

MEMORANDUM

TO: Board of Trustees

FROM: Tim Callicrate
Chairman, Board of Trustees

SUBJECT: Review, discuss and possibly approve the issuance of a written notice of termination, in accordance with the retainer agreement, paragraph 10.3, to the Law Offices of Hutchison & Steffen, PLLC effective April 14, 2020.

DATE: April 2, 2020

I. RECOMMENDATION

That the Board of Trustees makes a motion to issue written notice of termination effective April 14, 2020 to Hutchison & Steffen, PLLC based on the terms of the existing contract agreement.

II. BACKGROUND

The District, at the direction of the Board of Trustees, entered into a retainer agreement on March 1, 2019 with Hutchison & Steffen, PLLC (see attached). Included in that agreement is a termination clause (10.3) which calls for a one hundred and eighty (180) day written notice to terminate services. The clause is shown below:

10.3. This Retainer Agreement or the appointment of Firm as IVGID Attorney to IVGID may be terminated with or without cause by IVGID Board or upon the hiring of a full-time attorney directly employed by IVGID as IVGID Attorney or by Firm at any time upon one hundred and eighty (180) days written notice.

Under Policy and Procedure Resolution 105, Resolution 1480, the following two excerpts apply to legal services:

The General Manager shall maintain direct, day-to-day supervision over all District employees, with the exception of the Attorney.

The General Manager shall be responsible for coordinating the work of the Attorney with the activities of IVGID Staff, and the Board of Trustees.

The services of the attorney are contracted at the sole discretion of the Board of Trustees.

III. FINANCIAL IMPACT

There is no financial impact as these services are budgeted within this current fiscal year at the present rates.

There may be staff time involved in going out for a request for proposal to replace said firm.

IV. ALTERNATIVE

Terminate services with Hutchison & Steffen, PLLC effective at a date sooner than the required six (6) month severance period.

10.3.1. In the event that IVGID desires to terminate Firm's services with notice of a lesser period, IVGID will provide Firm with a severance payment, equal to the agreed upon monthly retainer, for each month of said specified six (6) month notice period for which notice is shortened and is not given.

If this alternative is selected, the District will need to consider hiring temporary legal services until such time the District decides to go out to RFP or long term legal services.

April 14, 2020

Hutchison & Steffen, PLLC
500 Damonte Ranch Parkway
Suite 980
Reno, Nevada 89521

Attention of Mr. Jason Guinasso
Managing Partner

Subject: Termination of Retainer Agreement between Incline Village General Improvement District and Hutchison & Steffen
Retainer Agreement Paragraph 10.3

Dear Mr. Guinasso,

In accordance with retainer agreement paragraph 10.3 which reads as follows:

10.3. This Retainer Agreement or the appointment of Firm as IVGID Attorney to IVGID may be terminated with or without cause by IVGID Board or upon the hiring of a full-time attorney directly employed by IVGID as IVGID Attorney or by Firm at any time upon one hundred and eighty (180) days written notice.

Incline Village General Improvement is providing you with this notification of termination without cause effective April 14, 2020. In compliance with the retainer agreement paragraph 10.3, the last day of services will be October 10, 2020. We would greatly appreciate a prorated invoice for the ten day period of October 2020 on or before October 10, 2020.

Incline Village General Improvement District appreciates the legal services provided by Hutchison & Steffen and your personal attention to us. We also look forward to a successful transition to a new legal firm once selected and to a successful ending of our relationship.

Regards,

Tim Callicrate
IVGID Board of Trustees
Chairman



RETAINER AGREEMENT

By and Between

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

And

THE LAW OFFICES OF HUTCHISON & STEFFEN, PLLC

THIS RETAINER AGREEMENT (the "Retainer Agreement") is entered into by and between the INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT (the "IVGID") and the law firm of HUTCHISON & STEFFEN, PLLC ("Firm") and is effective as of the 1st day of March 2019.

