



**AMENDMENT TO**  
**IVGID-PARASOL FOUNDATION OF INCLINE VILLAGE LEASE**

THIS AMENDMENT ("Amendment") is entered into this 24 day of January, 2002 by and between the INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT, a political subdivision of the State of Nevada (hereinafter referred to as "IVGID" or "Lessor"), and the Parasol Foundation, Inc., a non-profit corporation organized under the laws of the State of Nevada, d.b.a. THE PARASOL FOUNDATION OF INCLINE VILLAGE (hereinafter referred to herein as "Parasol" or "Lessee").

WITNESSETH

A. IVGID as Lessor and Parasol as Lessee entered into the IVGID-Parasol Foundation of Incline Village Lease dated 12 January 2000.

B. Lessor and Lessee desire to clarify various matters set forth in that Lease, and enter into this Amendment for that purpose.

NOW, THEREFORE, for valuable consideration, including the promises and covenants contained herein, the receipt of which is acknowledged, Lessor and Lessee agree as follows:

1. Exhibit A to the Lease was prepared after 12 January 2000. The actual acreage referenced as the premises in Recital E of the Lease, to be described in Exhibit A, is 2.36 acres. Accordingly, Recital E is hereby amended to reference a premises consisting of approximately 2.36 acres.
2. Article XXIV entitled "Additional Provisions Regarding Use", as set forth below, is hereby added to the Lease by this Amendment.

"XXIV

**ADDITIONAL PROVISIONS REGARDING USE**

"A. Shared Facilities. The expansion of the size of the premises as set forth on Exhibit A from 1.5 to 2.36 acres is to accommodate the improvements required by conditions of approval of this project and the overall Incline Park project and the construction of a parking facility for use by both Lessor and Lessee. Lessee shall have the sole responsibility and obligation to construct a



parking area, in compliance with all appropriate permits and regulations, to accommodate at least seventy-eight (78) vehicles. A pedestrian stairway shall be included for pedestrian access from the lower parking lot to the upper playing fields. Lessee shall present the improvement plans to Lessor for its approval. Construction shall be completed by 31 August 2002. Lessee shall have sole responsibility for maintenance, repair and replacement of the parking improvements, including snow removal, lighting and security. The parking improvements shall be available by both Lessor and Lessee, and their guests and invitees according to use, at all times.

“B. Use of Facility. As partial consideration by Lessee to Lessor for the Lease, Lessor shall have use rights in the facility, as follows:

- “1. Lessor shall have the right for use of the large meeting room on twelve (12) days each year, as set forth in Article XIII, Section (A)(3)(c) above. The limitation on people attending, which is specified as one hundred (100) therein, shall be amended to be the maximum number of people that can be accommodated in the facility’s largest meeting room.
- “2. Lessor shall have the right of use of all portions of the facility, in the capacity of and to the same extent of use of a Community Collaborator, as set forth in the Business Plan – 2001 attached as Exhibit C, or as it may be thereafter amended or revised in the future.

“C. Modification of Use and Parties.

- “1. Lessor is a political subdivision of the State of Nevada, and a legally existing general improvement district. Any successor in interest to Lessor will similarly be a governmental entity, and will be bound to the benefits and obligations of this Lease.
- “2. Lessee is a non-profit corporation existing under the laws of the State of Nevada, and enjoys a tax exempt status under Section 501(c)(3) of the Internal Revenue Code. Any successor in interest of Lessee will similarly be a non-profit corporation existing under



the laws of the State of Nevada, and will have a tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

“3. Lessee has a stated purpose for the benefit of the community also represented by Lessor, which is an inducement and partial consideration for this Lease. Lessee’s purpose and intent is more particularly set forth in its Business Plan – 2001 attached hereto as Exhibit C, and Lessee covenants to continue such purpose and benefit for the duration of this Lease, and as said Business Plan may be amended from time to time in the future. Any material modification to Lessee’s purposes and the Business Plan, which would affect Lessee’s actions under this Lease, may be made only with Lessor’s consent. Any assignment of this Lease, or any portion thereof, by Lessee to any successor requires a written assumption of the benefits and obligations under this Lease, and may be made only upon Lessor’s prior written consent.

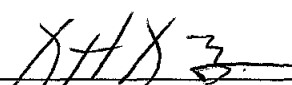
“D. This Lease will terminate, or the term will not be continued and extended, if these requirements under this Lease are not met, or if Lessor’s consent as required herein is not obtained.”

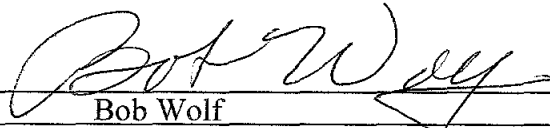
3. The Lease dated 12 January 2000 is hereby amended as set forth above. Except as specifically modified as set forth above, the provisions of the Lease are hereby restated, and ratified and confirmed by the parties.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first set forth above.

**LESSOR:**

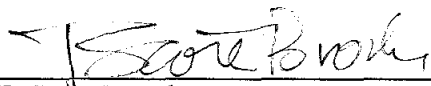
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

By:   
Name: Kenny Kinsman  
Title: Chairman, Board of Trustees

By:   
Name: Bob Wolf  
Title: Secretary, Board of Trustees




APPROVED AS TO FORM:

By:   
Name: T. Scott Brooke  
Title: General Counsel, IVGID

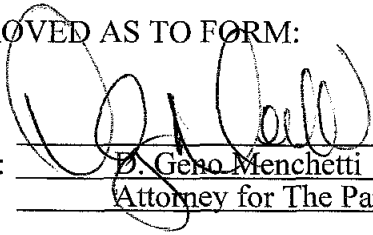
LESSEE:

THE PARASOL FOUNDATION, INC. d.b.a. THE  
PARASOL FOUNDATION OF INCLINE VILLAGE

By:   
Name: Warren Trepp  
Title: Chairman, Board of Directors

By:   
Name: NANCI GOLBAUER  
Title: Secretary, Board of Directors

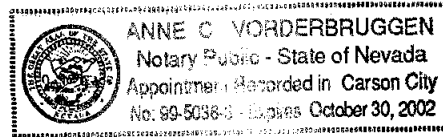
APPROVED AS TO FORM:

By:   
Name: D. Geno Menchetti  
Title: Attorney for The Parasol Foundation

STATE OF NEVADA )  
COUNTY OF WASHOE ) ss:

On this 3rd day of JANUARY, 2002, personally appeared before me, a Notary Public in and for said County and State, KENNETH H. KINSMAN and BOB WOLF, known to me to be the persons who executed the foregoing Amendment to Lease; who represented that they had the legal authority to sign and execute this Amendment to Lease; and who acknowledged to me that they did so freely, voluntarily and for the uses and purposes therein mentioned.

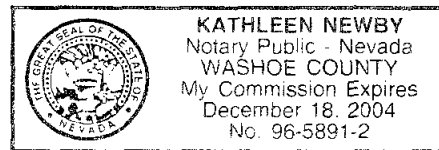
Anne C. Vorderbruggen  
Notary Public



STATE OF NEVADA )  
COUNTY OF WASHOE ) ss:

On this 24th day of JANUARY, 2002, personally appeared before me, a Notary Public in and for said County and State, WARREN TREPP and \_\_\_\_\_, known to me to be the persons who executed the foregoing Amendment to Lease; who represented that they had the legal authority to sign and execute this Amendment to Lease; and who acknowledged to me that they did so freely, voluntarily and for the uses and purposes therein mentioned.

Kathleen Newby  
Notary Public



**DOC # 2801596**  
02/05/2003 01:17P Fee:18.00  
BK1  
Requested By  
IVGID  
Washoe County Recorder  
Kathryn L. Burke - Recorder  
Pg 5 of 5 RPTT 0.00





**IVGID-PARASOL FOUNDATION OF INCLINE VILLAGE LEASE**

THIS LEASE ("Lease") is made and entered into effective this 12th day of January, 2000, by and between the INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT (hereinafter "LESSOR"), as Lessor, and the Parasol Foundation, Inc., a Nevada Corporation d.b.a. THE PARASOL FOUNDATION OF INCLINE VILLAGE, a Nevada nonprofit corporation (hereinafter "LESSEE"), as Lessee.

**RECITALS**

A. Lessee has approached Lessor, requesting that Lessor consider leasing to Lessee a parcel of Lessor's public land, for Lessee's proposed Nonprofit Center, and related facilities.

B. Lessee wishes to lease for the public benefit from Lessor certain public land for the purpose of operating a Nonprofit Center and related facilities pursuant to the provisions contained in this Lease.

C. The subject development is to be known as the Donald W. Reynolds Community/Nonprofit Center (herein called the "NONPROFIT CENTER").

D. Lessor, a quasi municipal corporation formed under NRS 318.010, et seq., is willing to lease a parcel of its public land for Lessee's stated purpose.

E. Lessor is the owner of the premises composed of approximately one and one-half (1 ½) acres adjacent to the Incline Village Middle School parking lot and Incline Way, situated below Tahoe Boulevard-Nevada State Highway Route 28, Incline Village General Improvement District, Washoe County, Nevada, being a portion of Assessor's Parcel No. 127-030-15, with legal description attached hereto as **Exhibit "A"**, and made a part hereof by reference.



F. Lessee, through its duly authorized officers, agents and representatives, is very pleased with the above-referenced parcel; has inspected the subject property; is fully aware of its condition; and acknowledges that said parcel will meet Lessee's needs.

G. On May 28, 1997, as part of its regular meeting agenda, IVGID's Board of Trustees formally agreed to lease the subject realty to Lessee, provided that all pre-conditions and conditions are met and strictly adhered to by Lessee.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Lessor and Lessee agree as follows:

I

**LEASE OF PREMISES**

Lessor leases to Lessee, and Lessee leases from Lessor, that certain real property and improvements situated thereon, owned by IVGID, and fully described in Recital E, above, on the terms and conditions hereinafter set forth.

II

**TERM; OPTION TO EXTEND**

A. Term. The term of this Lease shall commence on the 12th day of January, 2000, and be for a term of thirty (30) years, ending at 12:01 a.m. of the last day thereof. This thirty (30) year term shall be referred to herein as "Initial Term." If Lessor is unable to deliver possession of the premises at the commencement date set forth above, Lessor will not be liable for any damage claimed to be caused by the delay, nor will this Lease be void or voidable, but Lessee will not be liable for any rent until possession is delivered. Lessee may terminate this Lease if possession is not delivered within thirty (30) days of the commencement of this Initial Term.



B. Option to Extend Lease. Lessee shall have the option to extend the lease term, for three (3) additional, twenty-three (23) year options to renew/extend. Notwithstanding anything herein contained to the contrary, in no event shall the Initial Term extend beyond thirty (30) years without a prior written extension in writing signed by both parties or their designee(s), which shall be conditioned upon Lessee's meeting the criteria/requirements/conditions and terms discussed in the several sections hereinbelow. Specifically, all of the three (3) such extensions shall be on the following conditions:

1. Lessee shall not be in default. At the time Lessee gives Lessor Lessee's written notice of election to extend or renew this Lease, as provided herein, Lessee shall not be materially in default of any of its obligations under this lease. If Lessee is in default of any of the material obligations at the time it gives written notice of intent to extend the Initial Term, or any options thereafter, the notice shall be ineffective.
2. Type and nature of notice. Lessee shall give the Lessor written notice of its election to exercise the extension no later than six (6) months before the expiration of the Initial Term, and any proposed renewals thereafter. The Lessee's notice may be personally delivered to the Lessor or mailed to the Lessor; provided, however, if the notice is mailed it must be mailed postage prepaid, certified mail, return receipt requested, to the addressee provided in this Lease or at any such other addresses Lessor may in writing later direct. The time of deposit in the mail shall not constitute sufficient notice to Lessor, as notice is deemed to be effective only upon receipt thereof by the Lessor. No attempt to exercise the





option to extend Initial Term, or any others, by Lessee in a manner other than as provided in this paragraph shall be effective.

3. Standing to extend Lease. If Lessee is not in default of any of the material obligations hereunder and if notice of the Lessee's intent to exercise the option to extend Lease is given in accordance with this Lease, and the parties agree in writing to the extension, the Lease shall be extended on the same terms as herein provided, subject to the laws of the State of Nevada or of the United States of America, and/or the relevant ordinances, laws, regulations, and/or codes of any other governmental entity. Lessor's consent to any such extension shall not be unreasonably withheld.

### III

#### RENT

A. Payment of Rent. Lessee has heretofore paid the sum of One Dollar (\$1.00), which shall constitute the first year's rent, for the period of the 12th day of January, 2000, to the 12th day of January, 2001. Absent agreement in writing; absent a subsequently passed law, ordinance, code or regulation of any other relevant governmental entity, the total annual rent for the Initial Term shall be One Dollar (\$1.00), payable to Lessor at the address designated in this Lease or at such other place as the Lessor may designate in writing. The rent shall be paid without prior notice or demand in annual installments, in advance, on or before the first (1st) day of each year of this Lease, including any extension hereof.

B. Rental Amount; Adjustments. Depending upon the applicable laws then in effect, or any written agreement between the parties, the rent shall remain at One Dollar (\$1.00) per year.



C. Late penalty; related item. In the event the rent is not paid thirty (30) days after due date, Lessee agrees to pay a late charge of Five Dollars (\$5.00). The late charge period is not a grace period, and Lessor is entitled to make written demand for any rent if not paid when due.

D. Taxes: Assessments.

1. Personal Property Taxes. If applicable, Lessee shall pay before delinquency all taxes, assessments, license fees, and other charges that are levied and assessed against Lessee's personal property installed or located in or on the Premises, and that become payable during the term of this Lease.

2. Real Property Taxes.

(a) The Nonprofit Center must be operated on a not-for-profit basis. Should the non-profit status of Lessee change, if applicable, without prejudice to Lessor's right to terminate this Lease and any extension of it, Lessee shall pay all real property taxes and general and special assessments ("Real Property Taxes") levied and assessed against the Premises. It is understood by the parties that incidental to its loss of tax exempt status, Lessor shall have the unqualified right to terminate this Lease, under Article XIII(A)(16), below. Whether or not Lessor shall take timely action to terminate this Lease, Lessor shall not be deemed to have waived its right to terminate the Lease.

(b) If at any time during the course of this Lease, IVGID's real property shall become subject to taxation, or IVGID becomes exposed to other taxes by virtue of its ownership of the subject leased parcel, then Lessee agrees to timely pay all such taxes. Should Lessee fail to timely pay said taxes, and



Lessor is required to pay same, Lessor shall be reimbursed by Lessee for Lessor's payments and for all expenses regarding any such payments, including attorney's fees and costs. Any such failure on the part of Lessee shall constitute an additional and separate material ground for termination of this Lease.

- (c) If applicable, if any general or special assessment is levied and assessed against the Premises, Lessor shall pay the assessment in full. If Lessor pays the assessment in full, Lessee shall pay to Lessor, each time a payment of Real Property Taxes or assessments is made, a sum equal to what Lessor has paid, plus any costs incurred by Lessor in the process. Lessor agrees to not impose any recreational assessment against the subject real property or its improvements during the course of this Lease, including any extension hereof.
- (d) If applicable, Lessee at its sole cost shall have the right, at any time, to seek a reduction in the assessed evaluation of the Premises or to contest any Real Property Taxes that are to be paid by it according to the terms of this Lease. Lessor shall not be required to join in any proceeding or contest brought by the Lessee unless the provisions of any law require that the proceeding or contest be brought by or in the name of Lessor or any owner of the Premises. In that case, Lessor shall join in the proceeding or contest, or permit it to be brought in the Lessor's name as long as the Lessor is not required to bear any costs. On final determination of the proceeding or contest, the Lessee shall immediately pay or discharge any



decision or judgment rendered, together with all costs, charges, interest, and penalties, incidental to the decision or judgment.

