

FISCAL SPONSORSHIP AGREEMENT – MODEL A

This Fiscal Sponsorship Agreement (the “Agreement”) is made by and between Independent Arts and Media (“Sponsor”), and _____ Steering Committee (“the Committee”). Sponsor is a California nonprofit public benefit corporation qualified as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and classified as a public charity under IRC Sections 509(a)(1) and 170(b)(1)(A)(vi). The Committee is a California unincorporated nonprofit association established to manage the affairs of the Project described below.

RECITALS

A. The Sponsor’s Board of Directors (the “Sponsor Board”) has approved the establishment of a restricted fund to receive donations of cash and other property earmarked for support of the project known as the _____ (the “Project”) and to make disbursements in furtherance of the Project’s mission to _____, within the range of permissible activities consistent with IRC Section 501(c)(3). The Project is further described in Exhibit A to this Agreement.

B. Sponsor desires to act as the fiscal sponsor of the Project, by receiving assets and incurring liabilities identified with the Project beginning on the Effective Date as defined in Paragraph 1, and using them to pursue the objectives for which the Project is being established, which the Sponsor Board has determined will further its charitable goals. The Committee desires to manage the Project under the sponsorship of Sponsor.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Term of Agreement. On _____, 201_ (the “Effective Date”), Sponsor shall assume operation of the Project, which operation shall continue in effect unless and until terminated under Paragraph 7 below.
2. Project Activities and Sponsorship Policies. All community programs, public information work, fundraising events, processing and acknowledgment of cash and noncash revenue items, accounts payable and receivable, negotiation of leases and contracts, disbursement of the Project funds (including grants), and other activities planned by the Project shall be the ultimate responsibility of Sponsor and shall be conducted in the name of Sponsor, beginning on the Effective Date. Unless otherwise agreed, and subject to their consent, all personnel to be compensated for working on the Project shall become at-will employees of Sponsor on the Effective Date and shall be subject to the same personnel policies and benefits as are required by law to apply to all Sponsor employees. The Committee shall abide by the Sponsorship Policies of Sponsor set forth on the attached Exhibit B, which may be amended from time to time with the consent of the Committee and which include administrative fees to be paid to the general fund of Sponsor from the restricted fund described in Paragraph 5 below. Unless otherwise agreed, any tangible or intangible property, including intellectual property, such as copyrights, obtained from third parties or created in connection with the Project shall be the property of Sponsor while the Agreement is in effect.
3. Delegation. As of the Effective Date, management of the program activities of the Project is delegated by the Sponsor Board to the Committee, subject to the ultimate direction of the Sponsor

Board. The Committee is a group of individuals that serves as a subordinate body to the Sponsor Board and as an integral part of Sponsor. In matters governed by this Agreement: (a) the Committee's separate legal existence as an unincorporated nonprofit association will be solely for the limited purpose of holding, exercising, and enforcing the contractual duties and obligations Sponsor may owe to the Committee under this Agreement, and (b) those participating on the Committee shall serve as individuals only, not as representatives or agents of any funding source, employer, or any party other than Sponsor.

4. Intellectual Property. Unless otherwise agreed, any tangible or intangible property, including copyrights, trademarks or other intellectual property, obtained or created by the Committee's members solely in connection with the Project (the "Project IP") shall be the property of Sponsor while the Agreement is in effect. Notwithstanding the foregoing, Sponsor's ownership and/or use of such property shall be subject to any third party rights in, and restrictions on the use of, such property.

5. Restricted Fund; Variance Power. Beginning on the Effective Date, Sponsor shall place all gifts, grants, contributions, and other revenues received by Sponsor and identified with the Project, into a restricted fund to be used for the sole benefit of the Project's mission as that mission may be defined by the Committee from time to time within the tax-exempt purposes of Sponsor and with the approval of Sponsor. Sponsor retains the unilateral right to spend such funds so as to accomplish the purposes of the Project as nearly as possible, subject to any donor-imposed restrictions and consistent with any applicable grant agreement, as to purpose, on the charitable use of such assets. The parties agree that all money, and the fair market value of all property, in the restricted fund be reported as the income of Sponsor, for both tax purposes and for purposes of Sponsor's financial statements. It is the intent of the parties that the Agreement be interpreted to provide Sponsor with variance powers necessary to enable Sponsor to treat the restricted fund as Sponsor's asset in accordance with Statement No. 136 issued by the Financial Accounting Standards Board, while the Agreement is in effect.

6. Performance of Charitable Purposes. All of the assets received by Sponsor under the terms of the Agreement shall be devoted to the purposes of the Project, within the charitable purposes of Sponsor. Expenditures for any attempt to influence legislation within the meaning of IRC Section 501(c)(3) shall be subject to limitations imposed by Sponsor. Sponsor shall not use any portion of the assets to participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, to induce or encourage violations of law or public policy, to cause any private inurement or improper private benefit to occur, nor to take any other action inconsistent with IRC Section 501(c)(3). Sponsor has determined, in reliance on the advice of its legal counsel, that the restricted fund is not a donor-advised fund within the meaning of IRC Section 4966(d)(2) as presently interpreted under federal tax authorities.

