

**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE CITY OF CULVER CITY  
AND  
CULVER CITY SISTER CITY COMMITTEE, INC.**

THIS MEMORANDUM OF UNDERSTANDING (“Agreement”) is made and entered into this 1<sup>st</sup> day of July, 2018 (“Effective Date”), by and between the CITY OF CULVER CITY, a municipal corporation ("City"), and CULVER CITY SISTER CITY COMMITTEE, INC., a nonprofit corporation of the State of California ("CCSCC").

**RECITALS**

- A. On December 10, 1962, the City Council established the Culver City Sister City Committee.
- B. On June 22, 2008, CCSCC received its Final Status Determination Letter as a 501 (c) 3 from the Internal Revenue Service, retroactive to January 31, 2008.
- C. On April 21, 2009 City and CCSCC entered into a Memorandum of Understanding (“MOU”) setting forth the roles and responsibilities of City and CCSCC with regard to CCSCC activities, which was amended on September 7, 2010, and expired on June 30, 2013. The April 21, 2009 MOU and the September 7, 2010 amendment are collectively referred to as the “Original MOU”.
- D. At its meeting of, May 28, 2013, the City Council approved a new five-year MOU (“2013 MOU”), which expired on June 30, 2018.
- E. The City Council has found that the development and implementation of a sister city relationship between the City of Culver City (“Culver City”) and various sister cities worldwide continues to promote cultural relations and benefits Culver City. Working together, the Sister City and CCSCC relationship fosters and promotes:
  - (1) the exchange of information and improved ideas for the cultural betterment of Culver City and its community;
  - (2) the knowledge, understanding, and education of Culver City and of its community; and

(3) the mutual understanding and goodwill between Culver City and Sister Cities.

F. Culver City's Sister Cities (collectively, "Sister Cities") are: Uruapan, Michoacán, Mexico (February 24, 1964); Kaizuka, Osaka, Japan (April 29, 1965); Iksan City, Chollbuk-do, South Korea (September 12, 1983); Lethbridge, Alberta, Canada (November 6, 1989); and Capo d'Orlando, ME, Sicily, Italy (September 20, 2017).

G. City desires to maintain a relationship with CCSCC, an organization qualified for the purposes of implementing and administering a sister city program, and in accordance with such goal, the City Council approved a new five-year MOU at its meeting of June 11, 2018.

**NOW, THEREFORE**, in consideration of the mutual promises, covenants, and conditions set forth herein, City and CCSCC hereby agree as follows:

#### **SECTION 1. TERM OF AGREEMENT.**

The term of this Agreement shall be from July 1, 2018 ("Commencement Date") and shall end on June 30, 2023, with a Fiscal Year of July 1 to June 30, subject to the termination provisions set forth in this Agreement. Regardless of the date of execution of this Agreement, this Agreement is effective as of the Commencement Date.

#### **SECTION 2. SERVICES PROVIDED AND ACTIVITIES CONDUCTED BY CCSCC.**

A. City recognizes that maintaining successful relationships with its Sister Cities requires active participation by members of the community. CCSCC should continue to develop and administer diverse programs and activities to promote Culver City's art, culture, education, civic affairs, entertainment, history, and economic development and enhance the relationships with the Sister Cities through ongoing activities.

B. CCSCC shall perform its services and conduct its activities consistent with the City's policies, goals, objectives, and all terms and conditions of this Agreement, including, but not limited to, EXHIBIT A, entitled "CCSCC SCOPE OF SERVICES AND ACTIVITIES," which is attached hereto and incorporated herein by reference. The parties

agree that the broad goals of City include advancing international understanding and cooperation, exchanging ideas and information, establishing goodwill and positive relations in the community and with citizens of its Sister Cities, and showcasing all that Culver City has to offer.

### **SECTION 3. PAYMENT.**

A. The CCSCC shall transmit its budget request to the City Council and the City Manager, including an itemization of projected fundraising and expenses, along with a cover letter to the City Council annually, no later than April 1<sup>st</sup>, for the upcoming fiscal year.

B. Commencing with Fiscal Year 2018-19, City agrees to reimburse CCSCC in an amount not to exceed the amount approved by the City Council.

C. Annual funding allocated to the CCSCC shall not be carried over into a future fiscal year.

D. For future fiscal years, City agrees to consider reimbursing CCSCC in an amount not to exceed the amount allocated annually by the City Council, which shall include funding for the required insurance policies pursuant to the terms and conditions of this Agreement. The annual amount is subject to the approval of the City Council through City's annual budget process.