IV

**USE; LIMITATIONS ON USE**

A. Use of premises. Lessee shall use the premises for the purposes of conducting thereon a Nonprofit Center, and related facilities, activities, seminars, work shops, lectures, and occasional fund raising events. Lessee shall not use or permit said premises, or any part thereof, to be used for any other purpose or purposes, without the express prior written consent of Lessor. Again, special use of the facility not related to the aforementioned activities, such as concerts, shall require prior written approval of Lessor or its designee.

B. Lessee's limitations. Lessee shall not do, bring, or keep anything in or about the premises that will cause a cancellation of any insurance, or increase an insurance covering the premises. Lessee shall, at Lessee's sole cost, comply with any and all laws, ordinances and any other relevant requirements pertaining to the use of said premises of any insurance organization or company necessary for the maintenance of reasonable fire and public liability insurance covering property and persons which and who are its responsibility hereunder.

C. Compliance with laws. Lessee shall comply with all laws concerning the premises or Lessee's use of the premises, including, without limitation, unless contrary to provisions herein, the obligation at Lessee's cost to alter, maintain, or restore the Premises in compliance and in conformity with all laws relating to the condition, use, or occupancy of the premises during the terms.

D. Waste; Activities Prohibited. Lessee shall not use the premises in any manner that will constitute waste, nuisance, or unreasonable annoyance to owners, neighbors, or



government entities. Without Lessor's express, prior written consent, Lessee shall not conduct or permit any flea market or bazaar on the premises.

V.

**MAINTENANCE; REPAIRS; PROGRAM ENDOWMENT**

A. Lessor's Responsibilities. Lessor shall have no obligations whatsoever regarding the construction, maintenance, repair or capital replacement of any building, things, improvements, or items associated with Lessee's use of the subject realty.

B. Lessee's Responsibilities

1. General Obligations. Lessee shall, at all times during the term hereof, or any extensions of the term, and at Lessee's sole cost and expense, keep, maintain and repair the premises, including, but not limited to all improvements located in and about the premises, in good and sanitary order and condition.
2. Costs for Construction; others. Any and all costs and expenditures related to the planning, design, permitting, construction, operation and maintenance, but not limited thereto, regarding the Nonprofit Center facility, except Lessor's staff time which will be contributed in support of these efforts, primarily undertaken by Lessee, shall be solely borne by Lessee.
3. Grounds Maintenance. Lessee shall maintain all exterior areas in a neat, orderly manner at all times. The exterior of the premises shall not be used for storage of any kind whatsoever. Lessee shall maintain all landscape and planter areas in a neat and professional manner at all times.
4. Condition of Premises. Lessee hereby waives all rights to make repairs at the expense of Lessor. By undertaking its possession of the premises, except where



inconsistent with other language contained hereafter or anywhere herein, Lessee shall be deemed to have accepted the premises in an "as is" condition, and Lessee agrees to the last day of said term or sooner termination of this Lease, to surrender the premises with appurtenances in the same condition as when received, reasonable wear and tear excepted.

5. Trade or Like Fixtures. Any and all improvements made to the premises during the initial term, including all options to extend this lease as referenced in Section II(B), will, and which are affixed to the realty and are not readily movable shall belong to Lessor upon termination of this lease, including all options to extend this lease as referenced in Section II(B). Upon termination of this Lease, if any such improvements are removable, Lessee may remove all or a portion of the improvements, including fixtures, but shall pay for all costs necessary to repair any damage to the premises occasioned by the removal.
6. Nonprofit Center and Facilities. The upkeep and ongoing maintenance of the Nonprofit Center and facilities shall be of a level similar to and compatible with Lessor's facilities, as well as being consistent with industry standards.
7. Annual Expenses; Losses. In order to absorb any expenses or potential losses concerning the operation of the Center annually, Lessee warrants that it is committed to raising an amount sufficient to cover these losses. Lessee agrees that it has and will continue to commit to its continued fund-raising to cover any annual expenses and/or cash losses it may incur. Such endowment and fund-raising activities shall continue until the endowment absorbs any such annual expenses and/or cash losses for a minimum of five (5) consecutive years, at which



time Lessor's Board of Trustees shall have the absolute right to determine whether the endowment alone is sufficient to meet any future anticipated losses, such evaluation to take into consideration comparable non-profit entities, and their endowment forums.

- (a) The term "Annual" is defined as the end of Lessee's federal tax year.
- (b) It is understood and agreed by the parties that Lessee shall keep its endowment and/or fund-raising funds separate and apart from any of its operating account or accounts.
- (c) Lessee agrees to permit IVGID to conduct an annual audit of its books and financial activities, through IVGID's auditing firm or any other qualified person. The costs of such annual audit shall be borne entirely by IVGID. Any audit conducted by IVGID shall not exceed five (5) working days of access to Lessee's financial records. The commencement date for such audit shall begin on the first Monday of one month per calendar year and continue from day to day until complete. IVGID shall have sole discretion to choose which month they pick for this annual audit, if it is performed at all. Lessee will annually have its Federal 990 Form (which relates to Lessee's IRC 501(c)(3) status) and its own Audit Report. On request by Lessor, Lessee shall timely provide Lessor with true and correct copies of Lessee's current Audit Report.
- (d) Should Lessee fail to comply with any of the foregoing requirements, including a failure to reimburse a deficient operating fund, within sixty



(60) days of discovery of the deficiency, such shall constitute independent grounds for termination of this Lease.

VI

**ALTERATIONS; IMPROVEMENTS; CAPITAL REPLACEMENT ENDOWMENT**

A. Lessor's consent required. Lessee shall not make any alterations or improvements to the exterior of the premises, including any building(s) thereon, without the Lessor's prior written consent. Any additions, alterations, and improvements made in or to the premises shall become the property of the Lessor and be surrendered by Lessee with the premises at the termination of this Lease, unless Lessor determines not to retain same. In such latter event, the failure of Lessee to remove its fixtures or any of its property at the termination of the term of this Lease shall be deemed abandonment of such property at the option of the Lessors.

B. Notice to Lessor. If the Lessee makes any alterations or improvements to the premises as provided herein, the alterations shall not be commenced until ten (10) days after Lessor has received notice from the Lessee stating the date the installation of the alterations or improvements is to commence so that the Lessor can post and record an appropriate notice of non-responsibility under the mechanic's lien laws of the State of Nevada.

C. Capital Replacement Endowment. Lessee has represented that its Construction Grant Agreement requires it to develop an endowment equal to Twenty Percent (20%) of its grant amount; that is, a construction replacement endowment in the sum of One Million Three Hundred and Twenty-Five Thousand Dollars (\$1,325,000.00). Lessee has further represented that its current construction replacement endowment is in the approximate amount of One Million, One Hundred Thousand Dollars (\$1,100,000.00). Lessee agrees and warrants that within three (3) years of occupancy of the Nonprofit Center, it shall maintain its construction





replacement endowment account in the minimum amount of One Million, Three Hundred and Twenty-Five Thousand Dollars (\$1,325,000.00); and, that from the commencement of the Initial Term of Lease, said endowment will not be in an amount less than it presently is.

## VII

### MECHANIC'S LIENS; ENCUMBRANCES

A. Premises to be free and clear. Lessee shall pay all costs for construction done by them or caused to be done by them on the premises as permitted by this Lease. Lessee shall keep the premises free and clear of all mechanic's liens resulting from construction done by or for the Lessee. Lessee shall timely secure surety bonds or make other security arrangements, including cash deposits, to protect against any and all mechanic's liens, employment or like liens.

Additionally, Lessee shall, prior to any construction, obtain a construction bond in the amount of the cost for the construction of the Nonprofit Center and for all facilities which Lessee determines to build, from the outset, and any additional construction, including but not limited to expansion of any previously constructed facilities upon the subject parcel.

B. Lessee's right to contest. The Lessee shall have the right to contest the correctness or the validity of any such lien if, immediately on demand by Lessor, Lessee procures and records a lien release bond issued by a corporation authorized to issue surety bonds in Nevada in an amount equal to one and one-half (1-1/2) times the amount of the claim of the lien. The bond shall meet the requirements of the Nevada mechanic's lien statutes and shall provide for the payment of any sum that the claimant may recover on the claim, including cost of suit, attorney's fees and any other costs allowed to the claimant by the judgment.

C. Lessee shall not encumber. Lessee shall not pledge, encumber, or mortgage any part of the realty being leased herein to secure a loan of any type. This prohibition shall also



preclude Lessee from encumbering in any way or manner the structures that will be situated on Lessor's realty.

## VIII

### UTILITIES/WATER RIGHTS

A. Utilities. Lessee shall pay before delinquency all utility costs, including charges for water, gas, heat, electricity, power, telephone service, garbage, refuse and trash removal, sewer services and all other services or utilities used in, upon or about the premises by Lessee or any of its permitted subtenants, licensees or concessionaires during the term of this Lease. In the event Lessor shall be required to pay for any of the above utilities or services, Lessee agrees to reimburse Lessor for said payments within ten (10) days of Lessor's demand for reimbursement.

B. Water Rights. Lessor agrees to issue a will-serve letter committing the necessary water rights for this project from Lessor's "Water Rights Bank," within a reasonable period of time of Lessee's notification to Lessor in writing, of Lessee's water rights needs. This commitment shall lapse if Lessee's project is not fully permitted by all regulatory agencies.

## IX.

### EXCULPATION; INDEMNITY; INSURANCE

A. Exculpation of Lessor. Lessor shall not be liable to Lessee for any damage to Lessee or Lessee's property from any cause, except for Lessor's gross negligence. In the event that Lessor is utilizing any part of the Nonprofit Center under the terms of this Lease, should any injury to person(s) or properties occur during Lessor's use, ordinary negligence will apply to Lessor's actions or inactions, as the situation may be. Notwithstanding anything contained herein to the contrary, Lessor shall have the benefit of any of its common law and statutory defenses under Chapter 41 of the NRS, but not limited to said NRS sections.



B. Indemnity. Lessee shall hold Lessor harmless from any and all claims arising out of any damage to any person or property occurring in, on, or about the premises during the term of this Lease and any extension hereof. Lessee's obligation under this paragraph to indemnify and hold Lessor harmless shall be limited to the sum that exceeds the amount of the relevant insurance proceeds, if any, received by the party being indemnified and held harmless. Should Lessor be temporarily occupying the premises under this Lease, such hold harmless and indemnification provision shall not be applicable if Lessor has materially contributed to any loss or injury.

C. Public Liability and Property Damage Insurance.

1. Coverage and Terms. Lessee, at its sole cost, shall maintain public liability and personal property damage insurance, regarding buildings, plate glass, sidewalks and parking areas in the amount of \$2,000,000 for injury to or death of any one person, and \$5,000,000 for injury to or death of any number of persons in one occurrence and with personal property damage liability insurance in the amount of not less than the replacement cost of any such assets, insuring against all liability of Lessee and its authorized representatives arising out of and in connection with Lessee's use or occupancy of the premises. Within thirty (30) days of the execution of this Lease, Lessee will provide Lessor with a Certificate of Insurance showing Lessor as an additional insured. Additionally, the policy shall require a minimum of thirty (30) days written notice to Lessor prior to cancellation or material change of coverage.
2. Alcoholic Beverages. Alcoholic beverages may be served, provided that Lessee first complies with any relevant laws, ordinances, codes or regulations enacted by



Washoe County (in the form of Washoe County Code number 30.250, as amended from time to time), the State of Nevada or any other governmental entity.

3. Increase in Amount of Coverage. Not more frequently than each two (2) years, if, in the opinion of Lessor's insurance broker retained by the Lessor, the amount of public liability and property damage insurance coverage at that time is not adequate, Lessee shall increase the insurance coverage as suggested by the Lessor's broker; however, Lessor must show that any such increase has a connection with the normal insurance coverage in the relevant industry.
  4. Payment of Premiums. Lessee shall pay the premiums for the public liability and personal property damage insurance as they become due and without allowing the coverage to lapse at any time during the term of this Lease. Upon request by the Lessor, Lessee shall cause proof of insurance coverage for the damages and in the amounts set forth in Section IX(C)(1) to be delivered to Lessor.
- D. Fire and Hazard Insurance on Improvements.
1. Coverage and Terms. At all times during the term of this Lease, the building and other improvements that are part of the premises shall be covered by a policy of standard fire and extended coverage insurance carried by Lessee, and insuring against all hazards commonly insured against in Washoe County, Nevada, including vandalism and malicious mischief endorsements, to the extent of at least the full replacement value of the improvements. The insurance policy shall be issued in the names of the Lessor and the Lessee as their interests appear and shall



provide that any proceeds shall be made payable to Lessor, subject to appropriate distribution.

2. Determination of Full Replacement Value. During the first year of the Lease term, the full replacement value for which the improvements are to be insured will be at least the sum equal to the value of the improvements then built, or to immediately be built. Thereafter, the full replacement value of the improvements shall be determined by the company issuing the insurance policy. Not more frequently than once every two (2) years, either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly by the insurance company and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

3. Procurement of Coverage and Payment of Premiums. Lessee shall procure the fire and hazard insurance for the improvements required by the terms of this Lease. If the Lessee fails to timely do so, then Lessor may obtain the insurance and charge the Lessee therefor. Within one (1) month of paying any fire and hazard insurance premiums for the improvements, Lessor shall advise Lessee, in writing, of such payment and shall demand reimbursement therefor from Lessee. Lessee shall reimburse Lessor for all fire and hazard insurance premiums paid within thirty (30) days of Lessee's receipt of notice of payment. Lessee, when requested by Lessor to do so, shall provide Lessor with proof of hazard and fire insurance upon the improvements and payment of the premiums



therefor. In the event of non-payment and/or its failure to provide proof of coverage, when requested to do so, said failure or failures shall constitute a breach of this Lease, and Lessor shall have the option to terminate this Lease.

E. Miscellaneous Insurance Provisions. All the insurance required under this Lease shall:

1. Nevada companies. Be issued by insurance carriers authorized to do business within the State of Nevada, with a financial rating at least equal to the carrier which presently provides coverage for the property for Lessor as rated in the most recent edition of Best's Insurance Reports;
2. Primary policy. Be issued as a primary policy; and
3. Endorsement by carrier. Contain an endorsement requiring thirty (30) days written notice from the insurance company to both parties and any lenders before cancellation or change in the coverage, scope or amount of any policy.

X.

**DESTRUCTION OF PREMISES**

A. Damage and Restoration Period. In the event of damage to or destruction of the leased property by fire or other casualty, Lessee shall promptly repair the premises. Such partial destruction will not terminate this Lease. Any such repair shall commence within thirty (30) days of the loss, and absent delays caused by public agencies, strikes and like force majeure types of situations, shall be completed within one hundred and twenty (120) days of the commencement of said repairs. Should Lessee fail to timely commence repairs, or having timely commenced said repairs, failed to complete said repairs within the prescribed period then any such failure shall constitute an additional ground for termination of this Lease.



If applicable, rent shall be abated on a proration basis, as determined from a reasonable space usage application.

B. Total destruction. If the premises are totally destroyed, if applicable, rent shall be abated during the repair and restoration period, PROVIDED, HOWEVER, repairs and restoration are diligently undertaken by Lessee. Any rent reduction or abatement pursuant to this paragraph shall not last for longer than six (6) months. Any such repairs shall be undertaken within sixty (60) days of the loss, and shall be completed within six (6) months of the commencement of repairs. All above time constraints are qualified by any and all delays caused by public agencies, strikes and like force majeure types of situations. Should Lessee fail to timely commence repairs, or having timely commenced said repairs, failed to complete said repairs within the prescribed period, then any such failure shall constitute an additional ground for termination of this Lease.

Of course, the delay mitigation language concerning force majeure and like grounds, discussed in A immediately above, shall also have application here.

All insurance proceeds received by the Lessor and Lessee pursuant to the provisions of this Lease, less the actual cost/expenses, if any, of such recovery, shall be held in trust and applied by the parties to the payment of such restoration as such restoration progresses. In the event that the insurance proceeds are insufficient to absorb the entire cost of the repairs, Lessee shall be solely responsible for meeting all of said costs and expenses. Should Lessee fail to meet the obligations hereunder, such failure shall constitute an additional, independent ground for termination of said Lease.