7. Termination. This Agreement shall terminate when the objectives of the Project can no longer reasonably be accomplished by Sponsor. If the objectives of the Project can still be accomplished but either Committee or Sponsor desires to terminate Sponsor's fiscal sponsorship of the Project, the following understandings shall apply. This Agreement may be terminated by either party without cause and in such party's discretion upon sixty (60) days' written notice to the other party. Upon termination of this Agreement, so long as there is another nonprofit corporation which is (i) tax exempt under IRC Section 501(c)(3), (ii) not classified as a private foundation under IRC Section 509(a), (iii) willing and able to sponsor the Project, and (iv) otherwise satisfactory to Sponsor in its sole discretion (a "Successor"), the balance of assets held by Sponsor in its restricted fund for the Project together with any other tangible and intangible assets held or liabilities incurred by Sponsor in

connection with the Project shall be transferred to Successor as soon as practicable after provision of the above notice. Committee shall be eligible to be a Successor itself so long as Committee has received a determination letter from the Internal Revenue Service indicating that Committee meets the qualifications to be an IRC Section 501(c)(3) organization and is not classified as a private foundation under IRC Section 509(a). If no Successor is found within sixty (60) days of such receipt of written notice, Sponsor may dispose of the Project's assets and liabilities in any manner consistent with applicable tax and charitable trust laws. Either party to the Agreement may terminate the Agreement, based upon a material breach of the Agreement by the other party, by giving thirty (30) days' written notice to the other party, and any Project assets and liabilities shall be handled in a manner consistent with the provisions stated above.

8. Miscellaneous. In the event of any controversy, claim, or dispute between the parties arising out of or related to the Agreement, or the alleged breach thereof, the prevailing party shall, in addition to any other relief, be entitled to recover its reasonable attorneys' fees and costs of sustaining its position. Each provision of the Agreement shall be separately enforceable, and the invalidity of one provision shall not affect the validity or enforceability of any other provision. This Agreement shall be interpreted and construed in accordance with the laws of the State of California applicable to contracts to be performed entirely within such State. Time is of the essence of the Agreement and of each and every provision hereof. This Agreement shall not be deemed to create any relationship of agency, partnership, or joint venture between the parties hereto, and no party shall make such representation to anyone.

9. Indemnification. Each party will indemnify, defend and hold harmless the other party and its officers, directors, agents, employees, successors and permitted assigns from and against any and all losses, claims, suits, proceedings, liabilities, expenses (including reasonable attorneys' fees and expenses), causes of action, damages and costs (collectively "Claims") arising out of or caused by negligence, gross negligence, or willful misconduct of the indemnifying party or from any material breach of the Agreement by the indemnifying party. Any indemnified party entitled to indemnification under this Paragraph will give prompt notice to the indemnifying party of any Claim with respect to which it seeks indemnification, but the failure to so notify the indemnifying party shall not relieve the indemnifying party of any liability except to the extent that it is actually prejudiced by such delay. The indemnifying party shall assume, at its sole cost and expense, the defense of such Claim with counsel reasonably satisfactory to the indemnified party. The indemnifying party will not be subject to any liability for any settlement made without its consent. The indemnifying party shall not, without consent of the indemnified party, effect any settlement or discharge or consent to the entry of any judgment, unless such settlement or judgment includes as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a general release from all liability in respect of such claim or litigation. Notwithstanding anything herein to the contrary, the indemnification provisions of this Paragraph 9 shall survive any termination of this Agreement.

10. Entire Agreement; Counterparts. This Agreement constitutes the only agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. All Exhibits hereto are a material part of the Agreement and are incorporated by reference. This Agreement, including any Exhibits hereto, may not be amended or modified, except in a writing signed by all parties to the Agreement. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Fiscal Sponsorship Agreement effective on the _____, 201_ Effective Date.

INDEPENDENT ARTS AND MEDIA

By: _____, [Title]
[Name]

Dated: _____

_____ **STEERING COMMITTEE**

By: _____, [Title]
[Name]

Dated: _____

EXHIBIT A
DESCRIPTION OF PROJECT

EXHIBIT B
SPONSORSHIP POLICIES OF
INDEPENDENT ARTS AND MEDIA

Charitable, Tax-Exempt Purposes

IAM's charitable purpose is to raise the educational and social levels of the residents of the San Francisco Bay Area and surrounding regional and national communities, through the development of non-commercial, educational and cultural media, news and arts projects for the benefit of the general public.

Administrative Fees

Sponsor shall deduct an administrative fee of nine percent (9%) of all amounts paid on behalf of the Committee from the restricted fund for accounting, donation acknowledgment, fund disbursement and IRS compliance and to defray Sponsor's costs of administering the restricted fund. Sponsor may additionally, at its sole discretion, deduct from the restricted fund any special or unusual costs it incurs in such administration, including, but not limited to, Paypal, bank, credit and other fees related to the receipt of any donations. Any interest earned on amounts held in the restricted fund shall be retained in Sponsor's general fund and are not distributed to Committee for the Project.

Policy Manual

Inclusive and in addition to the policies listed here, IAM's fiscal sponsorship policies are detailed in the Independent Arts & Media Fiscal Sponsorship Policy Manual, attached herewith as part of Exhibit B.