E. The rate and schedule of payment is set forth in EXHIBIT B, entitled "COMPENSATION," which is attached hereto and incorporated herein by reference.

### **SECTION 4. BANK ACCOUNTS.**

All CCSCC bank accounts shall be maintained by CCSCC at a bank located within the City of Culver City. CCSCC's Tax Identification Number shall be used on all bank accounts.

### **SECTION 5. COORDINATION.**

A. The City Manager or his/her designee is charged with the responsibility of administering this Agreement on City's behalf. The City Manager shall delegate his or her authority to designated City employees as necessary. The

City Manager shall determine the role of City staff and use of City mementos, proclamations, commendations, facilities and equipment related to any CCSCC event or activity.

- B. Members of the City Council and the City Manager will receive ex-officio memberships at no cost during their tenure in office.
- C. Future consideration of new sister cities shall be presented to the City Council for prior approval, and CCSCC shall not initiate or terminate any Friendship City or Sister City relationship with an existing or future Friendship City or Sister City without prior written approval of the City Council. A Friendship City relationship is less formal than a Sister City relationship. For the purposes of this Agreement, the term "Friendship City" shall be used as a first stage in the relationship. After it is strengthened, and the City and the CCSCC are sure they want a long-term relationship, they may become "sister cities."
- D. All functions, events and activities conducted by CCSCC in connection with its relationships with the Sister Cities, whether or not directly funded by City, must be consistent with City's mission and goals. The City Manager will monitor CCSCC's compliance with this Section.
- E. At the time of execution of this Agreement, CCSCC shall provide City with a roster of CCSCC's officers and its Board of Directors. An updated roster shall be provided annually and upon written request to CCSCC by the City Manager.
- F. During the term of this Agreement, CCSCC shall provide City Council, the City Manager and the City Manager's designee with an Agenda of CCSCC's board and membership meetings. CCSCC shall provide City with Minutes of such meetings.
- G. The City Manager or his or her designee shall grant prior approval for CCSCC's use of:
  - i. City park picnic shelters, including passive grass areas, four times annually. The fees for such uses shall be waived; an additional two uses shall be provided at a 45% fee waiver.
  - ii. The Dan Patacchia Conference Room at City Hall for CCSCC business meetings, up to 12 times annually at no cost.

- iii. The Dan Patacchia Conference Room to host official CCSCC delegations to Culver City at no cost. The use of a room in the Veterans Memorial Complex four times annually at a fee of 55% of the room rental charge for a Culver City Nonprofit Organization for CCSCC events that are open to the public or a CCSCC-sponsored Sister City conference.
  - iv. The City Manager may, in his or her discretion, move any of CCSCC's meetings or events to alternate City facilities should the meeting or event conflict with the conduct of City business. The City shall not charge a room rental fee to CCSCC for a meeting or event that is moved from the Dan Patacchia Conference Room to an alternate comparable meeting space at the Veterans Memorial Complex.
- H. CCSCC shall pay the cost to rent the A/V system and podium at the Veterans Memorial Complex or other City park facilities, and these fees shall not be waived.
- I. CCSCC shall be solely responsible for the damage deposit on each room and/or facility rental.
- J. If CCSCC donates, provides or establishes a gift (including, but not limited to, gifts, artworks, objects, articles, trinkets, gardens and facilities, which are collectively referred to as "gifts") directly to City, or serves as a conduit for Sister Cities to donate or provide gifts to City, all gifts become the property of City. In the case of a gift of purchased or commissioned artwork, Section 5.K of this Agreement shall apply. Artwork purchased from a retailer shall be subject to applicable law. The City Manager or his or her designee shall have the sole discretion to determine the placement or location of the gifts and the level of maintenance and/or operation associated with said gifts on a case by case basis. This provision shall apply to all past CCSCC or Sister Cities gifts donated to City. Except as provided herein, CCSCC shall have the right of first refusal for the disposition of said gifts. Disposition of artwork shall be made in accordance with Section 5.K.vi of this Agreement.
- K. If CCSCC commissions an artist to create an artwork, or purchases an existing artwork directly from an artist, to donate to City, the following provisions shall

apply to such artwork and also shall be included in CCSCC's contractual agreement with the artist:

- i. Art Preservation Act and Visual Artist Rights Act. In full recognition of California Civil Code § 987, hereinafter "the California Art Preservation Act", and pursuant to subsection (g) (3), thereof, Artist waives any and all rights and duties established by the California Art Preservation Act relating to the artwork, and transfers any and all rights under the California Art Preservation Act to the City of Culver City. Also, in full recognition of 17 U.S.C. 106A, hereinafter "the Visual Artist Rights Act," and pursuant to subsection (e), thereof, Artist waives any and all rights and duties established by the Visual Artist Rights Act relating to the artwork and all uses of the artwork by the City of Culver City, except as otherwise specifically set forth herein.
- ii. Relinquishment of Ownership Rights. In full recognition of California Civil Code § 988, Artist exclusively conveys to the City of Culver City any and all rights to reproduce, prepare derivative works based on, distribute copies of, publicly perform, and publicly display the artwork and expressly transfers right of ownership of the artwork to the City of Culver City. All reproductions by the City of Culver City shall contain a credit to the Artist and a copyright notice substantially the following form: Copyright © [Artist's name, date of creation or fabrication]. Artist further expressly waives any and all rights established pursuant to Civil Code § 988, including but not limited to, the right to the resolution of any ambiguity in favor of Artist reservation of rights. For purposes of this Agreement, a work shall not be defined as a derivative work merely because it uses the same media, materials and display techniques as the artwork.
- iii. Pictorial and Photographic Reproductions. Notwithstanding Artist's relinquishment of ownership rights, as set forth in this Agreement, Artist shall be authorized to make and exhibit pictorial and

photographic reproductions, sketches and maquettes of the Artwork as part of Artist's promotional materials.

- iv. Alteration of Artwork. The City of Culver City agrees, if any alteration of any kind occurs to the artwork after receipt and installation, whether done by the City of Culver City or others, the artwork shall no longer be represented to be the artwork of Artist without written consent. No alteration shall be made, except in emergency situations, without first giving Artist thirty-days' (30-days') written notice of such alteration.
- v. Maintenance of Artwork. The City of Culver City agrees to see the artwork is properly maintained. All repairs and restoration which are made during the lifetime of Artist shall be made only after reasonable good faith attempts have been made to give Artist notice of the need of such repairs and restoration, and Artist shall be given the opportunity to accomplish such repairs and restorations; provided that, the parties agree, within ninety (90) days after such notice, to a fee and schedule for such service.
- vi. Sale of Artwork by City of Culver City. If the CCSCC refuses the disposition of the art from the City, and if the artist at the time of the resale is a United States citizen or has been a California resident for at least two years, California Civil Code § 986 shall apply. Pursuant to California Civil Code § 986, the City shall ensure that the Artist understands, that if the City of Culver City desires to sell the artwork, five percent (5%) of the gross amount of such sole price shall be paid by the City of Culver City to the artist; provided, that at least sixty (60) days prior to the intended sale, the City of Culver City shall have mailed notice to Artist, at the address provided by CCSCC, and Artist has not indicated, in writing, within the same sixty-day (60-day) period his or her desire to either (a) receive such payment; or (b) have the artwork returned to him or her, in which case the sale of the

artwork would not move forward. The provisions of this Paragraph shall not apply if:

- a. The gross amount of such sale is less than the original purchase price paid by CCSCC;
  - b. Artist is dead at the time of such sale;
  - c. The gross amount of such sale is less than \$1,000; or
  - d. Any other reason set forth in Civil Code § 986.
- L. CCSCC shall provide an inventory of all gifts received from the Sister Cities. Such list shall be updated annually or as needed and provided to the City Manager's designee.
- M. CCSCC shall keep an inventory of all gifts provided to Sister City officials.
- N. City shall exercise its best efforts to provide a designated storage area at City Hall for CCSCC's use, with provision for reasonable access and security, if space is available.
- O. City shall coordinate its level of involvement or participation in any CCSCC event. Such requests for involvement may include, but not be limited to, flying the flag of the visiting Sister City at City Hall during the elected officials' delegation visit or their attendance at events recognizing Sister City twinning anniversaries.
- P. City shall not become involved in or support orphanage donations, which shall be CCSCC's sole responsibility and liability.
- Q. Except as provided herein, City employees shall not perform CCSCC activities on City time or use City resources unless authorized in writing by the City Manager. A City employee who is volunteering for CCSCC is not acting as a representative of City during the course of his or her volunteer activities, and City is not liable for his or her actions.