C. When restoration not feasible. Should Lessor determine that restoration of the premises is not economically feasible, or the repairs are not made within six (6) months, this



Lease may be terminated by either party on notice of at least thirty (30) days. Such notice shall be given within twenty (20) days after the date of such damage or destruction. If the Lease shall so terminate, if applicable, the rent shall be apportioned to the date of termination and all insurance proceeds shall belong to the Lessor, irrespective of the source.

D. When Lease not terminated. If the Lease is not so terminated and the proceeds of insurance are insufficient to pay the full cost of repair or restoration, the Lessee shall pay the deficiency. If the insurance proceeds exceed such cost, the excess shall be paid to the Lessee, less the expenses incurred as the result of the loss and, if applicable, any rent remaining payable to Lessor. In the event that Lessee cannot meet the entire expense of restoration, such failure shall constitute a violation of this Lease, and, at the option of Lessor, shall serve as a basis for termination of this Lease.

E. If damage caused by Lessee. If the damage to the premises is caused by any gross negligence or intentional act of the Lessee which causes the damages not to be covered by insurance, the Lessee shall be responsible for restoring the premises as nearly as possible to its condition prior to such damages or destruction. This right in Lessee presumes that Lessee was in full compliance with the terms of the Lease at the time of the destruction.

## XI.

### CONDEMNATION

A. Definitions. The following words and phrases shall have the following meanings for the purposes of this section on condemnation:

1. Condemnation defined. "Condemnation" means (i) the exercise of any governmental power, whether by legal proceedings or otherwise, by a condemner,





and (ii) a voluntary sale or transfer by Lessor to any condemner, either under threat of condemnation or while legal proceedings are pending.

2. Date of Taking defined. "Date of Taking" means the date the condemner has the right to possession of the property being condemned.

3. Award defined. "Award" means all compensation, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

4. Condemner defined. "Condemner" means any public or quasi-public authority, or private corporation or individual, having the power of condemnation.

B. Total Taking - Effect on Lease. If the total premises are taken by condemnation, this Lease shall terminate on the date of taking and Lessee shall thereupon be released from any liability thereafter occurring hereunder.

C. Partial Taking - Effect on Lease. If any portion of the premises is taken by condemnation, this Lease shall remain in effect, except that Lessee shall have the election to terminate this Lease if Lessee determines that the remaining portion of the premises will be uneconomical for Lessee's continued use, operation and management, as determined by Lessee under reasonable bases. Lessee must elect to terminate this Lease within thirty (30) days after the date Lessor has notified Lessee in writing that the premises have been so appropriated or taken.

D. Partial Taking - Reduction of Rent. If any part of the premises is taken by condemnation and this Lease remains in full force and effect by reason of the Lessee's failure to elect to terminate, on the date of taking, if applicable, the minimum monthly rent shall be reduced in the same proportion that the area of the portion of the premises taken by the condemner bears to the total area of the premises immediately before the Date of Taking. If



applicable, if the rent has been adjusted by mutual agreement, it shall be recalculated as if the base rent were the adjusted minimum rent determined by this subparagraph. If an agreement cannot be reached, then the issue shall be mediated by a mediator provided through the American Arbitration Association (“AAA”), pursuant to the AAA's Commercial Dispute Rules. Absent resolution through mediation, then any such dispute shall be resolved through the AAA’s binding arbitration process, with the claims and remedies to be as set forth in XIX below.

E. Restoration of Premises. If there is a partial taking of the premises and this Lease remains in full force and effect by reason of the Lessee's failure to elect to terminate, Lessee shall restore any partially taken improvements so as to render the same a complete architectural unit. If applicable, rent will be fully or partially abated or reduced during the period from the date of taking until the completion of restoration, and all other obligations of Lessee under this Lease shall remain in full force and effect.

F. Award. Subject to the prior rights, if any, of mortgagees, the Lessor will receive all awards and other compensation for the taking of any part or all of the premises, except that if laws of the State of Nevada permit compensation to the Lessee, Lessor will cooperate in attempting to have the compensation include an award for termination of the business/activities being conducted on the premises, and the Lessee will be justly compensated for the value of its structure.

G. Exception. Notwithstanding anything contained herein to the contrary, in all cases, absent any intentional action or omissions on Lessee's part, Lessee shall be entitled to retain any amount awarded to them for their trade fixtures and moving expenses.



XII.

**ASSIGNMENT; SUBLETTING**

A. Voluntary Assignment and Subletting. Lessee shall be permitted hereunder and during any extension hereof, to sublease the several and various rooms and quarters it will have constructed, provided that Lessee and its sublessee's comply with the relevant terms and conditions of this Lease regarding non-profit sublessees and causes. In all of its subleases, Lessee shall provide in writing to each sublessee, a clear reference to this Lease and provide to each sublessee all relevant provisions relating to compliance with laws and other applicable requirements, further informing any such sublessee of the binding nature of such Lease and its provisions.

B. Sublessee Acceptability. Lessee has submitted to Lessor Lessee's Sublessee Selection Criteria, same being attached hereto as **Exhibit "B"**. Lessee agrees to be bound by such selection criteria. Lessor accepts said criteria, without evidencing any legal or practical control over any of such selections or that process.

C. Involuntary Assignment. No interest of Lessee in this Lease shall be voluntarily assigned or assigned by operation of law. Each of the following acts shall be considered an involuntary assignment:

1. Bankruptcy. If Lessee is or becomes bankrupt or insolvent, makes an assignment for the benefit of creditors, or institutes a proceeding under the bankruptcy act in which the Lessee is the bankrupt;
2. A Writ. If a writ of attachment or execution is levied on this Lease; or
3. Receiver appointed. If, in any proceeding or action to which the Lessee is a party, a receiver is appointed with authority to take possession of the Premises.

4. Voluntary assignment; Involuntary assignment. Both a voluntary assignment and an involuntary assignment shall constitute a default by Lessee, and Lessor shall have the right to elect to terminate this Lease, and any rights incidental to it, in which case this Lease shall not be treated as an asset of the Lessee.

XIII.

**DEFAULTS; EXPIRATION; REMEDIES**

- A. Events of Default. The occurrence of any of the following shall constitute a default by the Lessee:
1. Failure to pay. Lessee shall default in the payment of any sum of money required to be paid hereunder, as well as any financial conditions herein, and such defaults continue for thirty (30) days after written notice thereof from Lessor to Lessee;
  2. Failure of performance. Lessee shall default in the performance of any other material provisions, covenants or conditions of this Lease on the part of Lessee to be kept and performed and such default continues for ninety (90) days after written notice thereof from Lessor to Lessee; PROVIDED, HOWEVER, that if the default complained of in such notice is of such a nature that the same can be rectified or cured, but cannot with reasonable diligence be done within said ninety (90) day period, then such default shall be deemed to be rectified or cured if Lessee shall, within said 90-day period, commence to rectify and cure the same and shall thereafter complete such rectification and cure with all due diligence, and in any event, within one hundred and twenty (120) days from the date of giving of such notice. Lessee shall provide to Lessor, timely written notice of the plan to rectify, as well as the timing of the completion of such rectification;



3. Failure to Operate Facility. At any time during the course of this Initial Term or any extension hereof, Lessee fails to operate the facility to Lessor's satisfaction, including but not limited to the following:
- (a) Failure to pay its bills and obligations in a timely manner; or,
  - (b) A significant reduction in use from what is contemplated in Parasol's Long-term Business Plan; or,
  - (c) Failure to comply with promised dates for access by IVGID, as herein provided: the access shall be exclusive, as to the designated room, twelve (12) days per calendar year; it shall be in any order, combination or times, subject to Lessor's providing Lessee the advance written notice of intended use, as indicated as follows: such written notice shall be provided to Lessee in January of each year; at least thirty (30) days prior to the intended use, Lessor shall provide written notice of its confirmation of the reservation; such use shall be between the hours of 3 p.m. and midnight; Lessee shall make available to Lessor a meeting room sufficient to accommodate the number of people that are anticipated will be attending the specific meeting, not to exceed 100 people; Lessor will reimburse Lessee for any of Lessee's reasonable "out-of-pocket costs" incidental to each such meeting; and the parties agree that there shall be no indemnification of Lessor by Lessee during Lessor's exclusive use of the leased premises, absent Lessee's negligence or intentional acts or omissions. Notwithstanding, should Lessor fail to provide the requisite written notice, or fail to confirm as outlined above, and should Lessee



have the requested space or comparable space available, then Lessor shall be entitled to use the requested space, as if Lessor had met the referenced conditions precedent to such use. In the event Lessee does not comply with this section, Lessor will accept as its sole remedy, payment from Lessee sufficient to secure a comparable local meeting facility. or,

(d) Failure to maintain appropriate licenses and permits as necessary to and for the operation of the facility.

4. Vacation of premises. Lessee should vacate or abandon the leased property during the term of this Lease, including by operation of law; or
5. Bankruptcy. There is filed any petition in bankruptcy, or Lessee is adjudicated as a bankrupt or insolvent, or there is appointed a receiver or trustee to take possession of all, or substantially all, of the assets of Lessee, or there is a general assignment by Lessee for the benefit of creditors, or any action is taken by or against Lessee under any state or federal insolvency or bankruptcy act, or any similar law now or thereafter in effect, including, without limitation, the filing of any petition for or in reorganization, or should the leased property or any portion thereof be taken or seized under levy of execution or attachment against Lessee, and the continuance of the same in effect for a period of ten (10) days.

Notwithstanding anything herein contained to the contrary, if Lessee is the subject of an involuntary petition in bankruptcy, Lessee shall have the right to contest any such petition. Any such contest must be timely; otherwise, the attempt to oppose the petition shall not avoid Lessor's claim of default.



6. Improper use of premises. Should Lessee's primary use of the property for a purpose or for purposes other than as intended hereunder, persist in such use after thirty (30) day's written notice to cease and desist any such different or contrary uses, then the property, including all improvements thereon, shall revert to Lessor's full use and ownership. Improper use shall also include ancillary activities associated with the facility, such as rock bands, destructive behavior of patrons, parking lot abuses, or any other behavior deemed inappropriate by Lessor's Board of Trustees.
7. Demolition Reserve Fund. Further, in addition to any endowment funds or programs discussed above, Lessor may, in its sole discretion, also require that Lessee establish a reserve fund, obtain a surety bond or other form of acceptable security, to guarantee that Lessee will be able to meet the condition of demolition and removal.
8. Lessor's right to review plans. Lessee shall not commence construction prior to affording Lessor with at least thirty (30) days written notice for Lessor's review and written comments respecting the plans of the Center, the parking and driveway layouts, pedestrian pathways, and landscaping. Lessee will make every effort to accommodate reasonable input from Lessor.
9. Required financial resources. Lessee fails to demonstrate to Lessor's full satisfaction that Lessee possesses the financial resources with which to undertake and complete the construction of the proposed Nonprofit Center facility, including sufficient allowances or reserves for unforeseen contingencies which may develop during construction. This shall include adequate written proof of Lessee's



financial ability to construct, maintain and operate the facility, throughout the course of the Initial Term of the Lease, as well as any extensions hereof. This must be done prior to the commencement of any site work or ground movement.

- (a) Such financial resources must be in the form of written pledge commitments or cash or equivalent securities or collateral. Such shall include funds in bank accounts in Lessee's sole name, and under Lessee's sole control, including irrevocable bank letters of credit which accrue to the benefit of Lessee, certificates of deposit in the sole name of Lessee, and like accounts.
- (b) Lessor's determination of the adequacy of financial resources shall be in Lessor's sole discretion. Lessor's determination of adequacy of financial resources shall not be unreasonably withheld.
- (c) In addition to the required construction bond or bonds, and prior to the opening of the Nonprofit Center and related facilities, Lessee shall be required to obtain and keep in full force and effect, a performance bond, in an amount to be determined by Lessor.

10. Long-range plan required; Cost sharing. Prior to the commencement of any site work or ground movement, Lessee fails to demonstrate to Lessor the financial feasibility of the long-term operation of the Nonprofit Center facility. To comply with this requirement, Lessee must present to Lessor a comprehensive, long-range business plan for the facility, which, amongst other things, must include the Capital Replacement and Program Endowment; the facility's hours, days and months of operation. Lessee must also furnish to Lessor a qualified third party's





written construction cost estimate or estimates, for site-specific plans, including all building, furniture, fixtures, equipment, and comprehensively covering all other related expenses.

Specifically, such business plan shall include a definition of facility operations and services to be offered by Lessee, including, if applicable, pricing of these services or facilities; a facility marketing plan; a pro forma financial plan defining all sources and uses of funds (i.e., revenue sources, operating and capital expenditures, capital reserves, contingency funds, sources of working capital, sources of operating capital; substantiated with proven industry-related financial data of other actual, not for profit operations, but not limited thereto) necessary to fund the facility's operations for the thirty (30) year term of the subject Lease; and a statement and assessment of risks associated with the facility's operation, including, when available, an environmental impact assessment. Said Plan is attached hereto as **Exhibit "C."**

There shall be a shared cost between the parties, including the Ice Foundation, for the Environmental Impact Statement, with Lessee assuming responsibility for twenty-five percent (25%) of said cost; the Ice Foundation assuming responsibility for twenty-five percent (25%) of said cost; and, with Lessor assuming responsibility for fifty percent (50%) thereof.

Additionally, Lessee, the Ice Foundation and Lessor shall each pay their fair share or proportionate share, of TRPA Air Quality Mitigation costs (based upon numbers of vehicle trips); Lessee, Lessor and the Ice Foundation shall each pay their fair share or proportionate share of the TRPA Water Quality Mitigation costs



(at the rate of \$1.35 for every square foot of impervious coverage created by the project(s)); and, Lessee and the Ice Foundation shall each pay their fair share or proportionate share, of the TRPA Excess Coverage and/or any other mitigation costs, including but not limited to Traffic Mitigation Costs. Each entity agrees to hold the others free and harmless of each entity's share of such costs/expenses. Lessor's determination of adequacy of financial resources and/or the long-range business plan for the facility contemplated by this section shall not be unreasonably withheld.

11. Required working capital. Prior to the commencement of any site work or ground movement, if Lessee fails to demonstrate to Lessor that Lessee possesses an adequate level of working capital to fund the first two (2) years of the Nonprofit Center facility's operation, utilizing conservative estimates of revenues and expenses, including provisions for extraordinary start-up costs. Industry statistics must also be provided as benchmarks in order to demonstrate that actual and projected working capital levels are adequate to sustain the facility. Such working capital must be in the form of written pledge commitments, or cash or equivalent securities or collateral. Such shall include funds in bank accounts in Lessee's sole name, and under Lessee's sole control, including irrevocable bank letters of credit which accrue to the benefit of Lessee, certificates of deposit in the sole name of Lessee, and like accounts.
12. Regulatory approvals required. Prior to the commencement of any site work or ground movement, Lessee shall timely obtain, at its sole expense, all necessary regulatory approvals for the construction of the Nonprofit Center facility. These



approvals must include the Tahoe Regional Planning Agency, Washoe County Building and Planning Departments, Washoe County Health, North Lake Tahoe Fire Protection District, IVGID, the Nevada Department of Environmental Protection and any other applicable governmental agencies or entities.

Where necessary and appropriate, and particularly at the request of Lessee, Lessor shall assist Lessee with this effort. In the event that there are any identifiable costs incurred by Lessor regarding this effort, Lessee hereby agrees to pay for or to reimburse Lessor, on presentation by Lessor to Lessee, of a timely, detailed billing or invoice from Lessor. Any such billing or invoice shall include the dates; nature of services or supplies utilized in the effort; together with the monetary cost or amount of any such services, supplies or materials.

Lessee agrees to be solely responsible for its mitigation expenses and costs, including regarding air quality, excess coverage and traffic.

