

Resolution No. 1581

**A RESOLUTION ADOPTING POLICY AND PROCEDURE
RESPECTING THE SETTLEMENT OF LAWSUITS
AND RELATED CLAIMS**

Incline Village General Improvement District

RESOLVED, by the Board of Trustees of the Incline Village General Improvement District, Washoe County, Nevada, as follows:

WHEREAS, the District has over the years grown and become more diversified with utility, recreational and related construction projects and incidental activities which attract and involve numerous District residents and nonresidents; and

WHEREAS, such projects and activities have resulted in various claims being lodged against the District, such claims being for personal injury, property damage, but not necessarily limited thereto; and

WHEREAS, from time to time there exist cases in which District's general Counsel is not primarily involved and with respect to which this Board, its General Counsel, and other relevant District staff are keenly interested in concerning issues involving liability, money damages and related questions, each of which may adversely affect District from the standpoint of finances, insurance premiums, District's reputation, but not necessarily limited thereto; and

WHEREAS, this Board desires to adopt an amended Policy which will better effectuate District's intent to be kept timely advised by relevant third parties respecting the handling and progress of any such cases, whether same are in the form of pending litigation or not, and which amended policy is intended to complement and not be in derogation of provision 6(g) of Policy Resolution No. 1 as amended this date, and as may subsequently be amended.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED, that in any pending or future lawsuit or case involving a claim against District or its personnel in which District's General Counsel is not primarily involved, and where an outside attorney, law firm, adjuster, insurance company, including but not limited to, the Nevada Public Agency Insurance Pool, is primarily responsible for handling of same, the latter shall keep District and its General Counsel fully informed as to any

material settlement discussions regarding both issues of liability and financial damages, and any other material issues or matters directly or indirectly affecting District.

IT IS FURTHER RESOLVED that District shall also be kept timely advised of the progress of any litigation or claims. District shall be timely informed of the prospective appointment of counsel by any such outside firm or party. The assigned outside attorney, firm, adjuster, or party shall cooperate with District, District's General Counsel, District's Risk Manager and other relevant District personnel in the request for information regarding the defense, negotiation and settlement of cases, whether or not litigation is pending. Such outside counsel, firm or party shall also provide periodic status and evaluation reports to District through District's General Counsel.

In the event that outside counsel, law firm, adjuster or other party is primarily handling a claim or litigation on behalf of District, District, exercising its own discretion, and at its expense, shall have the right to participate with outside counsel or other party in the settlement, defense, or appeal of any such claim, suit or proceeding where, in the judgment of District's Board of Trustees, such may involve a conflict of interest between District and its insurer.

IT IS FURTHER RESOLVED that any such outside counsel or other third party shall not enter into settlement, or settlement negotiations, involving a question of liability or damages involving District, without prior written notice to District or its authorized representative.

IT IS FURTHER RESOLVED that District shall have the responsibility of timely providing the outside counsel, firm, adjuster, insurance company or Pool with such information and assistance as may be reasonably necessary for the outside or third party firm to effectively represent District's interests, including but not limited to, providing written notice of any claim made or suit brought against District and any other information requested by such outside or third party. District shall also fully cooperate with and assist such outside counsel or other third party in all matters relating to any such representation.

IT IS FURTHER RESOLVED that nothing herein shall be interpreted to limit or be in derogation of claims provision 6(g) of Policy Resolution No. 1, as amended this date, or as may subsequently be amended. If, in the event there ever exists any ambiguity as to the application of this Resolution

No. 1581 (Policy Resolution No. 121), adopted this date, such ambiguity shall be resolved in favor of the application of provision 6(g) of Policy Resolution No. 1, as it may then provide.

IT IS FURTHER RESOLVED that a copy of this resolution shall be timely provided to any outside counsel, law firm, adjuster, insurance company or Pool at the outset of any claim or litigation in which such outside counsel or other third party becomes primarily involved. A copy shall also be provided to all of District's present carriers.