**I.
RECITALS**

WHEREAS, IVGID and Firm desire to engage in a stable and flexible long term contractual relationship whereby IVGID can recognize pricing efficiencies for legal services and the Firm is available to provide service as IVGID Attorney, as well as additional legal services on an as needed basis, in a thoughtful and cost effective manner; and

WHEREAS, IVGID and Firm desire to respectively receive and provide legal services specifically described herein pursuant to this Retainer Agreement;

WHEREAS, IVGID and Firm specifically acknowledge that this Agreement is not an employment agreement and does not establish a relationship of employer and employee between Firm and IVGID, between IVGID Attorney and IVGID, or between IVGID and any Firm Attorney, but defines a relationship between the parties wherein the Firm, its officers and employees, including those designated IVGID Attorney or Assistant IVGID Attorney are in fact independent contactors of IVGID and remain solely the employees of the Firm; and

WHEREAS, Firm reserves its independence to act within the limits imposed by law and professional obligations such that IVGID's policy objectives during the representation will be furthered through means the Firm considers appropriate under its professional obligations after consultation with IVGID and as may otherwise be required by the rules regulating the Nevada Bar.

NOW, THEREFORE, it is agreed as follows:

- 1. RETAINER AGREEMENT.** This Retainer Agreement restates, supersedes, and replaces all prior agreements between the parties concerning the provision of legal services in the manner and under the terms described in this Agreement.
- 2. TERM.** The term of the Agreement shall be for a period of three (3) years, commencing on March 1, 2019, subject to termination, as set forth in Section 10.3 below.
- 3. IVGID ATTORNEY SERVICES.**
 - 3.1. Firm will provide legal services as IVGID Attorney to IVGID relative to the direction of the IVGID General Manager as prescribed under Resolution 1480, the District's personnel management policy, which states, "the General Manager shall be responsible for coordinating the work of the Attorney with the activities of IVGID Staff, and the Board of Trustees."
 - 3.2. IVGID Attorney shall serve as chief legal advisor to IVGID Board of Trustees, IVGID General Manager, and all IVGID departments and offices. IVGID attorney shall represent IVGID in all legal proceedings.
 - 3.3. For purposes of this Retainer Agreement Jason D. Guinasso, Esq., the Managing Partner for the Northern Nevada Officers of the Firm shall be designated as IVGID Attorney ("Designated Lawyer"). The Designated Lawyer of the Firm serving as IVGID Attorney for IVGID may be substituted following notice to the General Manager and IVGID Board Chair.
 - 3.4. Firm shall also designate one or more attorneys, who along with the Designated Lawyer shall serve accompanied by other members of the Firm, and IVGID shall have access to, the complete complement of practice groups and breadth of experience of Firm attorneys along with the full statewide

resources of the Firm.

3.5. The contemplated services described in this Agreement are to be provided in conjunction with efforts of designated officials and staff of IVGID to achieve the goals of IVGID as determined by the IVGID Board and the IVGID General Manager. The Agreement contemplates that the work will be assigned to IVGID Attorney either by IVGID Board or by IVGID General Manager. Such legal services, as enumerated below, are to be provided as IVGID Attorney Legal Services on a monthly retainer basis, and supplemented by additional IVGID Attorney Legal Services, as enumerated below, on an hourly basis as approved by work order. Additional Special Counsel Legal Services will also be provided separately by the Firm or other firms on an hourly basis by separate work orders for special services or as otherwise approved by IVGID Board as provided in Sections 4 and 5 hereof.

3.6. IVGID Attorney Legal Services encompass the following:

3.6.1. Attend two IVGID Board meetings per month.

3.6.2. Review and approve meeting agendas to ensure that they are in compliance with the Nevada Open Meeting Law.

3.6.3. Provide two training sessions, when requested, for IVGID Board and staff each year that will help to reduce questions by IVGID Board and staff about legal issues and reduce IVGID's risk in its operations or, in the alternative, attend up to four additional workshops, retreats or other meetings at the request of the General Manager.

3.6.4. Assist District Clerk with responses to Public Records Requests.

3.6.5. Participate in up to one weekly conference either in person or via teleconference (as required by IVGID General Manager) at a regular time to be mutually determined by

IVGID General Manager and IVGID Attorney that will include IVGID Manager and Department Heads (also referred to commonly as the "Senior Team") to identify and discuss outstanding legal issues, discuss projects both proposed and in development, share information associated with services to be provided by the Firm, and address the means to serve IVGID's legal needs;