13. Demonstration of total expense required. Prior to the commencement of any site work or ground movement, Lessee shall provide Lessor with complete building, permitting, architectural, project management, furniture, fixtures and equipment costs from its contractors, consultants, architect(s), vendors and any other relevant providers.
14. Lessee not to encumber. Lessee shall not pledge, encumber, or mortgage any part of the realty being leased herein to secure a loan of any type. This prohibition shall also preclude Lessee from encumbering in any way or manner the structures that will be situated on Lessor's realty.

15. Sustained financial ability. At any time during the course of this Initial Term or any renewal hereof, Lessee fails to demonstrate to Lessor's satisfaction that Lessee possesses the financial resources with which to continue the proper operation of the proposed Nonprofit Center facility, including sufficient allowances or reserves for unforeseen contingencies which may develop during construction. This shall include adequate written proof of Lessee's continued financial ability to maintain and operate the facility.

Such financial resources must be in the form of written pledge commitments, or cash or equivalent securities or collateral. Such shall include funds in bank accounts in Lessee's sole name, and under Lessee's sole control, including irrevocable bank letters of credit which accrue to the benefit of Lessee, certificates of deposit in the sole name of Lessee, and like accounts.

16. Not for Profit Purpose. Operation of the Nonprofit Center facility or any related facilities or properties for other than a non-profit purpose or purposes.

B. Lessor's Remedies. In the event of a default or breach as designated in this section or elsewhere herein, in addition to any other rights or remedies provided herein or at law or in equity, Lessor, at its sole option, shall have the following rights, to be exercised separately, cumulatively and/or in combination:

1. Declare term ended. The right to declare the term of the Lease ended and to re-enter the leased property and take possession thereof, and to terminate all of the rights of Lessee in and to the leased property.
2. Right of re-entry. The right without declaring the term of this Lease ended, to re-enter the leased property and to occupy the same, or any portion thereof, or to



lease the whole or any portion thereof, for and on account of itself, as Lessor, together with the right to recover from Lessee costs assumed or incurred in recovering possession of the leased property, including costs, expenses, attorney's fees and expenditures placing the same in good order and condition, or preparing or altering the same for reletting, and all other expenses, commissions and charges paid, including attorney's fees, assumed or incurred by Lessor in connection with reletting the leased property. Any such reletting as provided for herein will be at the sole discretion of Lessor. Lessor may execute any lease made pursuant to the terms hereof either in Lessor's name or in the name of Lessee, or assume Lessee's interest in and to any existing subleases to any lessee of the leased property, as Lessor may see fit, and Lessee shall have no right or authority whatsoever to collect any rent from such sublessee or any licensee or concessionaire on the leased property, in any case, and whether or not the leased property or any part thereof be relet, Lessee, until the end of what would have been the term of this Lease in the absence of such default and whether or not the leased property or any part thereof shall have been relet, shall be liable to Lessor and shall pay to Lessor an amount equal to the amount due as rent for the remainder of the term of this Lease.

3. Lessor's right to relet. The right, even though it may have relet all or any portion of the leased property in accordance with the terms of this section on Lessor's remedies, to thereafter at any time elect to terminate this Lease for such previous default on the part of Lessee, and to terminate all of the rights of Lessee in and to the leased property.



4. Right of removal. Pursuant to said rights of re-entry, Lessor may remove all persons and Lessee's personal property from the leased property, and may, but shall not be obligated to, enforce any rights Lessor may have against said property, or store the same in any public warehouse or elsewhere at the cost and for the account of Lessee or the owner or owners thereof. Lessee agrees to hold Lessor free and harmless of any liability whatsoever for the removal or storage of any such property, whether of Lessee or any third party whomsoever.
5. Termination without prejudice. Anything contained herein to the contrary notwithstanding, Lessor shall not be deemed to have terminated this Lease or the liability of Lessee to, if applicable, pay any rent or other sum of money thereafter to accrue hereunder, or Lessee's liability for damages under any of the provisions hereof, by any such re-entry, or by any action in unlawful detainer or otherwise to obtain possession of the leased property, unless Lessor shall have notified Lessee in writing that Lessor has so elected to terminate this Lease. The service by Lessor of any notice pursuant to the unlawful detainer statutes of the State of Nevada and the surrender of possession pursuant to such notice shall not be deemed to be a termination of this Lease, or the termination of any liability of Lessee to Lessor.
6. Right of liquidation. Notwithstanding anything herein contained to the contrary, and without prejudice to any of its other rights recited herein, Lessor shall have the further right to obtain, possess and liquidate any personal property and fixtures belonging to Lessee on the premises. Any such value or liquidation benefit shall



be applied by Lessor to the account or credit of Lessee, and shall be an offset by Lessee respecting any rent or damages due by Lessee.

7. Return to Natural Condition. In its sole discretion, Lessor may require Lessee to remove the Nonprofit Center facility from the leased premises and return said real estate to its former, natural state/condition.
8. Board Action. Should Lessee fail to comply with or meet any of the requirements of XIII(A)(3)(a) through and including (e), immediately above, and any such failure or act(s) continues for thirty (30) days after written notice thereof from Lessor to Lessee, then Lessee shall be subject to remedial action by Lessor's Board of Trustees, which action may include, but not be limited to, termination of this Lease and assumption of full ownership and use of the Leased realty, including all improvements and fixtures, but not limited thereto.

#### XIV.

#### ENTRY AND INSPECTION

Lessee shall permit Lessor and its agents, including Lessor's staff, members of Lessor's Board of Trustees, other management staff of Lessor, attorney, real estate agent or broker, architects, but not limited to them, to enter into and upon the premises at all reasonable times and for whatever purpose Lessor shall deem reasonable and appropriate. Lessee shall permit Lessor, at any time during this Lease, to enter said premises and exhibit all aspects of the same to prospective tenants, or prospective purchasers, without affecting Lessee's option to extend the Lease. On reasonable notice, any person desiring to lease or purchase the premises, shall be permitted to inspect the premises at reasonable times.



XV.

**RESTRICTIVE COVENANT**

Lessor and Lessee have full knowledge of the existence of the November 16, 1977, Deed from Boise Cascade Home & Land Corporation, a Delaware corporation, to Lessor, which Deed contains a restrictive covenant which affects the realty being leased hereunder; that the 1977 Deed's Covenants, Conditions and Restrictions limit the use of said realty to the following uses: "...park and recreational and related purposes and for no other purposes;" that, the restrictions have been amended twice; that the relevant amendment, executed July 1, 1999, was signed by Irving Littman, President of Gardena Service Company, a California corporation, with the latter corporation being the successor of Boise Cascade Home & Land Corporation; that said amendment reiterates the foregoing mentioned restriction, excepting however, "the construction of a building for the use of the Parasol Foundation, Parasol Foundation collaborators or the Parasol Foundation legal successors."

Although the referenced Amendment To Covenants, Conditions and Restrictions appears to resolve any concerns about the use to which the subject property may not be put, Lessee hereby assumes full and complete responsibility regarding said issue, and hereby agrees to hold Lessor free and harmless of any claims, demands or lawsuits by any persons who may challenge the Amendment. Lessee further agrees to indemnify Lessor concerning any such claims, including orders, judgments, attorney's fees and costs.

Lastly, assuming such has not been done, Lessee shall, within thirty (30) days of the full signing of this Lease, record the July 1, 1999, Amendment, in the official records of Washoe County, Nevada.





**XVI.**

**NOTICE**

Except as otherwise provided herein, any and all notices called for hereunder may be personally delivered to each of the parties or mailed to them, certified mail, return receipt requested, to the addresses set forth below or at a such other place or places as the parties shall, in writing, designate:

If to Lessor:            Mr. John Danielson  
                                  General Manager  
                                  Incline Village General Improvement District  
                                  893 Southwood Boulevard  
                                  Incline Village, Nevada 89451

and

Mr. Doug Doolittle  
Director of Community Services  
Incline Village General Improvement District  
893 Southwood Boulevard  
Incline Village, Nevada 89451

If to Lessee:            Ms. Elizabeth Croom  
                                  Executive Director  
                                  Parasol Foundation of Incline Village  
                                  P.O. Box 5206  
                                  Incline Village, Nevada 89450

Notice shall be deemed to have been given at the time of personal delivery or 48 hours after deposition in the United States mail.

Should there be any change in the above-mentioned positions, the entity which has a new person serving in that position shall timely send a written notice to the other party, informing that party of the change of the person now serving in their respective positions.



XVII.

**WAIVER**

The waiver by Lessor of any default or breach of any of the provisions, covenants or conditions hereof on the part of the Lessee to be kept and performed shall not be a wavier of any preceding or subsequent breach of the same or any other provision, covenant or condition contained herein. The subsequent acceptance of rent or any other payment hereunder by Lessee to Lessor shall not be construed to be a waiver of any preceding breach of Lessee of any provision, covenant or condition of this Lease other than the failure of the Lessee to pay the particular rental or other payment or portion thereof so accepted in a timely manner, regardless of Lessor's knowledge of such preceding breach at the time of acceptance of such rental or other payment. This paragraph may not be waived.

XVIII.

**RECORDATION; QUITCLAIM DEED**

Recordation. This Lease shall be recorded on the property records of Washoe County, Nevada.

XIX.

**ATTORNEY'S FEES**

Except as otherwise provided herein, each party hereto shall bear their own costs and pay their own attorney's fees in connection with the negotiation, preparation and execution of this Lease. In the event that any party brings an action to enforce the provisions of this Lease, the prevailing party shall be entitled to their reasonable costs and attorney's fees.



XX.

**VENUE; FORUM**

In the event of a dispute between these parties, respecting the enforcement, interpretation or performance hereunder, venue shall be in Washoe County, Nevada. The parties agree that should there be such a dispute that it shall be resolved through the American Arbitration Association and its Commercial Arbitration Rules, a binding arbitration process. The parties agree that the Nevada Rules of Civil Procedure relative to discovery shall apply in such process. Further, the parties agree that any and all substantive relief, legal and equitable, may be plead, proven and recovered in such arbitration process.

XXI.

**SURRENDER OF PREMISES; HOLDING OVER**

A. Surrender of Premises. Where not inconsistent with any other terms and conditions herein, upon the expiration of the term of this Lease or other sooner termination of this Lease, Lessee shall surrender to Lessor the Premises and all improvements and alterations which become part of the Premises pursuant to the terms of this Lease in good condition (except for ordinary wear and tear). Lessee shall remove all of their personal property within the above-stated time. Lessee shall perform all restoration made necessary by the removal of any alterations or Lessee's personal property within said stated time.

B. Holding Over: If Lessee, with Lessor's consent, remains in possession of the Premises after the expiration or termination of this Lease, or after the date in any notice given by Lessor to Lessee terminating this Lease, such possession by the Lessee shall be deemed to be a month-to-month tenancy terminable on thirty (30) days notice given at any time by either party.

All provisions of this Lease, except those pertaining to term and option to extend shall apply to the month-to-month tenancy.

XXII.

**LESSOR'S EXISTING PARKS MAINTENANCE BUILDING AND ACCESS ROAD**

Lessor's Parks maintenance building is located in close proximity to the property that is being leased by Lessee for the purpose of operating a Nonprofit Center and related facilities, and Lessor intends to leave the Parks maintenance building in its present location. If Lessee at any time in the future should desire to move Lessor's Parks maintenance building, Lessee shall first seek and obtain the approval of IVGID's Board of Trustees. Any such relocation shall be at Lessee's sole expense to a location that is acceptable to Lessor.

The cost of maintaining and, if necessary, rebuilding the access road to the Nonprofit Center and the Parks maintenance building shall be shared. Since Lessee's use of the access road will far exceed Lessor's use, Lessee shall pay seventy-five percent (75%) of the expense and Lessor shall pay twenty-five percent (25%) of the expense.

XXIII.

**MISCELLANEOUS PROVISIONS**

- A. General Conditions.
  - 1. Time is of the Essence. Time is of the essence of each provision of this Lease.
  - 2. Consent of Parties. Whenever consent or approval of either party is required, that party shall not unreasonably withhold such consent or approval. When consent or approval by the Lessor is required by this Lease, the consent must be received from the Lessor.



3. Corporate Authority; other entities. If applicable, the person or persons executing this Lease on behalf of any corporation, partnership or other legal entity, represent and warrant that he, she or it is duly authorized to execute and deliver this Lease on behalf of said corporation, partnership or other legal entity, and that this Lease is binding upon said corporation, partnership or other legal entity, in accordance with its terms. In the event of a corporation, limited liability company or the like, the signers must also sign in their personal/individual capacity.
4. Ordinances and Statutes. Lessee shall comply with all statutes, ordinances, and requirements of all municipal, town, county, state, and federal authorities now in force, or which may later be in force, regarding the use of the Premises. A final adverse determination relative to any state or federal court or administrative abatement proceeding affecting the use of the Premises will, in the sole discretion of Lessor, be deemed a material breach of this Lease.
5. Successors. This Lease shall be binding on and inure to the benefit of the parties, their heirs, successors, assignees.
6. Incorporation of Exhibits. Any exhibits referred to are attached to this Lease and incorporated herein by reference.
7. Vote of IVGID Board. Whenever any action by the IVGID Board of Trustees is mentioned in this Lease, such action shall be by a majority vote of the full Board.
8. Board Action Required. This Lease shall not be effective until final action hereon is taken by each of the parties' Boards



B. Interpretation of Lease.

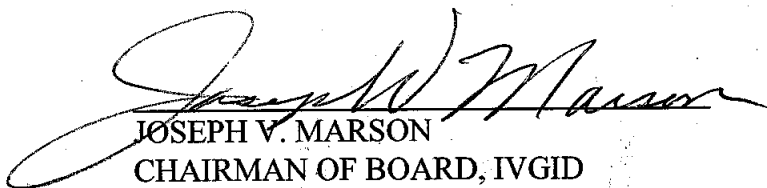
1. Nevada Law. This Lease shall be construed and interpreted in accordance with the laws of the State of Nevada.
2. Provisions Are Covenants and Conditions. All provisions of this Lease, whether recitals, designated covenants, terms or conditions, on the part of the Lessee and Lessor, shall be deemed to be both covenants and conditions.
3. Captions. The captions of this Lease shall have no effect on its interpretation.
4. Singular and Plural. When required by the context of this Lease, the singular shall include the plural.
5. Severability. The unenforceability and validity or illegality of any provision shall not render the other provisions unenforceable, invalid or illegal.
6. Preparation of Lease document. Both parties acknowledge that they have had ample time in which to negotiate the terms and conditions contained herein, and to provide input concerning this final Lease agreement. Each party is satisfied with the Lease, and agrees that no inferences should be drawn against either party relative to the preparation of the Lease.
7. No Agency Relationship. The parties acknowledge that this Lease is the result of a long-arm negotiation period, which included several meetings between Lessor's and Lessee's authorized representatives, including respective counsels. Lessor



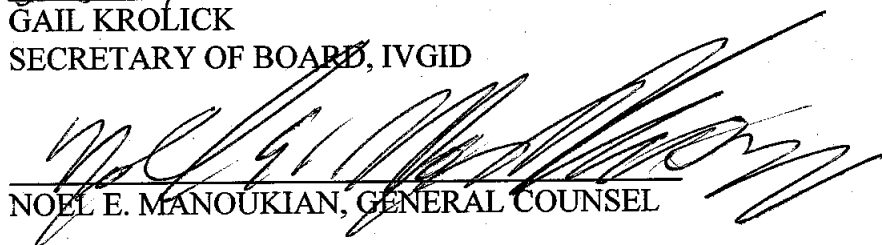
and Lessee further acknowledge that this document is a lease, and that it does not constitute an agency or contractor relationship between the parties.