* * * * *

I hereby certify that the foregoing is a full, true and correct copy of Policy Resolution No. 121, as amended at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 8th day of May, 1991, by the following vote:

AYES, and in favor thereof, Trustees: John Bevel, Bennie Ferrari, Joe Marson, Cliff McGough, Bob Wolf

NOES, Trustees: None

ABSENT, Trustees: None


Secretary

Resolution No. 1581

**A RESOLUTION ADOPTING POLICY AND PROCEDURE
RESPECTING THE SETTLEMENT OF LAWSUITB
AND RELATED CLAIMS**

Incline Village General Improvement District

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WHEREAS, such projects and activities have resulted in various claims being lodged against the District, such claims being for personal injury, property damage, but not necessarily limited thereto; and

WHEREAS, from time to time there exist cases in which District's general Counsel is not primarily involved and with respect to which this Board, its General Counsel, and other relevant District staff are keenly interested in concerning issues involving liability, money damages and related questions, each of which may adversely affect District from the standpoint of finances, insurance premiums, District's reputation, but not necessarily limited thereto; and

WHEREAS, this Board desires to adopt an amended Policy which will better effectuate District's intent to be kept timely advised by relevant third parties respecting the handling and progress of any such cases, whether same are in the form of pending litigation or not, and which amended policy is intended to complement and not be in derogation of provision 6(g) of Policy Resolution No. 1 as amended this date, and as may subsequently be amended.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED, that in any pending or future lawsuit or case involving a claim against District or its personnel in which District's General Counsel is not primarily involved, and where an outside attorney, law firm, adjuster, insurance company, including but not limited to, the Nevada Public Agency Insurance Pool, is primarily responsible for handling of same, the latter shall keep District and its General Counsel fully informed as to any

material settlement discussions regarding both issues of liability and financial damages, and any other material issues or matters directly or indirectly affecting District.

IT IS FURTHER RESOLVED that District shall also be kept timely advised of the progress of any litigation or claims. District shall be timely informed of the prospective appointment of counsel by any such outside firm or party. The assigned outside attorney, firm, adjuster, or party shall cooperate with District, District's General Counsel, District's Risk Manager and other relevant District personnel in the request for information regarding the defense, negotiation and settlement of cases, whether or not litigation is pending. Such outside counsel, firm or party shall also provide periodic status and evaluation reports to District through District's General Counsel.

In the event that outside counsel, law firm, adjuster or other party is primarily handling a claim or litigation on behalf of District, District, exercising its own discretion, and at its expense, shall have the right to participate with outside counsel or other party in the settlement, defense, or appeal of any such claim, suit or proceeding where, in the judgment of District's Board of Trustees, such may involve a conflict of interest between District and its insurer.

IT IS FURTHER RESOLVED that any such outside counsel or other third party shall not enter into settlement, or settlement negotiations, involving a question of liability or damages involving District, without prior written notice to District or its authorized representative.

IT IS FURTHER RESOLVED that District shall have the responsibility of timely providing the outside counsel, firm, adjuster, insurance company or Pool with such information and assistance as may be reasonably necessary for the outside or third party firm to effectively represent District's interests, including but not limited to, providing written notice of any claim made or suit brought against District and any other information requested by such outside or third party. District shall also fully cooperate with and assist such outside counsel or other third party in all matters relating to any such representation.

IT IS FURTHER RESOLVED that nothing herein shall be interpreted to limit or be in derogation of claims provision 6(g) of Policy Resolution No. 1, as amended this date, or as may subsequently be amended. If, in the event there ever exists any ambiguity as to the application of this Resolution

No. 1581 (Policy Resolution No. 121), adopted this date, such ambiguity shall be resolved in favor of the application of provision 6(g) of Policy Resolution No. 1, as it may then provide.

IT IS FURTHER RESOLVED that a copy of this resolution shall be timely provided to any outside counsel, law firm, adjuster, insurance company or Pool at the outset of any claim or litigation in which such outside counsel or other third party becomes primarily involved. A copy shall also be provided to all of District's present carriers.