- 3.6.6. Participate in one weekly meeting in person or by phone with the General Manager and address legal questions;
- 3.6.7. Participate in bi-weekly meetings with the Director of Public Works and address legal questions;
- 3.6.8. Attend bi-weekly meetings with the Director of Human Resources and address legal questions;
- 3.6.9. Crisis and emergency management, advice and responses, as requested by General Manager, to events that present risks to Staff, Board of Trustees or the District.
- 3.6.10. Receive, analyze and respond to regular electronic communications from Staff and Trustees with requests for basic information and legal advice (responses to complex questions that require research and/or extended responses will not be included in this email and will be charged to the District as "Additional Services")
- 3.6.11. Receive and return phone calls from Staff and Trustees with requests for information or legal advice.
- 3.6.12. Develop and implement a procedure to provide prompt responses to IVGID General Manager and IVGID Board with date stamping (or other tracking for accountability purposes) of all internal requests for legal services and to coordinate that work with IVGID General Manager's and Board's work-plans and develop

appropriate quality control and establish with the Board and IVGID General Manager benchmarks to measure performance under this Agreement;

- 3.6.13. Provide administration and periodic oversight and review of all special counsel engagements (including those involving other law firms or attorneys), or use of consultants necessary to support all special counsel engagements, including review, analysis and recommendation regarding payment of all billings by special counsel, including consultants;
- 3.6.14. Complete preparation, adoption and codification of IVGID Code.
- 3.6.15. Provide legal advice to IVGID Board and participate in individual calls with IVGID Board members in order to provide advice to the Board regarding upcoming IVGID Board agenda items or ethics inquiries and participate in the preparation of agendas for IVGID Board and be prepared to offer legal advice on all agenda items at meetings of the Board or other committees and public bodies the Board shall appoint;
- 3.6.16. Provide to Board and IVGID General Manager a monthly report that describes the status of all outstanding matters and provides such other information regarding the matters being handled by the Firm under this Agreement as requested by the Board;
- 3.6.17. Facilitate the adherence to provisions of IVGID Ordinances, Resolutions and Policies, and drafting appropriate ordinances, resolutions, legislation, service agreements, interlocal agreements, and other documents and instruments to collaboratively and cooperatively achieve IVGID's objectives in the most cost effective and time efficient manner;

- 3.6.18. Provide the Board and IVGID General Manager timely updates regarding changes in the law (legislation or cases) that may affect IVGID operations, policies or activities; and
- 3.6.19. Provide the Board and IVGID General Manager with options to cost effectively handle all legal matters incorporated in this Agreement while retaining the high quality of legal services through the use of forms, the use of lower priced staff, various alternate billing methods including using special counsel, temporary employees, task based billing, or other methods of charging for services or service delivery.
- 3.6.20. IVGID Attorney Legal Services do not encompass or include Additional IVGID Attorney Legal Services or Special Counsel Legal Services described herein, nor bond counsel, disclosure counsel or other legal services not specifically included in this subsection.

4. ADDITIONAL IVGID ATTORNEY LEGAL SERVICES.

- 4.1. Additional IVGID Attorney Legal Services encompass the following:
 - 4.1.1. Attend, as reasonably required or requested, all meetings of IVGID Board not described in the foregoing subsection as IVGID Attorney Legal Services, and attend meetings with third parties or IVGID staff and/or IVGID Department Heads, as reasonably required or requested by IVGID General Manager.
 - 4.1.2. Represent IVGID in the acquisition and disposition of real property rights and interests in the normal course of business, including the issuance of title insurance commitments and policies;
 - 4.1.3. Coordinate, in concert with IVGID Manager, with legal counsel and other professionals representing governmental agencies or third parties on routine legal matters affecting IVGID in the normal course of business;

- 4.1.4. Attend Ordinance and/or code enforcement hearings and defend decisions of IVGID General Manager and Senior Staff in court of law and/or before administrative agencies;
- 4.1.5. Perform other legal services which IVGID and Firm mutually agree are outside the normal and regular scope of day-to-day general counsel services, including special legal projects of a significant nature outside the normal day-to-day representation of IVGID;
- 4.1.6. Prepare responses to and defend against Open Meeting Law Complaints, Ethics Complaints, and complaints filed with state agencies when said responses are required.
- 4.1.7. Prosecute or defend litigation as directed by the Board or IVGID General Manager, including mediation, validation proceedings, and arbitrations before administrative boards, arbitrators, mediators, courts of all levels of the county, state or federal governments and report to Council and Manager on that litigation regularly; and
- 4.1.8. Prosecute or defend appeals in the courts of this state and the federal government and administrative boards having jurisdiction over matters affecting IVGID as directed by the Council or IVGID Manager.
- 4.1.9. Special Counsel Legal Services described in Section 4 hereof,
- 4.1.10. Bond counsel and disclosure counsel services.
- 4.1.11. The provision of Additional IVGID Attorney Legal Services shall be conditioned upon a scope of services as directed or authorized by either IVGID General Manager or IVGID Board, as applicable, and shall be set forth in a written work order in substantially the form attached hereto as Exhibit "A", or as otherwise approved by IVGID Board.