**LESSOR**

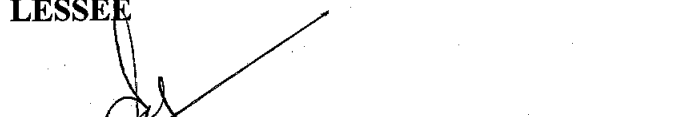
**DATE:** JANUARY 12, 2000


  
JOSEPH V. MARSON  
CHAIRMAN OF BOARD, IVGID

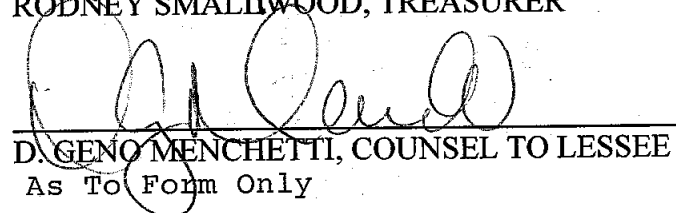
  
GAIL KROLICK  
SECRETARY OF BOARD, IVGID

  
NOEL E. MANOUKIAN, GENERAL COUNSEL

**LESSEE**

  
WARREN TREPP, CHAIRMAN-PRESIDENT

  
RODNEY SMALLWOOD, TREASURER

  
D. GENO MENCHETTI, COUNSEL TO LESSEE  
As To Form Only

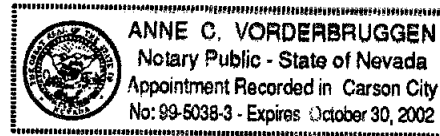
STATE OF NEVADA     )  
                                  )ss:  
COUNTY OF WASHOE    )

On this 24<sup>th</sup> day of JANUARY, 2000, personally appeared before me, a Notary Public in and for said County and State, JOSEPH V. MARSON, Chairman of the Incline Village General Improvement District's Board of Trustees and GAIL KROLICK, Secretary of Incline



Village General Improvement District's Board of Trustees, known to me to be the persons who executed the foregoing LEASE; who represented that he and she had the legal authority to sign and execute this LEASE AGREEMENT; and who acknowledged to me that they did so freely, voluntarily and for the uses and purposes therein mentioned.

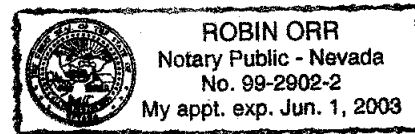
Anne C. Vorderbruggen  
Notary Public



STATE OF NEVADA            )  
                                          )ss:  
COUNTY OF WASHOE        )

On this 9<sup>th</sup> day of February, personally appeared before me, a Notary Public in and for said County and State, WARREN TREPP, Chairman-President of the Parasol Foundation of Incline Village, a non-profit entity, and RODNEY SMALLWOOD, Treasurer of the Parasol Foundation of Incline Village, a non-profit entity, known to me to be the persons who executed the foregoing LEASE and who acknowledged to me that they had the legal authority to sign and execute this LEASE, and that they did so freely, voluntarily and for the uses and purposes therein mentioned.

Robin Orr  
Notary Public







2901595  
02/05/2003  
44 of 67

**EXHIBIT A  
LEGAL DESCRIPTION**

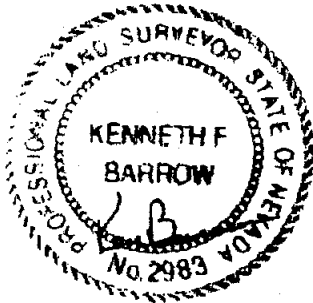
Situate in the County of Washoe, State of Nevada, as follows:

All that real property, being a portion of Section 15,  
T.16N., R.18E., M.D.B.&M., more particularly described as follows:

Beginning at the Southeast corner of Parcel 2, Parcel Map 945,  
Washoe County, Nevada, filed in the office of the County Recorder  
of said County on September 26, 1979, File No. 631770;  
thence N 32°30'00" E for 223.00 feet;  
thence S 88°30'00" E for 128.00 feet;  
thence S 64°00'00" E for 141.00 feet;  
thence S 40°40'00" W for 148.00 feet;  
thence S 2°20'00" E for 267.00 feet;  
thence S 56°54'10" W for 102.19 feet;  
thence N 33°05'50" W for 372.34 feet to the True  
Point of Beginning of this description.

Containing 2.36 acres, more or less.

The Basis of Bearings for this description is  
Parcel 2, Parcel Map 945, File No. 631770,  
Washoe County, Nevada.



11-13-01

Prepared by  
Kenneth Barrow, PLS  
P.O. Drawer 7000  
Incline Village, NV 89450



2801585  
02/05/2003  
45 of 67

# EXHIBIT A

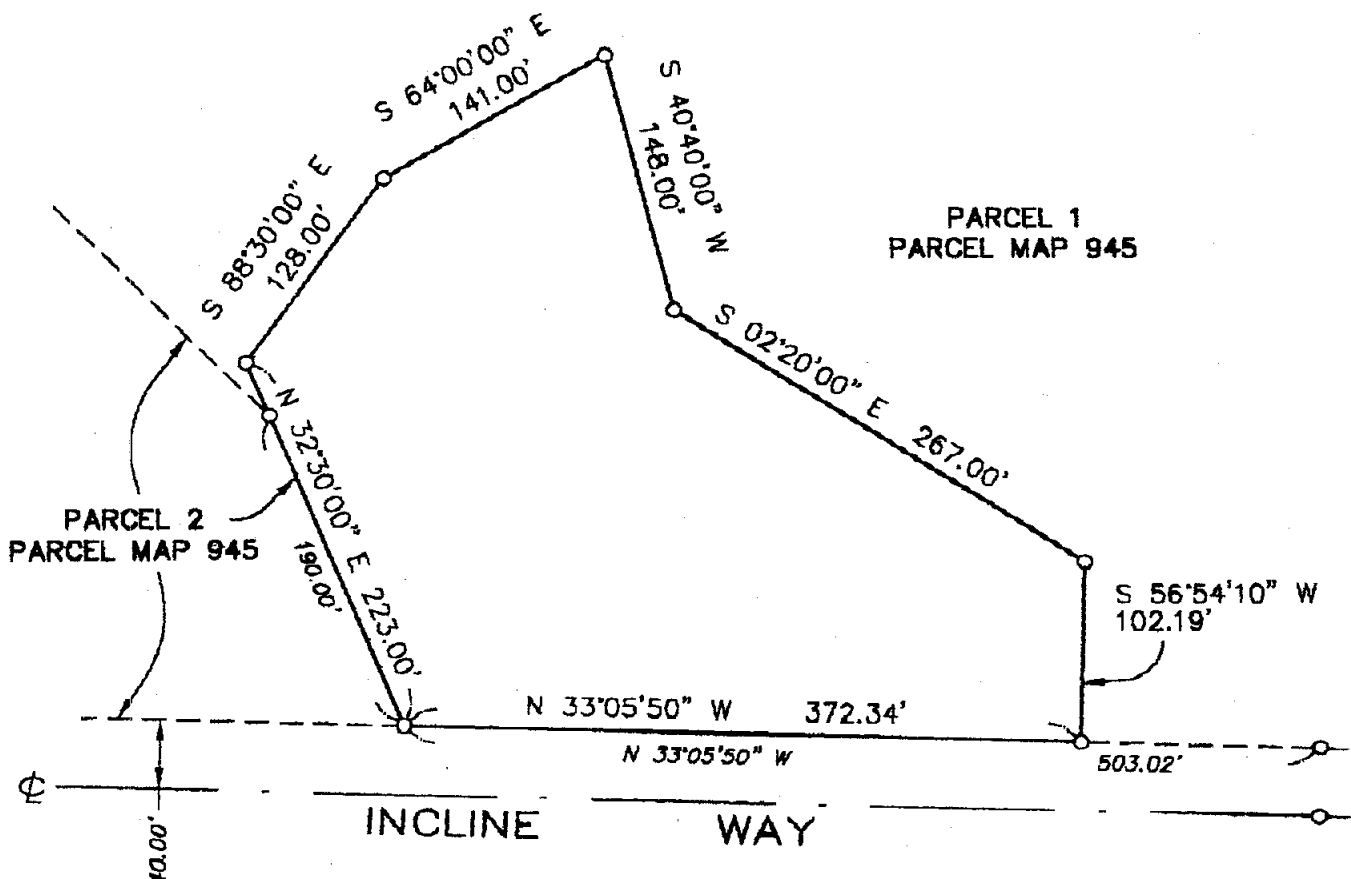
## DESCRIPTION

A PORTION OF PARCEL 1,  
PARCEL MAP 945, FILE NO. 631770,  
INCLINE VILLAGE, WASHOE COUNTY, NEVADA

PREPARED BY:  
KENNETH F. BARROW, PLS 2983  
P.O. DRAWER 7000  
INCLINE VILLAGE, NV 89450  
13 NOV 01



LOT AREA  
102,862 SQ. FT.  
2.3614 ACRES



271-01.DWG



## **Resident Collaborator Selection Criteria**

The Parasol Foundation of Incline Village is a non-profit 501(C)(3)-community organization that serves as a catalyst for a new non-profit model that will better serve the community. The foundation is focused on effective, efficient and economic delivery of social service systems providing a "one-stop shop" for service recipients.

In order to be considered as a Parasol Collaborator please submit a formal request on agency letterhead addressing how your organization meets each requirement on the standards of excellence, how long your agency has been in operation in the IV/CB/KB area, what services you have provided to how many clients, and how your residency in the DWR Center will improve your service level to the community.

In addition please attach your agency mission statement, goals and objectives and current fiscal year budget.

The Collaboration Committee reviews all requests, which meet monthly. You will be contacted after the next committee meeting to discuss your request.

**In order to accomplish the goals of The Parasol Foundation the following standards of excellence must be met.**

1. Agency possess a letter of exemption from federal taxes under Section 501 (C)(3) of the Internal Revenue Code and maintains its tax-exempt status.
2. Agency is incorporated as a nonprofit under the laws of the State of Nevada or California.
3. Agency complies with all applicable laws and regulations regarding the operation of the organization.
4. Governing authority must be held by a volunteer Board of Directors of at least five members.
5. Agency has a policy and/or guidelines addressing material conflicts of interest involving board members and staff.
6. Board meetings are held at least once per calendar quarter.
7. Minutes of all Board of Director meetings are recorded, distributed and maintained in agency files.
8. The Board of Directors appoints or ratifies the selection of the agency's Executive Director or equivalent.



9. No voting board member is employed by the organization unless such employment is provided for in the agency's charter or articles or incorporation.
10. Agency has developed a written code of ethics for its governance and operation.
11. All board members make a financial or in-kind contribution to the agency.
12. Agency Board members receive written job descriptions, board training, orientation and development opportunities.
13. Financial management and reporting comply with generally accepted accounting principles.
14. Agency's annual operating budget is balanced. (Any variance must be explained.)
15. If total annual operating budget is \$250,000 or greater, agency conduct an annual internal audit prepared by an independent Certified Public Accountant who follows AICPA standards.
16. The proportion of the agency's operating budget expended on fundraising and management and general (non-program administration), collectively, does not exceed twenty five percent.
17. Programs and services of the agency are directly related to the accomplishment of the agency's mission.
18. Agency pursues collaborative efforts, sanctioned by The Parasol Foundation, in order to avoid unnecessary duplication of programs, services and functions.
19. Programs and services of the agency are made available and accessible to all Incline Village/Crystal Bay/Kings Beach clients consistent with the agency's mission and objectives without regard for race, religion, nationality, gender, age, ability/disability, sexual preference or country of origin.
20. Agency activity supports at least one of social services, education, environment and entertainment/arts projects.

**The Parasol Foundation reserves the right to decide which organizations will become Parasol resident collaborators.** A probationary period as a Parasol community collaborator may be required.



# **The Parasol Foundation of Incline Village**

## **Business Plan – 2001**

March, 2001

Nanci Glogauer  
Executive Director

775-831-3083  
775-831-3050 (Fax)  
[www.parasol.org](http://www.parasol.org)



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## Overview

The Incline Village/Crystal Bay/*Kings Beach* (IV/CB/*KB*) community is home to approximately 100 community organizations that offer a wide variety of programs and services. These organizations provide civic, philanthropic, religious, environmental, cultural, educational, social-service-oriented, or recreational service. The organizations are important to the community beyond the delivering of obvious benefits; they facilitate citizen engagement in the civic process, promote cultural values, build community, embody important local and national norms, and help the community in satisfying spiritual needs. These groups are private, self-governing, non-profit voluntary associations.

The ability of these organizations to deliver their programs and services, i.e., to be successful in their efforts, is dependent on their ability to raise the necessary funds to do so. These funds come from governmental and foundation grants, private solicitations, fees and service charges, and special-event fundraising.

Within the community, the non-profit organizations compete with each other for donations, grants, office space, volunteers and employees. These groups are autonomous and independent of one another, with their own staff and board of directors. For volunteers, the groups draw on a number of energized individuals within the community who are generous with their time and talents. While some of these organizations may have national affiliations, all have office space (or home offices) throughout IV/CB and in *Kings Beach*.

Within the IV/CB community is a base of affluent potential (and actual) donors, many of who have entrepreneurial backgrounds and who are currently retired from the business world. Demographically, most of them belong to the "baby-boom" generation, or to the generation that preceded them. There has been a phenomenon of wealth creation in this country and, through the transfer of this wealth, it is estimated that the "baby boom" generation will eventually make available about \$1 trillion nationally for philanthropy. While many individuals in IV/CB are generous in giving to non-profit groups, few are yet fulfilling their potential as philanthropists locally.





## **Problems and Opportunities**

The non-profit sector in IV/CB/KB, as in the rest of the U.S., is currently stressed with the pressure of being asked to solve more problems with less money and reduced resources, in an environment where the costs of doing business are increasing substantially. In IV/CB, for example, office space is increasingly costly and scarce. Additionally, over the past decade, government has tried to devolve and do less, and at the same time has reduced its funding to the non-profit sector. Most organizations are struggling to find new ways to generate revenue and become less dependent on government grants. With government grants shrinking, the level of giving from individuals has yet to make up the difference. Private giving comprises a much smaller share of the income of the non-profit sector than is commonly recognized.

Non-profits in IV/CB/KB and nationally are struggling also with the move from a production-based industrial economy to a new knowledge-based network economy. Rapid and turbulent cycles of change have become the norm as innovation in technology produces knowledge that changes the business environment and then requires ever more innovation. For the past decade, the American for-profit sector has dealt with these forces with innovative approaches and creative solutions, but the non-profit sector has been slower to adapt to, and remain successful within, this fast-paced network economy.

Many of the non-profit organizations in IV/CB/KB lack the resources to respond to these pressures with entrepreneurial ideas and innovative solutions. Focused as they are on the delivery of programs and services, and on their financial viability, many have not yet instituted some of the successful enterprise-based solutions that the for-profit sector adopted in recent years.

Within this community environment, and recognizing the pressures facing these non-profits, The Parasol Foundation was formed in 1996 by a small group of people with both business and non-profit experience, all of which saw an opportunity for a philanthropic organization that could help local non-profits become more successful in the delivery of their programs and services.

The organizers of Parasol saw the need for a fusion of the best ideas from the non-profit and for-profit worlds. To this end, Parasol is organized as a tax-exempt, non-profit organization, whose mission is to catalyze these non-profits to adopt a new entrepreneur model. As a venture philanthropic entity, Parasol will bring a venture capital perspective to public service work and the solving of community special non-profit needs.

Parasol has already begun to execute this mission by forming several Advisory Boards of the local non-profits. These groups are exchanging information on their current operations, goals and objectives to provide the needed input for determining their entrepreneurial focus. A community-wide Needs Assessment funded by The Parasol Foundation was commissioned and was completed in the fall of 2000.

Recognizing that Parasol was working to create a new model for non-profit organizations, within the community and throughout the country, the Donald W. Reynolds Foundation made a grant to



Parasol in 1999 of \$6.6 million for the building of a non-profit center in Incline Village. The Donald W. Reynolds Community Non-Profit Center (The DWR Center) will provide office space for a number of the non-profits in IV/CB/KB and a setting for the essential collaboration process that will accomplish the formation of a community of social entrepreneurs. In addition, the DWR Center will enable the non-profits to share resources, improve communication, coordinate activities, and share training and provide a focal point for contributors and clients. Parasol will teach and encourage all its "partners" to think and act as social entrepreneurs by offering important support services to them. These support services include management training, finance, accounting and board/staff development.