## **SECTION 6. REPORTING AND AUDITING.**

A. CCSCC shall provide a written plan of activities (the "Plan") by April 1 of each fiscal year. The Plan shall include activities, trips and projects to be implemented during said fiscal year. The Plan shall also outline a project level budget and any planned



fundraising activities. Any specific funding requests for the upcoming fiscal year must be received by City prior to March 31<sup>st</sup> in order to be considered during City's budget process.

B. Upon request, CCSCC agrees to furnish the City Manager, not later than 30 days after the expiration of each fiscal year, and not later than 60 days after a written request by City, two complete statements of its income from all sources and its expenditures for all purposes during the term of this Agreement. CCSCC further agrees to make available for examination or audit by City, all ledgers, invoices, vouchers, canceled checks or other documents representing CCSCC financial transactions within 30 days of a written request by City.

C. CCSCC shall include a copy of its monthly financial report along with its submittal of the minutes of each Board meeting, which are approved monthly.

D. Upon examination or audit of CCSCC's records, in the event City determines CCSCC's expenditure of all or any portion of City's funds are not in compliance with the terms and provisions of this Agreement, CCSCC shall, within 60 days of City's written notification of non-compliance, either correct the matter or return such funds to City.

## **SECTION 7. PERFORMANCE REVIEW.**

CCSCC's performance during the term of this Agreement may be evaluated on an annual basis, and at the expiration of the Agreement. CCSCC shall cooperate with any and all City requests for information and material for CCSCC's evaluation. If City is not satisfied with the performance of CCSCC, then the City Manager shall meet with CCSCC to develop a plan to remediate any area(s) of concern. If the performance of CCSCC continues to fail to meet the terms, conditions and objectives outlined in this Agreement, then the City Manager may issue a written notice to CCSCC, outlining the requirements to maintain CCSCC's relationship with City and file a report with the City Council. If further action is required to ensure CCSCC's satisfactory performance of this Agreement, then the matter may be referred to City Council.

## **SECTION 8. NONDISCRIMINATION.**

In the performance of the activities permitted by this Agreement, CCSCC, and any of its contractors or agents shall not refuse or fail to hire or employ any qualified person, or bar or discharge from employment any person, or discriminate against any person, with respect to his or her compensation, terms, conditions or privileges of employment, based on such person's race, color, religion, national origin, ethnicity, sex, sexual orientation, actual or perceived gender identity, disability or age.

## **SECTION 9. INDEPENDENT CONTRACTOR.**

CCSCC and its employees (if any), volunteers and agents, are independent contractors and are not agents or employees of City. This Agreement shall not in any way be construed to create a partnership, association, or any kind of joint undertaking or venture between City and CCSCC.

## **SECTION 10. COMPLIANCE WITH LAWS.**

- A. CCSCC shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments, including but not limited to any laws specifically referenced in this Agreement.
- B. CCSCC shall be responsible for payment of all taxes, fees, contributions or charges applicable to the conduct of CCSCC business and activities.
- C. CCSCC shall maintain its status as a nonprofit corporation in the State of California in good standing, at all times during the term of this Agreement.
- D. CCSCC shall maintain its tax-exempt status of the federal Internal Revenue Code. Within ten days of suspension, termination or other loss of its tax exempt status under section 501(c) (3), CCSCC shall provide written notice to the City of such loss.
- E. CCSCC shall develop and implement standards and procedures to screen individuals who may interact with children, including but not limited to chaperones and host families. These standards shall be approved by the City Manager or his or her designee. Reimbursements for the screening of said individuals shall not

be made by the City unless previously included in the CCSCC's City Council-approved budget.

#### **SECTION 11. ASSIGNMENT.**

This Agreement shall not be assigned by CCSCC without City's prior written consent. Unless specifically authorized by this Agreement, CCSCC shall not assign the performance of any obligation under this Agreement and may not assign any interest under this Agreement without City's prior written consent.

#### **SECTION 12. HOLD HARMLESS.**

To the fullest extent permitted by law, CCSCC shall indemnify, defend (at CCSCC's sole expense, with legal counsel approved by City) and hold harmless the City of Culver City, members of its City Council, its boards and commissions, officers, agents, and employees (hereinafter, "Indemnitees"), from and against all loss, damage, cost, expense, liability, claims, demands, suits, reasonable attorneys' fees and judgments arising out of or in any manner related to this Agreement. This indemnification includes, but is not limited to, tort liability to a third person for bodily injury and property damage.

