Additional discussion between the Commission and staff included: appreciation to CCGP for their offer; clarification that the proposed 501(c)(3) could apply for grants and the sole purpose of the group would be to serve the City; a request that the financial resource subcommittee of the Commission be involved; structures for specific donations to reduce paperwork; questions regarding the need for the 501(c)(3) since there are other non-profits in the community available; details including who would serve and what the bylaws would be; acknowledgement of the need to include the community; concern with previous failed efforts to work with the Parks and Services Foundation; and support for moving forward to explore the proposed organization further with the possibility of working with existing organizations.

Commissioner Kim proposed an amendment to recommend that the City Council work with existing community organizations and support the development of a 501(c)(3) foundation as an additional resource for funding City parks and open space enhancements; and refer the issue back to staff and the PRCS commission for further recommendation.

Further discussion ensued regarding: how to proceed with an amendment to a motion made by an absent Commissioner; concern that the amendment would limit the Commission; and a suggestion to hold the item to the next Commission meeting.

MOVED BY COMMISSIONER COOPER AND SECONDED BY COMMISSIONER HUDSON THAT THE PARKS, RECREATION AND COMMUNITY SERVICES COMMISSION: RECOMMEND THAT THE CITY COUNCIL SUPPORT THE DEVELOPMENT OF A 501(C)(3) FOUNDATION AS AN ADDITIONAL RESOURCE FOR FUNDING CITY PARKS AND OPEN SPACE ENHANCEMENTS; AND REFER THE ISSUE BACK TO STAFF AND THE PRCS COMMISSION FOR FURTHER RECOMMENDATION.

The motion passed by the following vote:

AYES: Daly Redholtz, Hudson and Shapiro
NOES: None
ABSENT: Cooper
ABSTAIN: Kim

Commissioner Kim clarified that she was abstaining due to a lack of information.

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$159,950 ($79,975 if you are married filing separately), you may have to reduce the amount of certain itemized deductions, including charitable contributions. For more information and a worksheet, see the instructions for Schedule A (Form 1040).

Reminders

Disaster relief. You can deduct contributions for flood relief, hurricane relief, or other disaster relief to a qualified organization (defined under *Organizations That Qualify To Receive Deductible Contributions*). However, you cannot deduct contributions earmarked for relief of a particular individual or family.

Introduction

This publication explains how to claim a deduction for your charitable contributions. It discusses organizations that are qualified to receive deductible charitable contributions, the types of contributions you can deduct, how much you can deduct, what records to keep, and how to report charitable contributions.

A charitable contribution is a donation or gift to, or for the use of, a qualified organization. It is voluntary and is made without getting, or expecting to get, anything of equal value.

Qualified organizations. Qualified organizations include nonprofit groups that are religious, charitable, educational, scientific, or literary in purpose, or that work to prevent cruelty to children or animals. You will find descriptions of these organizations under *Organizations That Qualify To Receive Deductible Contributions.*

Form 1040 required. To deduct a charitable contribution, you must file Form 1040 and itemize deductions on Schedule A. The amount of your deduction may be limited if certain rules and limits explained in this publication apply to you.

Comments and suggestions. We welcome your comments about this publication and your suggestions for future editions.

You can write to us at the following address:

Internal Revenue Service
Individual Forms and Publications Branch
SE:W:CAR:MP:T:I
1111 Constitution Ave. NW, IR-6526
Washington, DC 20224

We respond to many letters by telephone. Therefore, it would be helpful if you would include your daytime phone number, including the area code, in your correspondence.

You can email us at *taxforms@irs.gov*. (The asterisk must be included in the address.) Please put "Publications Comment" on the subject line. Although we cannot respond individually to each email, we do appreciate your feedback and will consider your comments as we revise our tax products.

Ordering forms and publications. Visit *www.irs.gov/formspubs* to download forms and publications, call 1-800-829-3676, or write to the address below and receive a response within 10 days after your request is received.

Internal Revenue Service
1201 N. Mitsubishi Motorway
Bloomington, IL 61705-6613

Tax questions. If you have a tax question, check the information available on *www.irs.gov* or call 1-800-829-1040. We cannot answer tax questions sent to either of the above addresses.