The Parasol Foundation will invest in programs and ideas that promise positive social impact and affect change. These may be existing successful programs or new, innovative approaches, if they promise superior results. Parasol will also solicit investors for these organizations: individuals or organizations who have the tools, the means, the money and the desire to make a difference within the community, and who would gain satisfaction from their results-driven involvement with these social entrepreneurs. In essence, Parasol will provide the means for affluent individuals to fulfill their potential, as philanthropists as they, too, become social entrepreneurs. They will become partners in the process of investing in organizations where their dollars can provide the greatest benefit.

Parasol believes that this venture philanthropic model will provide incentives for non-profits. Successful "traditional" venture capital investments yield tangible profits to the investor, successful Parasol collaborator investments will yield profits in the forms of greater innovations within, the stimulus of reorganization and merger of organizations by creative individuals, and the realization of more fiscally sound organizations that will have more revenues available for programs and services.

### **Mission and Goals**

The Parasol Foundation of Incline Village takes its name from its purpose. To provide an umbrella of benefits and services to assist the more than one hundred organizations in Incline Village/Crystal Bay. The mission of the Foundation is:

***To serve as the catalyst for a new non-profit model  
that will better serve the community.***

The Parasol Foundation's mission is essentially about creating behavioral change. The Foundation goals below initially focus on identifying and propagating the most successful service delivery methods currently in use among the community non-profits. Building on these "best known" methods, Parasol will encourage the development of innovative new approaches.



## **Goal #1: Promote Collaboration Among Non-Profits**

The Parasol Foundation defines *collaboration* as: the building of mutually beneficial and well-defined relationships, entered into by two or more organizations to achieve defined common goals. The relationship includes recognition of the integrity of each organization, a responsibility to donors and a commitment to shared objectives of improved effectiveness and efficiency of resources for the betterment of the community. The current list of Resident and Community Collaborators is included in Attachment A, The Parasol Relationship Model. Resident Collaborators are provided dedicated office space in the DWR Center. Community Collaborators are not resident in the DWR Center, but they have access to shared office, storage and building services.

A Parasol collaborator must meet the following threshold requirements:

- Maintain status as a charity pursuant to Internal Revenue Code for tax-exempt organizations chartered to provide social, educational, environmental or civic service.
- Maintain an office presence in Incline Village/Crystal Bay/Kings Beach or provide more than 50% of their services to IV/CB/KB residents.

*The Parasol Foundation reserves the right to make final determination of collaborators.*

### **Foster Dialogue and Constructive Action**

A *standing committee* of the Parasol Board of Directors is dedicated to Collaboration. The committee has produced a *Collaborator Agreement* intended to be an initial set of guidelines to build collaboration, foster dialogue and engender greater co-operation between and among organizations. It is intended that this be a living document that will be refined and modified over time, through experience and broader-based input, ultimately leading to more effective partnerships.

### **Identify Common Goals, Directions, and Responsibilities**

Two *advisory boards* of non-profits were formed by Parasol: RCAB, composed of Resident Collaborators – those organizations that will have full time tenancy in the DWR Community Center and CCAB, composed of those who will be occasional users or Community Collaborators. RCAB and CCAB are composed of Executive Directors and board members of more than 100 Incline Village/Crystal Bay non-profit organizations committed to the challenging effort of building collaboration teams seeking to *define better delivery and service methods*, share resources, and explore the needs and concerns of the vibrant and diverse community. The Parasol Foundation is a voting (one) member of RCAB.

These regularly scheduled monthly discussions are currently focused on maximizing the design advantages of the new DWR Center for the benefit of the tenants, users and clients, and discovering other areas of mutual concern and cooperation. The advisory boards will, in cooperation with the Parasol Collaboration Committee finalize the Collaborator Agreement and produce *The Tenant Handbook* that will define the guidelines and restrictions for tenant use of the DWR Community Center.



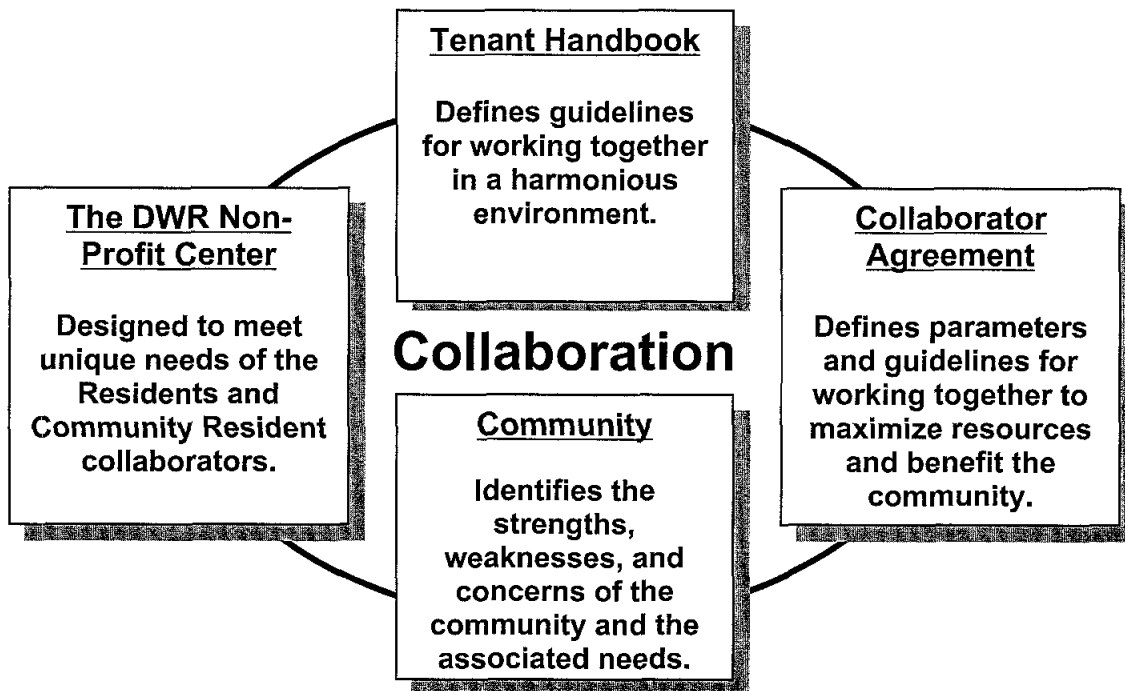
The Resident Collaborator Advisory Board (RCAB) will develop annual goals for the entire Collaboration. Once developed, these goals will be reviewed by Parasol.

Outcome measurements based on goals will be developed by RCAB. Parasol's Allocation Committee will utilize outcome measurements when considering Parasol grants and when assessing its own success in fostering collaboration. Outcome measurements based upon identified goals will relate collaborators ability or inability to collectively provide services more efficiently, effectively and professionally while maximizing the benefits of all resources.

The Parasol Foundation intends to serve as a catalyst and a resource to the collaboration through RCAB and CCAB .

The Parasol Executive Director acts as facilitator to both advisory boards. All minutes and coordination are accomplished through the Parasol offices. Elected leadership of each advisory board and the Executive Director of Parasol create the agenda for the meetings. The elements being addressed through collaboration are outlined in the following diagram.

### Elements of Successful Collaboration





## **Goal #2: Increase Collaborator Efficiency and Effectiveness**

### **The Donald W. Reynolds Community Center (The DWR Center)**

Serving a common thread of need, based on antiquated equipment and sub-standard office space, and recognizing the great value of a central source for information for potential donors and volunteers, the concept of a "non-profit center" took form. Clients will have the opportunity to seek support from multiple organizations in one easy to access location. As a result of the improvements in effectiveness and efficiencies enabled through collaboration, clients will receive an enhanced level of service. The Center is a critical element to this new model, for immediate operating efficiencies for every organization that will use it. The roles of The Parasol Foundation and the support elements are depicted in the support model, Attachment B.

On May 28, 1997, the Trustees of the Incline Village General Improvement District (IVGID) unanimously approved the motion to lease, to The Parasol Foundation of Incline Village for \$1 per year, a 1.5-acre parcel of land located at 948 Incline Way, Incline Village, NV. The lease terms have been negotiated with IVGID and both parties have signed a contract.

On May 13, 1999 the Donald W. Reynolds Foundation awarded The Parasol Foundation a generous grant of \$6,621,500 to construct the Donald W. Reynolds Community/Non-Profit Center. Pending the resolution of current TRPA issues, occupancy is scheduled for summer of 2002. The 32,000 square foot building will become home for approximately 20 resident organizations and a resource center for approximately 80 community organizations. The selection criterion for Resident Collaborators is shown in Attachment C. The DWR Center will provide centralized services, communication channels, critical meeting and storage space. The grant will cover all architectural and construction costs, as well as interior finishes, furnishings and business equipment and systems. Parasol will be responsible for \$550,000 for site work, landscaping, parking and any associated fees. The direct cost of the building will be approximately \$7,500,000.

On February 28, 2001, TRPA gave final approval for the Parasol Foundation to build the Donald W. Reynolds Community Non-Profit Center. Groundbreaking is expected in June 2001 and occupancy in the summer of 2002.

### **Efficiency by design**

A single location will give Incline Village and Crystal Bay citizens a "one-stop" service delivery system, ranging from senior volunteerism to preschool education, from social services to arts and theater. It will foster an open exchange of ideas, and allow for the standardization and centralization of many administrative tasks thereby aggregating and reducing over-head costs.

The DWR Center is modular, designed for flexibility to maximize multi-user space and systems. The ratio of approximately 9,067.5 square feet of dedicated office space (leased area) to the common (shared) area of approximately 11, 270 square feet is unheard of in typical commercial spaces.



Input from potential users of the building, expert consultants, project architects and contractors has produced a building design uniquely suited to meet the needs of diverse non-profit activities and to create immediate efficiencies through shared amenities and services:

- Single reception area for all tenants and occasional users of the building
- Shared phone and voice mail system
- Single receiving room: US mail and package deliveries on site
- Centralized supply, so savings from bulk purchasing contracts may be passed through to all collaborators
- Centralized copying and collating
- Computer network to provide all tenants and occasional users access to common financial, word processing and communication programs
- Shared modem access via common Local Area Network
- Grant resource library
- 19 Counseling or meeting rooms. Each will accommodate comfortably 8 people.
- 460 square foot assembly project work room (i.e. food baskets from Project MANA or assembling bulk mailings)
- Training center/classroom
- Approximately 2,400 square feet (25 storage units) of document and equipment storage for non-resident organizations.
- Non-resident desks, adjacent to document storage allow for ease of access to files and computer services.
- A minimum number of fixed walls and the use of flexible office landscapes allow for inexpensive re-organization of work spaces

**Space allocation by area:**

- |                                                      |              |
|------------------------------------------------------|--------------|
| • Resident Collaborator office space                 | 7608 sq. ft. |
| • Community Collaborator office space                | 299 sq. ft.  |
| • Meeting Rooms                                      | 2628 sq. ft. |
| • Counseling Rooms                                   | 599 sq. ft.  |
| • Staff Lounge                                       | 504 sq. ft.  |
| • Staff Restrooms (including coatroom)               | 388 sq. ft.  |
| • Janitor                                            | 121 sq. ft.  |
| • Central Supply                                     | 491 sq. ft.  |
| • Restrooms                                          | 906 sq. ft.  |
| • Work Rooms                                         | 1380 sq. ft. |
| • Founders Boardroom (including restroom)            | 580 sq. ft.  |
| • Technical Research                                 | 356 sq. ft.  |
| • Classroom/Training                                 | 1098 sq. ft. |
| • Reception                                          | 112 sq. ft.  |
| • Storage                                            | 338 sq. ft.  |
| • Kitchen (excluding refrigerator, freezer, storage) | 554 sq. ft.  |
| • Phone Bay Room                                     | 110 sq. ft.  |



As the project moves from schematic design to occupancy, oversight will be the responsibility of the Parasol Foundation's Building and Collaboration Committees, pursuant to the terms of the Construction Grant from the Donald W. Reynolds Foundation. The Parasol Finance Committee, Executive Director and Fiscal Manager will be responsible for coordination and financial oversight of this effort.

Throughout construction, the project architect and general contractor will produce and refine:

- Architectural plans and specifications
- Line item construction budget
- Weekly pre-construction reports
- Weekly construction reports

### **Provide Non-Profit Management Training and Professional Staff Support**

Author, activist and consultant to the Gates Foundation, Bill Shore, in his book, The Cathedral Within says, "*Foundations need to provide not just cash, but competence.*"

As in any business, the value of sound management practices can never be overestimated. Parasol will continue to provide an on-going curriculum of non-profit management training to all collaborators.

Parasol will employ key employees (such as a Fiscal Manager) to provide support services as needed to collaborators. Their purpose is not to micro-manage non-profits from the Parasol offices, but rather to invest in the individual organizations the capacity to operate efficiently, effectively and in response to demonstrated community needs.

In support of this goal The Parasol Executive Director is charged to:

- Solicit grants for the Center and to support collaboration efforts
- Meet with grant-funders to assist in process of obtaining grants
- Review and provide comments to grant proposals
- Perform training needs assessment for the collaborators
- Develop curriculum for the collaborators
- Assist with board development and training for the collaborators
- Facilitate RCAB and CCAB meetings
- Consult with donors for Pass-Through donations
- Review and consult for Parasol Grant Process
- Negotiate Center contracts



To help collaborators provide more services using fewer resources The Fiscal Manager, with direction from The Executive Director is charged to:

- Assist in the development collaborator annual budgets
- Assist in preparation of financial statements
- Supervise the financial, grant and gift entry processes
- Plan for and implementing updated financial software
- Assist investment and trust managers in tracking investments
- Provide recommendations concerning the fiscal responsibilities of stewardship and prudent management
- Assist in preparation for an annual audit
- Negotiate bulk purchases of office supplies
- Negotiate best price contracts for building maintenance

### **Increase Volunteerism**

The Volunteer Center @ Incline Village is an integral part of the mission of the Parasol Foundation. The Volunteer Center acts as a clearinghouse for volunteers in the community and provides collaborators with a valuable workforce. The Volunteer Center seeks to promote volunteerism, recruit and recognize volunteers and provide meaningful volunteer opportunities to community members.

The Volunteer Center will promote volunteerism within the IV/CB community by presentations to local civic, social and community leaders on the importance of volunteering. Training and special presentations will be provided to educate collaborators on proper utilization of volunteers, volunteer retention and recognition of volunteers.

All volunteers recruited will be contacted approximately one month after assignment. Volunteers will be asked about their volunteer opportunity, if they feel utilized properly, and if they are enjoying their experience. The collaborator organization will be appraised of the conversation in detail and uniform records will be kept.

The Parasol Foundation has begun the tradition of inviting all community volunteers to an annual volunteer appreciation event. This event provides collaborators the opportunity to recognize all participating volunteers and acknowledge outstanding service.

### **AmeriCorps Program**

The Parasol Foundation is hosting twelve AmeriCorps members through a program entitled *Together for a Better Community*.

AmeriCorps is a national service program supported by the Corporation for National Service. This program engages citizens of all ages and backgrounds in community-based service. AmeriCorps members serve their communities and address local issues in the following Areas: environmental, educational, public safety or other human needs. The Parasol Foundation is sponsoring these





twelve members to serve eight agencies in Incline Village by providing an AmeriCorps Member Manager and financing approximately 80% of the three year program beginning September 2000. AmeriCorps members are assigned to Project MANA, Children's Cabinet at Incline Village, Tahoe Women's Service, La Comunidad Unida, Reading Center of North Lake Tahoe, Incline Elementary School, Incline Middle School and Incline High School.