5. SPECIAL COUNSEL SERVICES.

- 5.1. Firm shall also be available to provide Special Counsel Legal Services to IVGID. Special Counsel Legal Services are to

be provided on an hourly basis or by task based billing or other billing arrangements as agreed upon by the parties in advance and commenced by separate work orders as described in this Agreement and as agreed by the parties. Such services are of a nature that require recognized expertise, experience, or specialized subject matter knowledge and focus above and beyond routine or normal day-to-day IVGID Attorney Legal Services or Additional IVGID Attorney Legal Services, and shall generally include the following:

- 5.1.1. Providing advice, research, and assistance on extraordinary IVGID administration or operational matters and negotiations;
- 5.1.2. Rendering written memoranda or opinions outside the scope of IVGID Attorney Legal Services or Additional IVGID Attorney Legal Services and which expose the Firm to significant liability;
- 5.1.3. Providing advice and research on the feasibility and legal sufficiency of statutory and alternative revenue sources, including the development or implementation of special assessment, impact fee, user fee, extraordinary revenue, utility fee or rate programs;
- 5.1.4. Negotiating, preparing, obtaining, delivering, and filing all documents in connection with the closing on any acquisition, contribution, sale, exchange, or disposition of any significant IVGID assets or systems requiring the financing thereof, including real and personal property associated with such IVGID assets or systems;
- 5.1.5. Nominally acting as a lobbyist before any legislative, administrative, or executive branch of government (such services, if extensive, may require a separate engagement);
- 5.1.6. Legal formulation, negotiation, drafting, and implementation of special or significant IVGID programs or initiatives;

5.1.7. The provision of Special Counsel Legal Services shall be conditioned upon a scope of services as directed or authorized by either IVGID Manager or IVGID Board, as applicable, and shall be set forth in a written work order in substantially the form attached hereto as Exhibit "A", or as otherwise approved by IVGID Board;

5.1.8. Special Counsel Legal Services described in this section do not include bond counsel, disclosure counsel, underwriter's counsel, or other legal services which are already or will be the subject of other separate agreements with IVGID, or are premised upon negotiated fees; or other legal services otherwise subsequently agreed to between the parties or third parties.

6. COMPENSATION FOR PROFESSIONAL SERVICES.

6.1. Firm will be compensated for IVGID Attorney Legal Services at the monthly retainer rate as authorized herein. Firm will be compensated for Additional IVGID Attorney Legal Services and Special Counsel Legal Services at hourly rates as authorized herein. Unless otherwise agreed to by the parties in separate writing, Firm will be compensated for legal services at negotiated and hourly rates as authorized herein.

6.2. The Firm will be compensated for IVGID Attorney Legal Services at the Firm's following monthly retainer rate:

6.2.1. **Twelve Thousand Dollars (\$12,000) per month** to be billed at the beginning of each calendar month for work to be performed and paid within thirty (30) days.

6.3. The Firm will be compensated for Additional IVGID Attorney Legal Services for hourly work at the following hourly rates:

6.3.1. **A blended rate of \$250 per hour** of attorney time (recorded and billed in increments no greater than 0.10

hour segments);

6.3.2. Firm paralegals or law clerks at the **rate of \$110.00 per hour** (recorded and billed in increments no greater than 0.10 hour segments), dependent upon experience and expertise; Firm agrees to assign matters to paralegals and law clerks to achieve the most cost effective service in IVGID's best interest.

6.3.3. A **flat rate of \$2,500** for preparation of each and every response and defense to each and every Open Meeting Law Complaint, Ethics Complaint, or other complaint filed with any state agency when said response and defense is either requested by the General Manager or required by law. This flat rate does not include legal services and fees associated with hearings, proceedings, petitions, appeals or other litigation arising out of said complaints.

6.3.3.1. With regard to Open Meeting Law Complaints, one response and defense every six months will be not be charged at flat rate and will be incorporated into legal services covered under the retainer.