CCSCC agrees that this obligation to indemnify, defend and hold harmless extends to liability and/or claims arising from Indemnitees' active or passive negligence.

Notwithstanding the foregoing, nothing herein shall be construed to require CCSCC to indemnify an Indemnitee from any claim arising from the sole negligence or willful misconduct of that Indemnitee.

The duty to defend referenced herein is wholly independent from the duty to indemnify, arises upon written notice by City to CCSCC of a claim within the potential scope of this indemnification provision, and exists regardless of any determination of the ultimate liability of CCSCC, City or any Indemnitee.

**SECTION 13. TERMINATION.**

- A. This Agreement may be terminated by either party upon giving to the other party 90 days written notice of termination.
- B. CCSCC's performance under this Agreement is an integral part of the consideration for City to enter into future agreements. CCSCC's failure to perform under this Agreement shall constitute a material breach for which City, in addition to any other rights or remedies available to City, may immediately terminate this Agreement upon written notice to CCSCC.
- C. Only the City Council may decide on the part of City that this Agreement is to be terminated, and may direct the City Manager to furnish written notice to the CCSCC of such termination.
- D. Only the CCSCC Board of Directors may decide on behalf of CCSCC that this Agreement is to be terminated and may direct the President to furnish written notice to City of such termination.

**SECTION 14. INSURANCE REQUIREMENTS.**

Without limiting its obligations pursuant to Section 12 of this Agreement, CCSCC shall procure and maintain for the duration of this Agreement, insurance coverage as set forth in "Insurance Requirements" attached to and incorporated into this Agreement as Exhibit "C."

**SECTION 15. NOTICES.**

Any notices or communications shall be sent in writing to the respective parties at the following addresses:

To CCSCC, Inc.:      President Culver City Sister City Committee, Inc.  
                                 P.O. Box #1072  
                                 Culver City, CA 90232

To City:                      John M. Nachbar  
                                 City Manager  
                                 City of Culver City  
                                 9770 Culver Boulevard  
                                 Culver City, CA 90232

**SECTION 16. MISCELLANEOUS.**

- A. Captions and sections of this Agreement are for convenience only and shall not be considered in resolving any questions of interpretation or construction.
- B. This Agreement shall be governed exclusively by its provisions and by the laws of the State of California as the same from time to time exist. In the event that suit shall be brought by either party, the parties agree that venue shall be exclusively vested in the state courts of the County of Los Angeles, or if federal jurisdiction is appropriate, exclusively in the United States District Court, Central District of California, in Los Angeles, California.
- C. If a court of competent jurisdiction rules that any provision of this Agreement is void or unenforceable, the remaining provisions shall not be affected and shall remain in full force and effect.
- D. Whenever in this Agreement words of obligation or duty are used, such words shall have the force and effect of covenants. Any obligation imposed by either party shall include the imposition on such party of the obligation to pay all costs and expenses necessary to perform such obligation.

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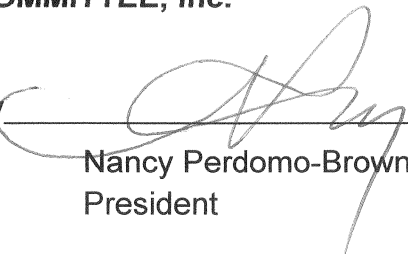
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E. This Agreement, including the exhibits attached hereto, contains the entire Agreement of the parties and supersedes all prior understandings or representations of the parties, whether written or oral, including, but not limited to the Original MOU and the 2013 MOU. Any subsequent modification of this Agreement must be made in writing and signed by the parties' authorized representatives.

**WITNESS THE EXECUTION HEREOF** the day and year first hereinabove written.


**CULVER CITY SISTER CITY  
COMMITTEE, Inc.**

Dated: \_\_\_\_\_

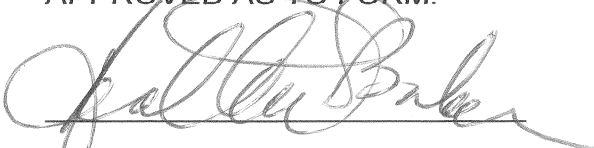
By  \_\_\_\_\_  
Nancy Perdomo-Browning  
President

**CITY OF CULVER CITY, CALIFORNIA**

Dated: 9/11/18

By  \_\_\_\_\_  
John M. Nachbar  
City Manager

APPROVED AS TO FORM:



Carol A. Schwab

 City Attorney

**EXHIBIT A**  
**CCSCC SCOPE OF ACTIVITIES**

CCSCC may perform the services set forth below, consistent with the goals of City and the terms and conditions of this Agreement:

1. Plan and implement activities to meet the goals and objectives of City to build community support and enhance relations with all Sister Cities.
2. Arrange programs for official Sister City representatives who visit Culver City as delegations of Culver City's Sister Cities. A "delegation" shall be defined as a group of one or more individuals who are invited by the CCSCC and/or the City, which may include local, state and federal government officials, members of CCSCC, representatives of CCSCC, representatives of local businesses and/or community organizations, representatives of schools, and individuals recognized by the City and by CCSCC.
3. Plan, arrange, sponsor and facilitate Sister City visitor greetings, including welcoming and/or farewell meals, community events, receptions or other events. Costs of facilities, food, beverages, hotel accommodations, interpreter and translator fees, and other expenses for official visitors that are related to their official business as delegates to the City shall be submitted to the City and may be selectively reimbursed by the City on a case-by-case basis, in accordance with the provisions of Sections 3 and 6 and Exhibit B of this Agreement.
  - (a) When expenses are incurred as a result of dining in Culver City restaurants, CCSCC shall provide a clearly stated, separate listing of the individuals incurring the costs. Meal expenses shall not exceed the City's total maximum daily allowable per diem amount as established by City Policy.
  - (b) Alcoholic beverages are not an allowable expense for reimbursement.
  - (c) Host families and members of CCSCC are responsible for their own expenses, including lodging accommodations, entertainment, food, and transportation costs when the event is not considered to be open to the public. Examples of events open to the public include picnics in public parks and receptions.

- (d) CCSCC shall maintain a policy of “Culver City First” where the cost of such expenses are reimbursable by the City only when such costs are associated with Culver City-based businesses. Upon pre-approval by the City, CCSCC may host events, meetings, and activities outside of Culver City, only if there is no comparable and affordable venue within Culver City.
  - (e) CCSCC shall organize official CCSCC trips to the Sister Cities.
  - (f) Participants on Sister City trips participate at their own expense, unless otherwise provided for herein.
  - (g) When a Sister City delegation trip includes minor children, the air fare of CCSCC members who act as required chaperones will be eligible for reimbursement provided that Sister City trips with chaperoned minor children will typically occur no more frequently than two trips per fiscal year. One chaperone for every five minor children shall be provided, with no more than two chaperones per trip receiving reimbursement from City per fiscal year. The CCSCC shall demonstrate that all efforts have been undertaken to identify chaperones who are Culver City residents.
  - (h) The purpose of official Sister City trips shall be in accordance with the goals and objectives of the City and in accordance with the terms and conditions of this Agreement.
4. Provide souvenirs to visiting delegations at a reasonable cost per member of an official delegation. City protocol gifts may be available from the City Manager’s Office, if approved, on a case-by-case basis.
  5. CCSCC shall purchase gifts to visiting delegations, which shall be presented as joint gifts from the CCSCC and the City.
  6. Prepare exhibits at community events and functions to inform the public about the Sister Cities and to promote CCSCC and its goals before school and community groups. Reimbursable expenses for such events include sponsor fees, site rentals and booths, banners and other decorations and publicity. Entertainment expense reimbursements will be considered by City on a case-by-case basis.
  7. Develop, print and distribute appropriate brochures, social media, flyers and other material to promote CCSCC.



8. Design and maintain a CCSCC website to promote the relationships with the Sister Cities, consistent with the goals of City.
9. Help to facilitate the sponsorship of exchange students designated by the Sister Cities.
10. Present scholarships and/or grants on behalf of CCSCC, which shall be funded exclusively by CCSCC.
11. Furnish City with advance notice of at least 30 days, when feasible, of the arrival of official Sister City representatives, and of trips planned by CCSCC to a Sister City.

## **EXHIBIT B COMPENSATION**

### **1. Maximum Compensation**

City agrees to reimburse CCSCC up to an amount approved by the City Council on an annual basis, including reimbursement for eligible insurance expenses, pursuant to EXHIBIT C. At the commencement of this Agreement, City shall advance to CCSCC an amount equal to 25% of the amount approved in the annual budget for this purpose. All subsequent funds shall be disbursed on a reimbursement basis. All funding is subject to approval by the City Council, through the budget process at the City Council's sole discretion.