### **Coordinate Outcome Measurement**

To measure the success of joint efforts Parasol and its collaborators will assess:

- Reduction of Duplication of Services: How many organizations are combining efforts to provide similar services?
- Reduction of Fragmentation: How many organizations are working together to provide continuity of service?
- Decrease in, or aggregation of the Number of Special Events Fundraisers: How many organizations streamlining special events based fundraising and increasing grant based fundraising?
- Increase in Efficiency and Effectiveness: Are more services being provided by fewer organizations at a reduced cost?
- Progress Comparison from prior years goals.

### **Goal #3: Provide Funding to Enable Collaborators to Focus on Programs**

Parasol's initial investment will be in the form of rent, services and storage in the DWR Center. These benefits will be awarded as Parasol DWR Grants. In the future, specific non-profit agency proposals will be considered for Parasol Program Grants.

Funding to support the basic operating costs of any organization: rent, utilities, janitorial etc., is the most difficult to raise. The Parasol DWR Grant process by providing such operating support will insure improvement in effectiveness and efficiency.

Parasol and RCAB have not finalized the DWR Grant proposal process, however, Parasol's Collaboration/Allocation Committee anticipates requesting standard grant proposal information such as:

- Annual budgets developed by each organization.
- Annual audits for each organization with budgets in excess of \$100,000.
- Individual agency organizational goals for the year.
- Progress compared to prior year's goal.

### **Building Operations Fund**

Parasol will build a Building Operations endowment to assure stability and continuity of services, while optimizing local fundraising efforts and providing accountability to donors. This will be the source, along with annual contributions and event income, to provide Parasol DWR Grants, and later, Program Grants. When the size of the endowment permits, allocation of the endowment income will be allocated as follows; 70% to existing non-profits, 20 % to local schools, and 10% to



new opportunities. In the near term, funding will flow to the support of operating expenses the DWR Non-Profit Center, including shared services and amenities. The fund has a current balance of more than one hundred thousand dollars.

### **Building Capital Replacement Fund**

The Donald W. Reynolds Foundation (DWR) mandated by contract that The Parasol Foundation fund a capital replacement endowment at a minimum level of 20% of the total grant (\$1,324,300). The Building Capital Replacement Endowment Fund is to assure the long- term viability of the physical plant and mechanical and business systems. The restricted uses are defined by the grant contract. This endowment must be kept in a restricted account and all contributions are reported to DWR quarterly. Currently, the Building Capital Replacement Endowment Fund has a balance of more than one million dollars.

### **Pass Through Gifts (Donor Designated)**

Parasol will continue to administer donor designated pass-through gifts to non-profit organizations. The Parasol Foundation provides this service to the community without solicitation.

### **Parasol Fundraising**

The Parasol Foundation currently conducts one fundraiser each year, which have in the past attracted non-resident contributors at a ratio of 3 to 1. In other words a full three fourths of the contributions donated directly to The Parasol Foundation are from persons who do not reside on a full or part-time basis in Incline Village or Crystal Bay. These outside funds represent an incremental, overall positive gain to the total funds raised by all community organizations. The vast majority of all funds collected by The Parasol Foundation will be returned to community organizations through rent offsets, services and grant awards. At the present time, The Parasol Foundation operating budget is underwritten by a private donation.

### **Provide a Grant Resource Library**

Internet access, specialized software and other resources will allow searches for potential funding from local, regional and national sources. The Parasol Foundation will provide training and maintain updated software and grant sources at the DWR Non-Profit Center.

### **Conduct Community Needs Assessment**

The Parasol Foundation, at the request of RCAB, provided funding for a first-ever community-wide assessment (conducted by a professional firm) *that was* completed in the fall of 2000. Fifty-two hundred resident households and four hundred ninety five businesses and governmental agencies in the northeast Lake Tahoe communities of Incline Village, Crystal Bay, Brockway, and



Kings Beach were surveyed. Approximately 13 % responded with evaluations of the quality of services currently provided by local non-profits. In addition, they specified where additional efforts are needed to better serve community concerns. Information received is being evaluated by RCAB and CCAB to prioritize improvement efforts and as a baseline to measure progress.

**Assess Collaborator Success**

Specific measurements will be developed to assure the achievement of, but not be limited to.

- Are consistent Parasol Grants attracting additional program grants?
- Are Parasol Grants reducing the need for event based fund-raising?
- Is Parasol assisting in the reduction of duplicate services?
- Are community services more efficiently provided?
- Are services offered more professional?
- Are needs community needs being met?

# The Parasol Foundation

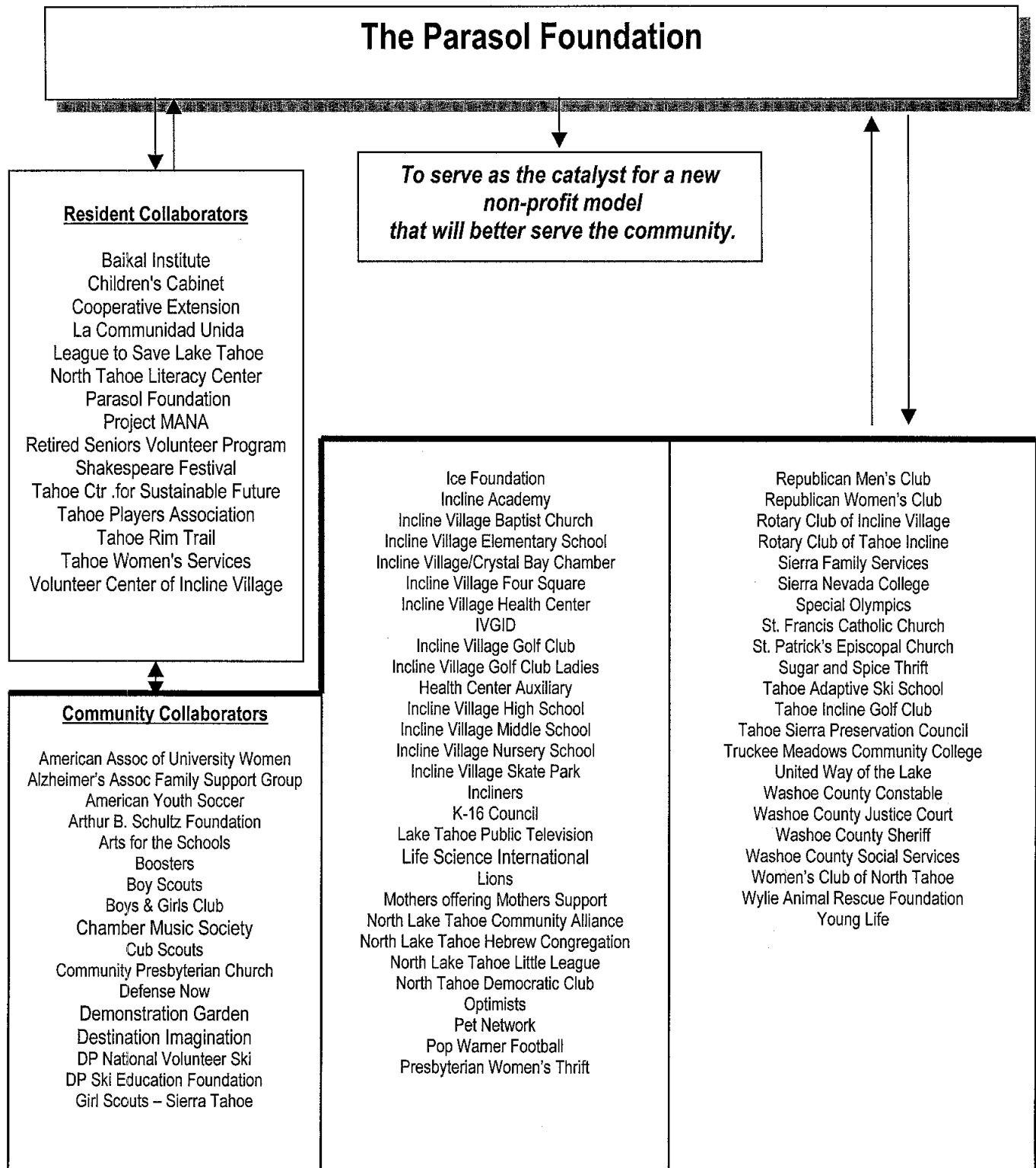
## 3-year Budget



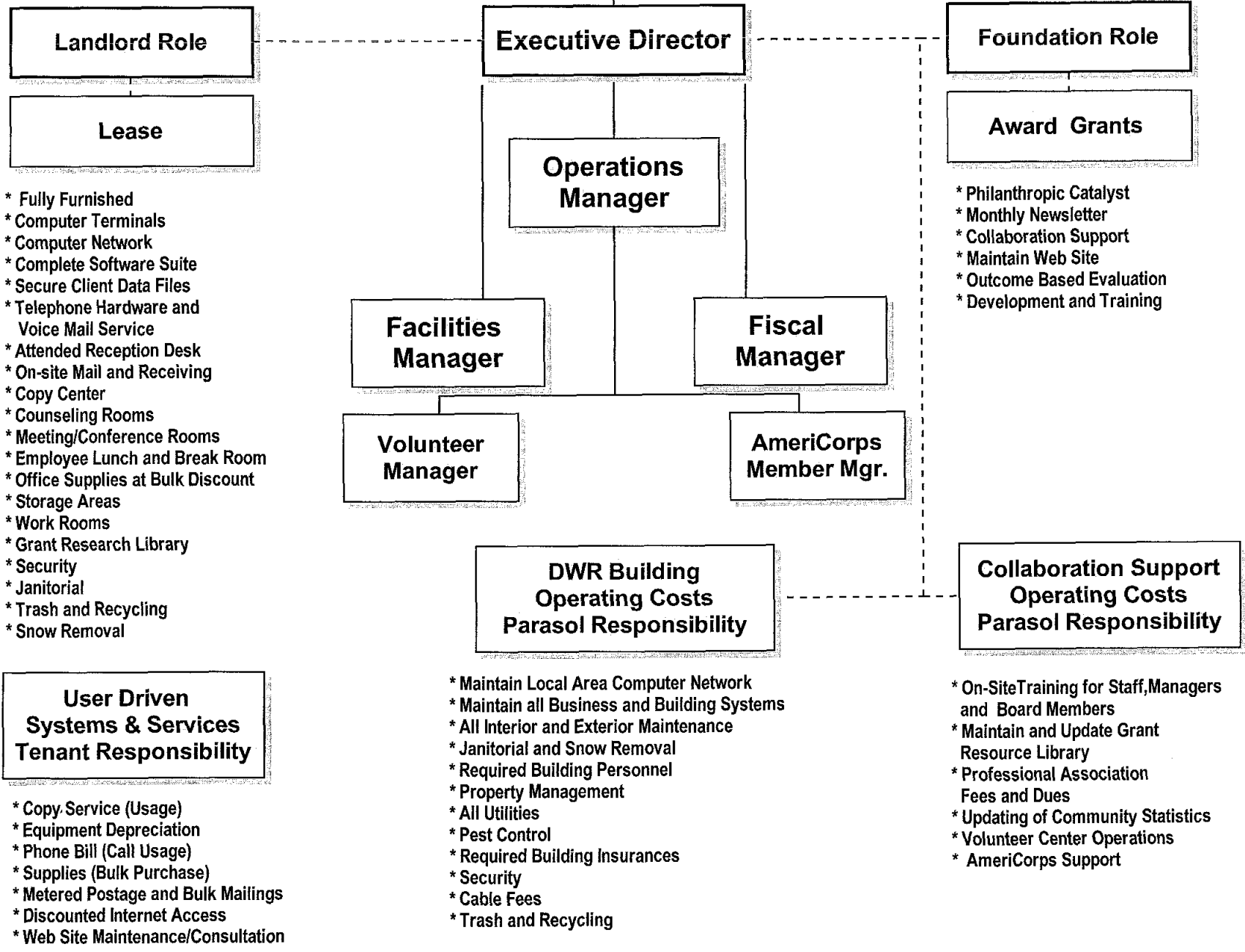
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	FY2000-2001	FY2001-2002	FY2002-2003
	Parasol	Parasol	Parasol
<b>Income</b>			
Fund Management Income	\$ 20,000.00	\$ 21,000.00	\$ 22,000.00
Grants/Donations & Fundraising	\$ 1,884,000.00	\$ 6,332,000.00	\$ 1,830,000.00
Interest Income	\$ 25,000.00	\$ 226,000.00	\$ 527,000.00
<b>Total Income</b>	<b>\$ 1,929,000.00</b>	<b>\$ 6,579,000.00</b>	<b>\$ 2,379,000.00</b>
<b>Expense</b>			
Architecture /Construction	\$ 615,000.00	\$ 5,000,000.00	\$ 1,144,000.00
Building Expense/Maintenance			\$ 136,000.00
Contract Personnel	\$ 30,000.00	\$ 31,300.00	\$ 65,000.00
Depreciation	\$ 2,000.00	\$ 4,000.00	\$ 79,000.00
Fundraising Expense	\$ 205,000.00	\$ 215,000.00	\$ 226,000.00
Insurance	\$ 8,000.00	\$ 900.00	\$ 22,000.00
Legal and Professional Fees	\$ 11,000.00	\$ 5,000.00	\$ 5,000.00
Office Expense	\$ 74,000.00	\$ 76,000.00	\$ 92,000.00
Payroll Expenses	\$ 279,000.00	\$ 346,000.00	\$ 408,000.00
Rent	\$ 7,000.00	\$ 7,000.00	\$ 1,000.00
Volunteer Appreciation Event	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
<b>Total Expense</b>	<b>\$ 1,251,000.00</b>	<b>\$ 5,705,200.00</b>	<b>\$ 2,198,000.00</b>
<b>Net Income</b>	<b>\$ 678,000.00</b>	<b>\$ 873,800.00</b>	<b>\$ 181,000.00</b>

# Relationship Model



# The Parasol Foundation





Attachment C

**Resident Collaborator Selection Criteria**

The Parasol Foundation of Incline Village is a non-profit 501(C)(3)-community organization that serves as a catalyst for a new non-profit model that will better serve the community. The foundation is focused on effective, efficient and economic delivery of social service systems providing a "one-stop shop" for service recipients.

In order to be considered as a Parasol Collaborator please submit a formal request on agency letterhead addressing how your organization meets each requirement on the standards of excellence, how long your agency has been in operation in the IV/CB/KB area, what services you have provided to how many clients, and how your residency in the DWR Center will improve your service level to the community.

In addition please attach your agency mission statement, goals and objectives and current fiscal year budget.

The Collaboration Committee reviews all requests, which meet monthly. You will be contacted after the next committee meeting to discuss your request.

**In order to accomplish the goals of The Parasol Foundation the following standards of excellence must be met.**

1. Agency possess a letter of exemption from federal taxes under Section 501 (C)(3) of the Internal Revenue Code and maintains its tax-exempt status.
2. Agency is incorporated as a nonprofit under the laws of the State of Nevada or California.
3. Agency complies with all applicable laws and regulations regarding the operation of the organization.
4. Governing authority must be held by a volunteer Board of Directors of at least five members.
5. Agency has a policy and/or guidelines addressing material conflicts of interest involving board members and staff.
6. Board meetings are held at least once per calendar quarter.
7. Minutes of all Board of Director meetings are recorded, distributed and maintained in agency files.
8. The Board of Directors appoints or ratifies the selection of the agency's Executive Director or equivalent.

9. No voting board member is employed by the organization unless such employment is provided for in the agency's charter or articles or incorporation.
10. Agency has developed a written code of ethics for its governance and operation.
11. All board members make a financial or in-kind contribution to the agency.
12. Agency Board members receive written job descriptions, board training, orientation and development opportunities.
13. Financial management and reporting comply with generally accepted accounting principles.
14. Agency's annual operating budget is balanced. (Any variance must be explained.)
15. If total annual operating budget is \$250,000 or greater, agency conduct an annual internal audit prepared by an independent Certified Public Accountant who follows AICPA standards.
16. The proportion of the agency's operating budget expended on fundraising and management and general (non-program administration), collectively, does not exceed twenty five percent.
17. Programs and services of the agency are directly related to the accomplishment of the agency's mission.
18. Agency pursues collaborative efforts, sanctioned by The Parasol Foundation, in order to avoid unnecessary duplication of programs, services and functions.
19. Programs and services of the agency are made available and accessible to all Incline Village/Crystal Bay/Kings Beach clients consistent with the agency's mission and objectives without regard for race, religion, nationality, gender, age, ability/disability, sexual preference or country of origin.
20. Agency activity supports at least one of social services, education, environment and entertainment/arts projects.