6.3.4. Firm agrees not to bill for the services of more than one attorney (or paralegal/law clerk or combination of attorney, paralegal/law clerk) who attends the same meeting, conference or event unless approved in advance. Firm agrees to assign work to attorneys, paralegals and law clerks in a manner to achieve the most cost-effective benefit to IVGID as is in IVGID's best interest.

6.4. The Firm will honor hourly rates approved by the Nevada Public Agency Insurance Pool (POOL) and the Public Agency Compensation Trust (PACT) for all legal services covered by those entities.

6.5. The Firm will be compensated for Special Counsel Legal Services for hourly work at the following discounted and

blended hourly rates:

- 6.5.1. **A blended rate of \$300 per hour** of attorney time (recorded and billed in increments no greater than 0.10 hour segments);
 - 6.5.2. Firm paralegals or law clerks at the **rate of \$110.00 per hour** (recorded and billed in increments no greater than 0.10 hour segments), dependent upon experience and expertise; and
 - 6.5.3. (c) Firm agrees to assign work to attorneys, paralegals and law clerks in a manner to achieve the most cost effective benefit to IVGID as is in IVGID's best interest and Firm agrees not to bill for the services of more than one attorney (or paralegal/law clerk) who attends the same meeting, conference or event unless approved in advance.
- 6.6. No attorney time shall be charged for any travel to IVGID or for travel to any meetings of IVGID Board if held within the County.
- 6.7. The Firm shall also be entitled to receive reimbursement for actual costs incurred such as, long distance telephone charges, overnight delivery charges, and travel expenses (when travel is necessary and requested from outside of Washoe County, Nevada; however, no other overhead charges will be reimbursed for copying, secretarial services or other overhead as those costs are considered a part of the fees paid under this Agreement. No travel expenses will be charged for daily travel within IVGID or for any travel for the purpose of attending and staffing any regularly scheduled meeting of IVGID Board in the Firm's role in providing IVGID Attorney Legal Services.)
- 6.8. The Firm shall bill IVGID periodically for monthly retainer and hourly work, but not more often than monthly, and provide an itemized statement of fees for services provided and costs incurred to date. Invoices must be

submitted within 60 days of the first billing date in the cycle and all bills for the fiscal year must be submitted within 30 days after the conclusion of that fiscal year with an estimate of that bill's total submitted before the end of the fiscal year as reasonably required by IVGID Manager. All invoices shall include documentation for costs and be submitted to, approved, and promptly processed for payment by IVGID General Manager.

7. USE OF NECESSARY CONSULTANTS OR OTHER SPECIAL COUNSEL; APPROVAL PROCEDURE.

7.1. IVGID may necessarily require legal expertise beyond the scope of IVGID Attorney, Additional IVGID Attorney, or Special Counsel legal service roles contemplated herein. Subject to the concurrence or recommendation of IVGID General Manager and, if required, the approval of IVGID Board, the Firm shall have the authority to use or retain on behalf of IVGID such additional consultants, experts, or counsel that it deems necessary to implement the objectives and programs of IVGID. Such approval shall be first requested in writing and shall include a scope of services and method of compensation for each additional consultant, expert, or counsel requested.

7.2. IVGID Attorney shall maintain oversight and request and provide to IVGID periodic status reports from either litigation or local counsel in the event of any representation pursuant to this section.

7.3. Statements for fees and costs incurred by any approved consultant, expert, or counsel, shall be first reviewed by the Firm for accuracy and completeness and, upon approval, submitted to IVGID Manager and/or IVGID Board for payment.

8. DISCLOSURE.

8.1. IVGID recognizes that the Firm represents other clients in or near Incline Village as General Counsel, including but

not limited to the North Lake Tahoe Fire Protection District, the Incline Village Crystal Bay Visitors Bureau and the Tahoe Douglas Fire Protection District.

8.2. The Firm as IVGID Attorney will not represent any client, including but not limited to a municipality, county, local or state government agency or other person or entity in matters which the Firm determines to be directly adverse to IVGID nor will the Firm represent IVGID in matters which the Firm determines to be directly adverse to the interests of any other client of the Firm.

8.3. The rules regulating the Nevada Bar provide that common representation of multiple parties is permissible where the clients are generally aligned in interest, even though there is some difference in interest among them.