* * * * *

I hereby certify that the foregoing is a full, true and correct copy of Policy Resolution No. 121, as amended at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 8th day of May, 1991, by the following vote:

AYES, and in favor thereof, Trustees: John Bevel, Bennie Ferrari, Joe Marson, Cliff McGough, Bob Wolf

NOES, Trustees: None

ABSENT, Trustees: None


Secretary

POLICY RESOLUTION NO. 121

RESOLUTION NO. 1581

A RESOLUTION ADOPTING POLICY AND PROCEDURE RESPECTING
THE SETTLEMENT OF LAWSUITS AND RELATED CLAIMS

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

RESOLVED, by and Board of Trustees of the Incline Village General Improvement District, Washoe County, Nevada, as follows:

WHEREAS, the District has over the years grown and become more diversified with utility, recreational and related construction projects and incidental activities which attract and involve numerous District residents and non-residents; and,

WHEREAS, such projects and activities have resulted in various claims being lodged against District, such claims being for personal injury, property damage, but not necessarily limited thereto; and,

WHEREAS, from time to time there exists cases in which District's General Counsel is not primarily involved and with respect to which this Board, its General Counsel, and other relevant District staff are keenly interested in concerning issues involving liability, money damages and related questions, each of which may adversely affect District from the standpoint of finances, insurance premiums, District's reputation, but not necessarily limited thereto; and,

WHEREAS, this Board desires to adopt a Policy which will effectuate District's intent to be kept timely advised by relevant third parties respecting the handling and progress of any such cases, whether same are in the form of pending litigation or not,

and which Policy is intended to compliment and not be in derogation of provision 6(g) of Policy Resolution No. 1 as amended this date,

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED, that in any pending lawsuit or case involving a claim against District or its personnel in which District's General Counsel is not primarily involved, and where an outside attorney, law firm, adjuster, insurance company, including but not limited to, the Nevada Public Agency Insurance Pool is primarily responsible for handling of same, the latter shall keep District and its General Counsel fully informed as to any material settlement discussions regarding both issues of liability and financial damages, and any other material issues or matters directly or indirectly affecting District.

IT IS FURTHER RESOLVED that District shall also be kept timely advised of the progress of any litigation or claims. District shall be informed of the prospective appointment of counsel by such outside firm or party. The assigned outside attorney, firm, adjuster, or party shall cooperate with District, District's General Counsel, District's Risk Manager and other relevant District personnel in the defense, negotiation and settlement of cases, whether or not litigation is pending. Such outside counsel, firm or party shall also provide periodic status and evaluation reports to District through District's General Counsel. District may elect to object as to the assignment of counsel.

In the event that outside counsel, law firm, adjuster or other party is primarily handling a claim or litigation on behalf of District, District, exercising its own discretion, and at its expense, shall have the right to participate with outside counsel

or other party in the settlement, defense, or appeal of any such claim, suit or proceeding where, in the judgment of District's Board of Trustees, such may involve the liability of District or money damages against District.

IT IS FURTHER RESOLVED that any such outside counsel or other third party shall not enter into settlement involving a question of liability or damages involving District, or settle a case without the prior written consent of District or its authorized representative. Such consent shall not be unreasonably withheld by District.

IT IS FURTHER RESOLVED that District shall have the responsibility of timely providing the outside counsel, firm, adjuster, insurance company or Pool with such information and assistance as may be reasonably necessary for the outside or third party firm to effectively represent District's interests, including but not limited to, providing written notice of any claim made or suit brought against District and any other information requested by such outside or third party. District shall also fully cooperate with and assist such outside counsel or other third party in all matters relating to any such representation.

IT IS FURTHER RESOLVED that nothing herein shall be interpreted to limit or be in derogation of claims provision 6(g) of Policy Resolution No. 1, as amended this date. If, in the event there ever exists any ambiguity as to the application of this Resolution No. 1581 (Policy Resolution No. 121), adopted this date, such ambiguity shall be resolved in favor of the application of provision 6(g) of Policy Resolution No. 1, as amended this date.

IT IS FURTHER RESOLVED that a copy of this Resolution shall be timely provided to any outside counsel, law firm, adjuster, insurance company or Pool at the outset of any claim or litigation in which such outside counsel or other third party becomes primarily involved.

* * * * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 30th day of November, 1989, by the following vote:

AYES, and in favor thereof, Trustees:

Bob Wolf, Joe Marson, Pamela T. Wight, John Bevel and
Bobbie Gang

NAYES, Trustees: None

ABSENT, Trustees: None


SECRETARY

(SEAL)