**The Parasol Foundation reserves the right to decide which organizations will become Parasol resident collaborators.** A probationary period as a Parasol community collaborator may be required.

**DOC # 2801595**  
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Requested By  
IVGID  
Washoe County Recorder  
Kathryn L. Burke - Recorder  
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## Excerpt of Minutes

### **REGULAR MEETING OF JANUARY 12, 2000 Incline Village General Improvement District**

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Chairman Marson in the boardroom of the District at 893 Southwood Boulevard, Incline Village, Nevada, at 6:30 p.m. on Wednesday, January 12, 2000.

#### **A. PLEDGE OF ALLEGIANCE**

The pledge of allegiance to the flag was recited.

#### **B. ROLL CALL**

On roll call, present were Trustees Syd Brosten, Tim Callicrate, Gail Krolick and Joe Marson. Trustee Kenny Kinsman had an excused absence. Also present were General Manager John Danielson, General Counsel Noel Manoukian, Director of Administrative Services Kim Kelsch, Ski Resort Manager Ed Youmans, Director of Community Services Doug Doolittle, Risk Manager Mike Pennacchio, Golf Course Manager John Hughes, Utilities Manager Roger Eggenburg, Executive Secretary Anne Vorderbruggen, Steven Satchell, Jane Maxfield, David Graham, Joan Franks, Elizabeth Croom, Cappy Cook, John Carney, Virginia Nakada, Bill Landry, Norman Rosenberg, Dale Smith, Keith Sheffield of the *North Lake Tahoe Bonanza*, and others.

#### **J.1 APPROVAL OF LEASE WITH PARASOL FOUNDATION FOR LEASE OF IVGID LAND FOR THE DONALD W. REYNOLDS NON-PROFIT COMMUNITY CENTER**

Director of Community Services Doug Doolittle reported that the draft lease that is before the Board at this meeting is the culmination of many hours of work by the staffs and attorneys of Parasol Foundation and IVGID, and covers just about every item that the Board has raised with regard to the lease. Mr. Doolittle stated that Elizabeth Croom, the Executive Director of the Parasol Foundation, is present to answer any questions.

Mr. Doolittle stated that the exhibits are not included with the lease at this time. Those exhibits are the legal description of the lease parcel, the Lessee's Sublessee Selection Criteria, and the business plan. He reported that the legal description of the parcel is being prepared, IVGID has received a draft of the Sublessee Selection Criteria, and the Business Plan has not been completed.

Trustee Krolick asked when they could expect to see the exhibits. Ms. Croom responded that with regard to Exhibit C, the Business Plan, pursuant to the terms of the lease it should be completed before any site work is begun. She stated that if the Business Plan does not meet with IVGID's approval when it is submitted, it would trigger a default under the lease, and the Board would be protected by executing the lease now and receiving that exhibit later.

Trustee Callicrate stated that he would feel more comfortable approving the lease at this meeting, without the exhibits, if, in the event the Board has concerns about the Business Plan that is presented, there be a public statement that, in that event, the Parasol Foundation would not go into a litigatory situation against the District. Ms. Croom responded that she does not envision this as an impediment to the smooth execution of the lease; however, if it does, she is virtually positive that IVGID will not be subjected to litigation.

Trustee Brosten asked if this could be put in writing as a hold harmless clause, and Ms. Croom responded that the lease does include a hold harmless clause. She noted that it also includes a provision for arbitration.

Trustee Brosten confirmed that the final lease and breaking of ground are still subject to signing off on all the conditions previously worked on.

In response to questions from Trustee Brosten about finances, Ms. Croom stated that these concerns could be addressed during the long-range plan, and she pointed out that the lease requires that the premises be free and clear of liens and that any lien would trigger a default.

Trustee Callicrate moved to approve the lease as presented, and authorize the Board Chairman and Secretary to execute the lease, with the understanding that the necessary exhibits are forthcoming. The motion was seconded by Trustee Brosten.

Edwina Wiersma, Fiduciary Foundation, stated that if anyone had attended any of their meetings, they would have found out how much the Parasol Foundation is going to do for the community.

Chairman Marson called for a vote on the motion and it was unanimously carried by the four Trustees present.

4868

**PARASOL FOUNDATION**

948 INCLINE WAY  
INCLINE VILLAGE, NV 89451

**NEVADA SECURITY BANK**  
INCLINE VILLAGE, NV 89451-7442  
94-218-1212

2/10/2003

PAY TO THE ORDER OF IVGID

\$ \*\*1.00

One and 00/100\*\*\*\*\*

DOLLARS

IVGID  
1220 Sweetwater Road  
Incline Village, NV 89451

MEMO



⑈004868⑈ ⑆121202185⑆ 0011000872⑈

Security Features Included. Details on back.

MP

**PARASOL FOUNDATION**

IVGID

2/10/2003

4868

Date Type Reference  
01/01/2003 Bill 2003 Rent

Original Amt.  
1.00

Balance Due  
1.00

Discount

Payment

Check Amount

1.00

1.00

*Image & file*

### Charitable Fund Agreement

THIS AGREEMENT, made the 2<sup>nd</sup> day of November, 2001 between **Incline Village Improvement District** (The "Donor") and The Parasol Foundation, Inc. a Nevada non-profit corporation (the "Foundation"), is as follows:

The Donor desires to create a Fund with the property hereinafter specified to support educational and charitable purposes. The Donor may transfer to the Fund at any time, additional property acceptable to the Foundation, for such purposes.

In consideration of the promises and mutual covenants contained herein, the Donor does hereby irrevocably assign, convey, transfer and deliver to the Foundation the property set forth in Exhibit A, together with any other property acceptable to the Foundation which the Donor may transfer to the Fund and the Foundation may hereafter at any time hold or acquire hereunder as part of the Foundation, all subject to the terms and conditions of this Agreement:

1. **Establishment of the Fund.** The Fund hereby created shall be known as the **IVGID** Fund ("Fund") and, as a component fund of the Foundation, shall be established for the purpose and subject to the terms and conditions herein set forth.
2. **Purpose.** The Fund to intended to provide support for educational and charitable purposes and disbursements from the Fund shall be made in support of such purposes within section 501 (c) 3 and 509 (a) of the Code by the Internal Revenue Service.
3. **Disbursement.** The Foundation shall hold, manage, invest and reinvest the Fund, shall collect and disburse the income, including interest, dividends and any capital gains thereof exclusively as stated below for general educational and charitable uses and purposes, in accordance with the provisions specified in the Articles of Incorporation and Bylaws creating the Foundation, all of which are incorporated herein by reference and conclusively assented to and adopted.
4. **Fees.** The Foundation shall charge fees to the administration, distribution and investment management of the Fund. The Foundation's Board of Directors (hereafter "Board") retains full discretion to revise such fees and will periodically review donor fees and ensure that such fees are at all times reasonable and proper. The Foundation shall notify the Donor of any changes in fees enacted by the Board.

The administrative fees shall be one percent (1%) per annum, of the Fund's fair market value, calculated and paid quarterly by automatic deduction from the Fund's balance if the fund is over \$100,000.00. Interest will be deposited in the Parasol Foundation general fund when the donor fund is held less than six months or under \$100,000.00.

5. **Component Fund** It is intended that the Fund shall be a component fund and part of the Foundation as defined in Section 1.170A-9(e) (11) of the Income Tax Regulations

and that nothing in this Agreement shall affect the status of the Foundation as an organization (a.) described in Section 501 (c) 3 of the Internal Revenue of 1986 ("Code") and (b.) which is not a private foundation within the meaning of Section 509 (a) of the Code. This Agreement shall be interpreted in a manner consistent with the foregoing intention and conform to the requirements of the foregoing provisions of the Federal tax laws and any regulations issued thereunder.

6. **Variance Power.** The Fund is protected from obsolescence in accordance with the provisions specified in the Articles of Incorporation and Bylaws creating the Foundation, all of which are incorporated herein by reference and conclusively assented to and adopted. Should the purposes for which the Fund was created become obsolete or incapable of fulfillment, it is the Board of Director's responsibility, after contacting the donor, to revise the charitable intent of remaining funds to use for a purpose as similar as possible to those set forth in this agreement.
7. **Public Foundation Condition.** All transfers of property under this Agreement are subject to the condition that the Foundation, as of the date of transfer, is classified in good standing by the Internal Revenue Service as an organization (a.) described in Section (c) (3) of the Code and (b) which is not a private foundation as defined in Section 509 (a) of the Code.
8. **IRS Compliance.** This Fund and this Agreement shall comply with and be restricted by the Internal Revenue Code Treasury Regulations applicable to the Fund. This Agreement may be amended to comply with the provisions of the Internal Revenue Code. The phrase "charitable uses and purposes" shall be defined as all of those activities, uses and purposes described in Section 501 (c) (3) of the Internal Revenue Code.
9. **Choice of Law.** The Fund created by this Agreement shall be administered in and under the laws of the State of Nevada, and this Agreement and the validity thereof shall be governed by and construed in accordance with the laws of the State of Nevada.

IN WITNESS WHEREOF, the donor and the Foundation have executed this Agreement as of the date first above written.

DONOR

By:  \_\_\_\_\_

The Parasol Foundation  
A Nevada Non-Profit Corporation

By:  \_\_\_\_\_

## **The Parasol Foundation**

### **Policy Regarding Public Fundraising for Component Funds of The Foundation**

We understand that Incline Village General Improvement District would like to establish the IVGID fund for the purpose of raising money to benefit the entire community.

Thank you for your confidence in The Parasol Foundation by establishing a Fund with us. The Parasol Foundation is pleased to work with you in helping develop your Fund. The Foundation, unfortunately, does not have the staff to operate public fundraising events for its component Funds. This letter sets forth The Parasol Foundation policy regarding public fundraising for Funds of the Foundation.

In establishing a component Fund at The Parasol Foundation there may be times when you would like to organize a fundraiser to raise dollars toward this Fund. This policy statement has been developed by The Parasol Foundation to help guide those of you planning fundraising events and solicitations (we will call you the Fundraising Group).

When Fundraising Groups conduct fundraising activities and solicitations, on behalf of funds at The Parasol Foundation, you must keep in mind that for tax purposes such fundraising is being done on behalf of The Parasol Foundation. A number of significant tax and accounting issues will arise. For example, it is important that these activities be conducted under the observation and fiscal guidance of the Foundation to ensure that Donors to the Fund are entitled to the appropriate tax deductions, if any such tax deduction is warranted, to protect the Fundraising Group from unintended tax consequences to themselves, and to determine that The Parasol Foundation is not exposed to penalties for failing to make proper solicitation disclosures.

These requirements are designed to protect Donors and the Fundraising Group fundraising for a component Fund at The Parasol Foundation. We appreciate your cooperation in fulfilling these requirements.

### **Foundation Approval of Events**

Before undertaking public fundraising events, the Fundraising Group will define in advance to the Foundation each program, event or other effort to raise money for the Fund. The Fundraising Group should submit a written proposal and attain advance approval from The Parasol Foundation. The Fundraising Group will then proceed according to the Foundation's guidelines. All uses of the Foundation's name in advertising and promotion must be approved in advance by the Foundation. All fundraising materials should make clear, where applicable, that funds are being raised on behalf of rather than by The Parasol Foundation. An administrative fee may be charged if extra administrative services will need to be expended by the Foundation.

### **Responsibilities of The Parasol Foundation of Incline Village**

The responsibility of the Foundation will be for:

- The management of such money and property as it may accept into the component fund from Donors, other contributors and sources;
- Providing appropriate acknowledgement to Donors.

### **Responsibilities of Fundraising Group**

The Fundraising Group will retain responsibility for all public fundraising events and matters related to them included:

- Payment of all costs and expenses;
- Compliance with laws; and
- Reporting and other requirements of every kind such licensing, tax payment, and liability insurance (see page 3\*\*\*\*\*)covering the Foundation.

### **Payment of Expenses**

The Fundraising Group will be responsible for all expenses and maintain appropriate financial controls and records related to fundraising events. The Fundraising Group will establish a budget for submission for the Foundation prior to all events. How expenses will be paid (either by the Fundraising Group or by The Parasol Foundation) must be discussed prior to the event. Regardless of who pays for the expenses, copies of invoices and receipts must be provided to The Parasol Foundation for our record keeping.

### **Designation of Checks and Receipt of Cash**

Checks related to the event must be made payable to the Foundation. That is, cash receipts are not to be used to pay expenses, and then the net cash amount deposited. All proceeds, checks and cash, must be delivered to the Foundation along with an accounting of all monies received within one week after the fundraising event.

### **Tax Requirements and Acknowledgements**

The IRS has imposed strict requirements, which impact any fundraising. If the steps outlined below are not taken, Donors will be denied a tax deduction, if a tax deduction was otherwise available; the Fundraising Group might find themselves unexpectedly subjected to tax on the funds they raise; either The Parasol Foundation or the Fundraising Group might be subjected to penalty.

Donors who contribute \$250 or more will need a written acknowledgement from The Parasol Foundation in order to claim a tax deduction for the contribution. The Parasol Foundation will provide the appropriate acknowledgment to the Donors, but will require certain detailed information in order to do so. Specifically, the Fundraising Group will need to provide The Parasol Foundation of Incline Village:

1. The Donor's complete name and address;
2. The date and amount of the contribution;

3. Whether the contribution was in cash or property;
4. If property, a description of the type of property and a good faith estimate of the fair market value; and
5. A detailed description of any goods and services provided in exchange for the contribution.

Contributions of services, while appreciated are not generally deductible.

If the Fundraising Group provides goods or services in exchange for a donation, certain disclosures are required to be made upon solicitation. For example, if the group is sponsoring a dinner, the donor can only deduct the excess of the ticket price above the fair market value of the dinner. This limitation on the deduction, known as a “quid pro quo disclosure”, must be disclosed at the time of solicitation. Disclosure on the ticket to the event is a typical method for making this disclosure.

The Parasol Foundation will assist the Fundraising Group in determining the fair market value amounts and the appropriate disclosure language for the event. However, The Parasol Foundation will have to work with the group prior to the solicitation activity, and will need information pertaining to the event such as the ticket prices, and the values of the goods or services donors are to receive. *The Fundraising Group needs to see that the required quid pro quo disclosures are made.*

**Raffle tickets**—are not tax- deductible. This must be stated clearly on the face of distributed tickets.

**Rummage Sale purchases**—are not deductible.

**Auctions**—Legal counsel for the Foundation shall review, on a case-by-case basis, any proposed ideas for an auction. At that time, tax deductibility of items will be determined. Fees charged by legal counsel shall be addressed to the relevant component fund.

#### **Contributions intended for an individual:**

Contributions intended to benefit an individual and/or family are not tax deductible.

#### **Liability Insurance and Liability for Losses**

The Fundraising Group will contact the Foundation prior to having a fundraising event to assess the need to secure liability insurance for him or herself and for the Foundation. Insurance coverage must be reviewed and approved by the Foundation.



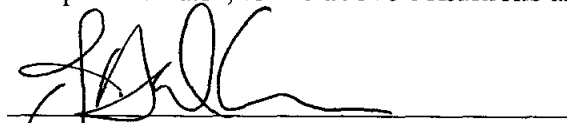
The Fundraising Group will be responsible for all losses incurred by events. The Foundation will not be held responsible for such losses. The Foundation may require the Fundraising Group to purchase a letter of credit or provide a written personal guarantee.

Sincerely,



Nanci Glogauer, Executive Director

By signing below, you acknowledge and agree, individually and on behalf of the component Fund, to the above conditions and requirements.



---

John Danielson /date