Useful Items

You may want to see:

Publication

- ❑ **78** Cumulative List of Organizations
- ❑ **561** Determining the Value of Donated Property
- ❑ **4492-B** Information for Affected Taxpayers in the Midwestern Disaster Areas

Form (and Instructions)

- ❑ **Schedule A (Form 1040)** Itemized Deductions
- ❑ **8283** Noncash Charitable Contributions

See *How To Get Tax Help* near the end of this publication for information about getting these publications and forms.

Table 1. **Examples of Charitable Contributions—A Quick Check**

Use the following lists for a quick check of contributions you can or cannot deduct. See the rest of this publication for more information and additional rules and limits that may apply.

Deductible As Charitable Contributions	Not Deductible As Charitable Contributions
Money or property you give to: • Churches, synagogues, temples, mosques, and other religious organizations • Federal, state, and local governments, if your contribution is solely for public purposes (for example, a gift to reduce the public debt) • Nonprofit schools and hospitals • Public parks and recreation facilities • Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boys and Girls Clubs of America, etc. • War veterans' groups • Charitable organizations listed in Publication 78 Expenses paid for a student living with you, sponsored by a qualified organization Out-of-pocket expenses when you serve a qualified organization as a volunteer	Money or property you give to: • Civic leagues, social and sports clubs, labor unions, and chambers of commerce • Foreign organizations (except certain Canadian, Israeli, and Mexican charities) • Groups that are run for personal profit • Groups whose purpose is to lobby for law changes • Homeowners' associations • Individuals • Political groups or candidates for public office Cost of raffle, bingo, or lottery tickets Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups Tuition Value of your time or services Value of blood given to a blood bank

Organizations That Qualify To Receive Deductible Contributions

You can deduct your contributions only if you make them to a qualified organization. To become a qualified organization, most organizations other than churches and governments, as described below, must apply to the IRS.

Publication 78. You can ask any organization whether it is a qualified organization, and most will be able to tell you. Or you can check IRS Publication 78, which lists most qualified organizations. You may find Publication 78 in your local library's reference section. Or you can find it on the Internet at *http://www.irs.gov/app/pub-78*. You can also call the IRS to find out if an organization is qualified. Call **1-877-829-5500**. (For TTY/TDD help, call **1-800-829-4059**.)

Types of Qualified Organizations

Generally, only the five following types of organizations can be qualified organizations.

1. A community chest, corporation, trust, fund, or foundation organized or created in or under the laws of the United States, any state, the District of Columbia, or any possession of the United States (including Puerto Rico). It must be organized and operated only for one or more of the following purposes.
   a. Religious.
   b. Charitable.
   c. Educational.
   d. Scientific.
   e. Literary.
   f. The prevention of cruelty to children or animals.

   Certain organizations that foster national or international amateur sports competition also qualify.
2. War veterans' organizations, including posts, auxiliaries, trusts, or foundations, organized in the United States or any of its possessions.
3. Domestic fraternal societies, orders, and associations operating under the lodge system.

   Note. Your contribution to this type of organization is deductible only if it is to be used solely for charitable, religious, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.
4. Certain nonprofit cemetery companies or corporations.

   Note. Your contribution to this type of organization is not deductible if it can be used for the care of a specific lot or mausoleum crypt.
5. The United States or any state, the District of Columbia, a U.S. possession (including Puerto Rico), a political subdivision of a state or U.S. possession, or an Indian tribal government or any of its subdivisions that perform substantial government functions.

   Note. To be deductible, your contribution to this type of organization must be made solely for public purposes.

   Example 1. You contribute cash to your city's police department to be used as a reward for information about a crime. The city police department is a qualified organization, and your contribution is for a public purpose. You can deduct your contribution.

   Example 2. You make a voluntary contribution to the social security trust fund, not earmarked for a specific account. Because the trust fund is part of the U.S. Government, you contributed to a qualified organization. You can deduct your contribution.

Examples. The following list gives some examples of qualified organizations.