8.3.1. It is also possible that during the course of the Firm's representation of IVGID's interests IVGID may become involved in transactions or disputes with other clients of the Firm in which IVGID's interests are or become adverse to the interests of one or more of the Firm's other clients, whether present or future. If such a conflict between IVGID interests and those of another of the Firm's clients, whether present or future, were to arise, the Firm will promptly notify IVGID of that circumstance.

8.3.2. The Firm reserves the right, on account of any such conflicts of interest, to withdraw from the matter in question and will assist IVGID in securing interim or alternative counsel for the matter in conflict if a conflict waiver is not otherwise permissible under the rules regulating The Nevada Bar.

8.3.3. The Firm represents local governments and private sector clients throughout Nevada and California, and wishes to be able to consider the representation of other local governments or public sector clients who may have interests that are potentially adverse to IVGID's, but with

respect to matters that are unrelated in any way to our representation of IVGID. The ethics rules that govern the Firm permit it to accept such multiple representations, assuming certain requirements are met. Accordingly, during the term of this engagement, the Firm agrees that it will not accept representation of another client to pursue interests that are directly adverse to IVGID's interests unless and until the Firm makes full disclosure to IVGID of all the relevant facts, circumstances, and implications of the Firm's undertaking the two representations, and confirm to IVGID in good faith that the Firm has done so and that the following criteria are met:

- 8.3.3.1. there is no substantial relationship between any matter in which the Firm is representing or has represented IVGID and the matter for the other client;
- 8.3.3.2. any confidential information that the Firm has received from IVGID will not be available to the attorneys and other Firm personnel involved in the representation of the other client;
- 8.3.3.3. our effective representation of IVGID, and the discharge of the Firm's professional responsibilities to IVGID will not be prejudiced by representation of the other client; and
- 8.3.3.4. the other client has also consented in writing based on our full disclosure of the relevant facts, circumstances, and implications of the Firm's undertaking the two representations. If the foregoing conditions are satisfied, IVGID agrees that the Firm may undertake the potentially adverse representation and that all conflict issues will be deemed to have been resolved or waived by IVGID.

9. CONTRACT ADMINISTRATION.

- 9.1. In accordance with Resolution 1480, IVGID Board hereby

designates its General Manager to provide policy direction and instructions to the Firm in the administration of its duties hereunder, approving and authorizing work orders, the provision of Additional Legal Services and all other matters necessary to administer this Retainer Agreement on behalf of IVGID.

9.2. The Firm shall be entitled to reasonably rely upon such direction received from IVGID General Manager.

9.3. The Firm will alert IVGID Manager if any project or service it is working on or which it is asked to work on may exceed the budget for the year, or for that project or service and will not proceed to provide services for which it seeks compensation until sufficient funding to pay the Firm for its services for the project or service is approved; unless specifically directed by Board or IVGID General Manager to proceed.

10. GENERAL.

10.1. This Retainer Agreement shall be governed by and construed in accordance with the laws of the State of Nevada. In the event of any dispute arising out of or relating to this Retainer Agreement, the parties agree to waive trial by jury and agree that venue shall lie in Washoe County, Nevada. In the case of litigation of such disputes, the prevailing party shall be entitled to recover attorney fees and costs from the other party. This Retainer Agreement may be amended only by a written agreement entered into by the parties.

10.2. IVGID General Manager will evaluate the performances of the legal services of the Firm on at least an annual basis and shall review such evaluation with the Firm. The evaluation shall include input from each member of the Board of Trustees, Senior Staff and the General Manager, and shall be completed by 30 June of each year. More frequent and informal performance evaluations and feedback may be undertaken by District at any time.

10.3. This Retainer Agreement or the appointment of Firm as IVGID Attorney to IVGID may be terminated with or without cause by IVGID Board or upon the hiring of a full-time attorney directly employed by IVGID as IVGID Attorney or by Firm at any time upon one hundred and eighty (180) days written notice.

10.3.1. In the event that IVGID desires to terminate Firm's services with notice of a lesser period, IVGID will provide Firm with a severance payment, equal to the agreed upon monthly retainer, for each month of said specified six (6) month notice period for which notice is shortened and is not given.

10.3.2. Additionally, even if IVGID does elect to seek and obtain either IVGID Attorney Legal Services or Additional IVGID Attorney Legal Services, or both, from an attorney or firm other than Firm, this contract may stay in force and effect so that the Firm is available to provide to IVGID, on an as needed and agreed to basis, supplemental legal services as provided for herein.