### **2. Statements**

City shall pay all sums to CCSCC on a reimbursement basis for eligible costs actually incurred by and paid by CCSCC pursuant to this Agreement, as specified in EXHIBIT A. At the commencement of this agreement, the City shall advance to CCSCC an amount equal to 25% of the amount approved in the annual budget for this purpose. No further sum shall be paid until the City receives a statement in a form approved by the City specifying in detail the reimbursable costs incurred and paid by CCSCC. CCSCC shall provide City with supporting documentation and original receipts for all reimbursable costs. After the initial advance, CCSCC may file for subsequent reimbursements as costs are incurred and paid. No further reimbursements will be made during a fiscal year once the City's budgeted allocation to CCSCC is reached. At the conclusion of the fiscal year, CCSCC will submit final documentation for costs incurred and paid through June 30<sup>th</sup>. If the amount paid by the City to CCSCC during the fiscal year, including the initial advance, exceeds costs, then that amount shall be offset against the next fiscal year's advance. Any requests from CCSCC for advance payments will be handled on a case-by-case basis. Travel, meal and entertainment expenses incurred on behalf of CCSCC officers, members or volunteers are not eligible expenses for reimbursement. City shall initiate payment to CCSCC within thirty (30) days of City's approval of the statements submitted pursuant to this Agreement. In no event shall reimbursement exceed the amount appropriated by the City Council.

**EXHIBIT C**  
**INSURANCE REQUIREMENTS**

**1. Policy Requirements**

CCSCC shall submit duly executed certificates of insurance for the following:

- A. An occurrence based Commercial General Liability ("CGL") policy, at least as broad as ISO Form CG 0001, in the minimum amount of One Million Dollars (\$1,000,000) each occurrence, with not less than Two Million Dollars (\$2,000,000) in annual aggregate coverage. The CGL Policy shall have the following requirements:
- i. The policy shall provide coverage for personal injury, bodily injury, death, accident and property damage and advertising injury, as those terms are understood in the context of a CGL policy. The coverage shall be primary insurance as respects the City, its officers, employees, agents and contractors and shall not be excess or contributing with respect to City's self-insurance, commercial liability insurance, or any pooled risk arrangements;
  - ii. The policy shall include coverage for liability undertaken by contract covering, to the maximum extent permitted by law, CCSCC's obligation to indemnify the Indemnitees as required under Section 12 of this agreement;
  - iii. The Policy shall not exclude coverage for Completed Operations, Hazards or Athletic or Sports Participants;
  - iv. The City of Culver City, members of its City Council, its boards and commissions, officers, agents, and employees shall be named as additional insureds in an endorsement to the policy, which shall be provided to the City and approved by the City Attorney. The coverage shall contain no special limitations on the scope of protection afforded to City, members of its City Council, its boards and commissions, officers, agents, and employees;

- v. Any failure to comply with reporting provisions of the policies by CCSCC shall not affect coverage provided City, its officers, employees, agents, or contractors; and
  - vi. CCSCC's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- B. Directors and officers insurance;
- C. If this Agreement will have CCSCC employees working within the City limits, CCSCC shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least one million dollars [\$1,000,000] per accident.) CCSCC shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees and volunteers.

## **2. Deductibles and Self-Insured Retentions**

Any deductibles or self-insured retentions must be declared to, and approved by the City Manager or his/her designee. At the option of City, either:

- A. The insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the City, its officers, employees, agents and contractors; or
- B. CCSCC shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in an amount specified by the City's Risk Manager.

## **3. Additional Insurance Requirements**

- A. Notice. Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be modified, suspended, voided, cancelled, or reduced in limits except after thirty (30) days' prior written notice has been given to the City Manager.
- B. Acceptability of Insurers. All required insurance shall be issued by companies licensed to do business in the State of California, with a claims paying ability rating

of "BBB" or better by S&P (and the equivalent by any other Rating Agency) and a rating of A-:VII or better in the current Best's Insurance Reports.

- C. Verification of Coverage. CCSCC shall furnish City with certificates of insurance and with original endorsements affecting coverage required by this Agreement. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Proof of insurance shall be submitted to the City Manager.
- D. Subcontractors. CCSCC shall include all subcontractors as insureds under its policies or shall obtain separate certificates and endorsements for each subcontractor.
- E. Changes to Coverages. City may increase the scope or dollar amount of coverage required under any of the policies described above, or may require different or additional coverages, upon prior written notice to CCSCC.