- Churches, a convention or association of churches, temples, synagogues, mosques, and other religious organizations.
- Most nonprofit charitable organizations such as the Red Cross and the United Way.
- Most nonprofit educational organizations, including the Boy (and Girl) Scouts of America, colleges, museums, and daycare centers if substantially all the childcare provided is to enable individuals (the parents) to be gainfully employed and the services are available to the general public. However, if your contribution is a substitute for tuition or other enrollment fee, it is not deductible as a charitable contribution, as explained later under *Contributions You Cannot Deduct.*
- Nonprofit hospitals and medical research organizations.
- Utility company emergency energy programs, if the utility company is an agent for a charitable organization that assists individuals with emergency energy needs.
- Nonprofit volunteer fire companies.
- Public parks and recreation facilities.
- Civil defense organizations.

Canadian charities. You may be able to deduct contributions to certain Canadian charitable organizations covered under an income tax treaty with Canada.

To deduct your contribution to a Canadian charity, you generally must have income from sources in Canada. See Publication 597, Information on the United States-Canada Income Tax Treaty, for information on how to figure your deduction.

Mexican charities. You may be able to deduct contributions to certain Mexican charitable organizations under an income tax treaty with Mexico.

The organization must meet tests that are essentially the same as the tests that qualify U.S. organizations to receive deductible contributions. The organization may be able to tell you if it meets these tests.

If not, you can get general information about the tests the organization must meet by writing to the:
Internal Revenue Service
International Section
P.O. Box 920
Bensalem, PA 19020-8518.

To deduct your contribution to a Mexican charity, you must have income from sources in Mexico. The limits described in *Limits on Deductions,* later, apply and are figured using your income from Mexican sources. Those limits also apply to all your charitable contributions, as described in that discussion.

Israeli charities. You may be able to deduct contributions to certain Israeli charitable organizations under an income tax treaty with Israel. To qualify for the deduction, your contribution must be made to an organization created and recognized as a charitable organization under the laws of Israel. The deduction will be allowed in the amount that would be allowed if the organization was created under the laws of the United States, but is limited to 25% of your adjusted gross income from Israeli sources.

Contributions You Can Deduct

Generally, you can deduct your contributions of money or property that you make to, or for the use of, a qualified organization. A gift or contribution is "for the use of" a qualified organization when it is held in a legally enforceable trust for the qualified organization or in a similar legal arrangement.

The contributions must be made to a qualified organization and not set aside for use by a specific person.

If you give property to a qualified organization, you generally can deduct the fair market value of the property at the time of the contribution. See *Contributions of Property,* later.

Your deduction for charitable contributions is generally limited to 50% of your adjusted gross income, but in some cases 20% and 30% limits may apply. In addition, the total of your charitable contributions deduction and certain other itemized deductions may be limited. See *Limits on Deductions,* later.

Table 1 in this publication lists some examples of contributions you can deduct and some that you cannot deduct.

Contributions From Which You Benefit

If you receive a benefit as a result of making a contribution to a qualified organization, you can deduct only the amount of your contribution that is more than the value of the benefit you receive. Also see *Contributions From Which You Benefit* under *Contributions You Cannot Deduct,* later.

If you pay more than fair market value to a qualified organization for merchandise, goods, or services, the amount you pay that is more than the value of the item can be a charitable contribution. For the excess amount to qualify, you must pay it with the intent to make a charitable contribution.

Example 1. You pay $65 for a ticket to a dinner-dance at a church. All the proceeds of the function go to the church. The ticket to the dinner-dance has a fair market value of $25. When you buy your ticket, you know that its value is less than your payment. To figure the amount of your charitable contribution, you subtract the value of the benefit you receive ($25) from your total payment ($65). You can deduct $40 as a charitable contribution to the church.

Example 2. At a fund-raising auction conducted by a charity, you pay $600 for a week's stay at a beach house. The amount you pay is no more than the fair rental value. You have not made a deductible charitable contribution.