10.3.3. In the event of termination, the Firm shall assume responsibility for completion of and shall be compensated for all representation requested prior to the notice of termination and through any prompt transition to termination agreed upon by the parties at the hourly rates agreed upon for Additional IVGID Attorney Legal Services for any remaining IVGID Attorney Legal Services or Additional IVGID Attorney Legal Services and at the rates agreed upon for Special Counsel Legal Services for those services. Provided however, IVGID Council may terminate this Retainer Agreement for breach by the Firm with such notice as may be reasonable under the circumstances.

10.3.4. In the event of termination, with or without cause, the Firm shall be compensated in accordance herewith for approved time and expenses expended prior to the date of

termination. This Retainer Agreement may be executed in multiple counterparts.

10.3.5. All original files (their contents), records and documents are the property of IVGID and not of the Firm or its Attorneys and upon termination shall be returned to or delivered to IVGID as IVGID General Manager reasonably directs at the expense of the Firm. The Firm may retain copies as necessary to comply with the Rules of the Nevada Bar.

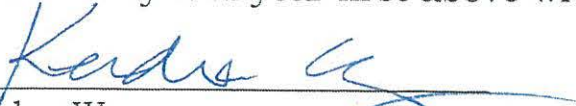
10.4. This Retainer Agreement shall be effective as of the date first written above and is the entire agreement between the parties concerning the subject matter hereof.

11. APPOINTMENT.

11.1. The IVGID Board hereby appoints Firm as IVGID Attorney for IVGID; this Retainer Agreement shall hereafter provide the terms and conditions for such engagement. Such appointment may be changed or altered from time-to-time by resolution of IVGID Board. As required, IVGID General Manager is directed and authorized to use and consult with Firm for IVGID Attorney Legal Services and Additional IVGID Attorney Legal Services as described herein. Additionally, and as required, IVGID Manager is directed and authorized to use and consult with Firm for Special Counsel Legal Services at a cost not to exceed the delegated purchasing limit of IVGID Manager on any single project or matter. For projects or matters above the then current delegated purchasing limit of IVGID Manager, Special Counsel Legal Services shall be provided by work order or as otherwise authorized and approved by IVGID Board.

[The remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

By: 
Kendra Wong
Chairwoman, Board of Trustees
Incline Village General Improvement
893 Southwood Blvd.
Incline Village, NV 89451-9425

By: 
Steve Pinkerton
General Manager
Incline Village General Improvement District
893 Southwood Blvd.
Incline Village, NV 89451-9425


By: 
Jason D. Guinasso, Esq.
Hutchison & Steffen, PLLC
500 Damonte Ranch Parkway, Suite 980
Reno, NV 89521

EXHIBIT A
EXEMPLARY FORM OF LEGAL SERVICES WORK ORDER No.

[insert an identifying work order number here]

TO:

FROM: IVGID General Manager

1. Scope of Services: [describe whether Additional IVGID Attorney services (general counsel) or Special Counsel Services] are to be performed based upon the description attached hereto (A-1) in a proposal by IVGID Attorney that describes the scope of services, the time for performance, the hourly rates if not as described in the Retainer and which estimates the cost of performance.

2. Compensation: Hourly rates and reimbursement for actual costs as provided in IVGID Attorney Retainer Agreement between the parties, or this Work Order. If different rates from those included in the Retainer agreement are not included in the Scope of Services, then the Retainer rates apply.

3. Work Order Budget: The initial funding authorization or budget appropriation for this Work Order shall not exceed the amount of [amount] or the estimate incorporated in the Scope of Services attached to this Work Order whichever is lower. However, it is understood that the direction of IVGID will control the work effort and additional budget appropriations may be required and authorized.

4. Use of Necessary Consultants: Pursuant to the Retainer Agreement, IVGID confirms, directs, and authorizes the use of (1) [name of consultant] and (2) [name of consultant] and the scope of services and method(s) of compensation necessary to support the provision of legal services and continued assistance to IVGID with the [describe work effort and provide attachment].

Authorized by:

Accepted by:

Title: IVGID Manager/Mayor Title: Authorized Signatory

Date: ----- Date:

[Attach Scope of Service A-1]

A-1 Attachment to Work Order No. [insert work order number here]