Athletic events. If you make a payment to, or for the benefit of, a college or university and, as a result, you receive the right to buy tickets to an

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 the historic preservation, public art and cultural programming services in Culver 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 eight (8) members selected as follows:

A. Each current member of the Cultural Affairs Commission ("Commissioners") shall appoint one member to the Board;

B. The then current chair and vice-chair of the Commission shall each serve as a member to the Board: and

C. The City Manager of the City of Culver City, or a person designated by the City Manager, shall serve as the Chief Executive Officer (the "CEO")of the Foundation.

Section 3. To be eligible for appointment as a member (other than CEO) 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, other than the CEO, shall only serve a maximum of two terms or up to eight years, whichever is greater and only 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. The City Manager (or a person designated by the City Manager) shall serve as CEO of the Board and shall not be limited to the number of terms he or she may serve as CEO.

Section 6. Any member of the Board, other than the CEO, 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 (excluding the CEO) 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 United States, State of California, County 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 audit or compilation review of the Foundation by an independent public accountant chosen by the Board at the close of the Fiscal Year (the "Annual Audit"). The type of annual review shall be 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 in writing to the City Manager for assistance from City staff. The City Manager, 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. Chief Executive Officer
B. Chairperson
C. Vice Chairperson
D. Treasurer
E. Secretary

Section 2. With the exception of the CEO, the term of each officer shall be for two (2) years; 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 other than the CEO 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 other than the CEO 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 with the exception of the CEO 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 City Manager (or his or her designee) 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 CEO; 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 CEO.

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 City Manager or her/his designee, to accomplish the duties of the Secretary.

Section 6. At least semi-annually, 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 Manager or her/his designee to accomplish the Treasurer's duties.

Section 7. The CEO shall be a non-voting member and shall oversee the day-to-day activities of the Foundation.

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 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 excluding the CEO 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. Members of the Advisory Committee shall annually confirm in writing that they would like to continue to serve on the Advisory Committee prior to the Semi-Annual Meeting of the Board in January, and the Board shall indicate at that time that it wishes members of the Advisory Committee to continue serving as such. 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.

The Board shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors and other agents, to cover any liability asserted against or incurred by any officer, director, or agent in such capacity or arising from the officer's, director's, employee's, or agent's status as such. The Board shall use its best efforts to purchase the insurance described herein as promptly as is reasonably feasible.

ARTICLE XIII - DONATIONS

The Board may receive donations from other foundations in the form of grants 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.

Approved by the Culver City City Council: on the 26th day of June 2006

CERTIFICATE OF THE SECRETARY

I, the undersigned, do hereby certify that:

1. I am the duly elected and acting secretary of Culver City Cultural Affairs Foundation, a California nonprofit public benefit corporation; and

2. The foregoing Bylaws, comprising nine (9) pages, including this page (but not including any cover page or table of contents), constitute the Bylaws of said corporation duly adopted at the meeting of the Board of Directors thereof duly held on July 25, 2007, and since that date the same have not been amended or modified.

IN WITNESS WHEREOF, I have executed this Certificate as of July 26, 2007 at Culver City, California.

______________________, Secretary

ATTACHMENT E

2931175

State of California

Secretary of State

I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 4 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

OCT 1 8 2006

BRUCE McPHERSON
Secretary of State

Sec/State Form CE-107 (REV 03/31/05)

OSP 05 94200

2931175

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

SEP 2 6 2006

ARTICLES OF INCORPORATION
OF
THE CULVER CITY CULTURAL AFFAIRS FOUNDATION

I

The name of this corporation is:

THE CULVER CITY CULTURAL AFFAIRS FOUNDATION

II

This corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

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; and

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.

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.

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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:

Jerry Fulwood, City Manager
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

Liability of the Directors for monetary damages shall be eliminated to the fullest extent permitted by California law.

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 22nd day of September, 2006.

Jerry Fulwood

Jerry Fulwood, City Manager

DECLARATION

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

Executed on September 22, 2006, at Culver City, California.

I declare that the foregoing is true and correct.

Jerry Fulwood

Jerry Fulwood, City Manager
Incorporator

OFFICE OF THE SECRETARY OF STATE
THE GREAT SEAL OF THE STATE OF CALIFORNIA

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