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Yucca Valley, CA 92284

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FISCAL SPONSORSHIP AGREEMENT

This Fiscal Sponsorship Agreement, (the “Agreement”), is made by and between BASIN WIDE FOUNDATION, (the “Sponsor” or “Basin Wide Foundation”), and the _____, (the “Sponsored Affiliate”). Basin Wide Foundation is a California nonprofit public benefit corporation located in Morongo Basin, County of San Bernardino, California. Basin Wide Foundation is qualified as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the “IRC”) and classified as a public charity under IRC Sections 509(a)(1) and 170(b)(1)(A)(vi). The Sponsored Affiliate is an unincorporated nonprofit association established, on behalf on Basin Wide Foundation, to manage the affairs of the Project described below.

RECITALS

- A. Basin Wide Foundation’s Board of Directors has approved the establishment of a restricted fund to receive donations of cash and other property designated for support of the Sponsored Affiliate’s project known as _____, (the “Project), and to make disbursements in furtherance of the Project’s mission to _____. Currently, the principal office is located in Morongo Basin, California at 56711 29 Palms Hwy., in Yucca Valley, California.
- B. Basin Wide Foundation desires to act as the Fiscal Sponsor of the Sponsored Affiliate’s Project, by receiving assets and incurring liabilities identified for the Project beginning on the Effective date as defined in Paragraph 1 below, and using them to pursue the objectives for which the Project is being established, which Basin Wide Foundation’s Board has determined will further its charitable purpose.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Term of Agreement. On _____ (the “Effective Date”), Basin Wide Foundation shall assume ultimate responsibility for the operation of the Project, which operation shall continue in effect unless and until terminated as provided herein.
2. Project Activities and Sponsorship Policies. All community programs, public information work, fundraising events, processing and acknowledgement of cash and noncash revenue items, accounts payable and receivable, negotiation of leases and contracts, disbursement of Project funds, (including grants), and other activities conducted by the Sponsored Affiliate, shall be conducted in the name of Basin Wide

Foundation, beginning on the Effective Date. The parties shall abide by the Administrative Terms and Policies of Basin Wide Foundation set forth on the attached Exhibit A, which Basin Wide Foundation may amend from time to time with the consent of the Sponsored Affiliate and which shall include administrative fees, interest, and charges for extra services, to be paid to the general fund of Basin Wide Foundation from the restricted fund described below in Paragraph 4. Unless otherwise agreed, any tangible or intangible property, including intellectual property, such as copyrights, obtained from third parties or created in connection with the Project shall be the property of Basin Wide Foundation while this Agreement is in effect.

3. Delegation. As of the Effective Date, management of the Sponsored Affiliate's activities of the Project is delegated by Basin Wide Foundation's Board of Directors to the Sponsored Affiliate, subject to the ultimate discretion of Basin Wide Foundation's Board. The Sponsored Affiliate is a group that serves as a subordinate body to Basin Wide Foundation's Board and as an integral part of Basin Wide Foundation. In matters governed by this agreement:
 - (a) the Sponsored Affiliate's separate legal existence as an unincorporated nonprofit association will be solely for the limited purpose of holding, exercising, and enforcing the contractual duties and obligations Basin Wide Foundation may owe to the Sponsored Affiliate under this Agreement; and
 - (b) those who participate as the Sponsored Affiliate shall serve as individuals only, not as representatives or agents of any funding source, employer, or any party other than Basin Wide Foundation.
4. Restricted Fund/Variance Power. Beginning on the Effective Date, Basin Wide Foundation shall place all gifts, grants, contributions, and other revenues received by Basin Wide Foundation for the purposes of the Project into a restricted fund to be used for the sole benefit of the Sponsored Affiliate's mission as that mission may be defined by the Sponsored Affiliate from time to time with the approval of Basin Wide Foundation. Basin Wide Foundation, as the Fiscal Sponsor, retains the unilateral right to spend such funds so as to accomplish the purposes of the Project as nearly as possible within Basin Wide Foundation's sole judgment, subject to any donor-imposed restrictions, as to purpose, on the charitable use of such assets. The parties agree that all money, and the fair market value of all property, in the restricted fund, be reported as the income of Basin Wide Foundation, for both tax purposes, and for purposes of Basin Wide Foundation's financial statements. It is the intent of the parties that this Agreement be interpreted to provide Basin Wide Foundation with variance powers necessary to enable it to treat the restricted fund as its own asset in accordance with Statement No. 136 issued by the Financial Account Standards Board, while this Agreement is in effect.
5. Performance of Charitable Purposes. All of the assets received by Basin Wide Foundation under the terms of this Agreement shall be devoted to the purposes of the Sponsored Affiliate, within the tax-exempt purposes of Basin Wide Foundation. Expenditures for any attempt to influence legislation within the meaning of the IRC Section 501(c)(3) shall be subject to limitations imposed by Basin Wide Foundation. Basin Wide Foundation shall not use any portion of the assets to participate or intervene in any political campaign on behalf of or in opposition to any candidate for

public office, to induce or encourage violations of law or public policy, to cause any private inurement or improper private benefit to occur, no to take any other action inconsistent with the IRC Section 501(c)(3). Basin Wide Foundation has determined, based on the advice of tax-exempt legal counsel, that the restricted fund is not a donor-advised fund within the meaning of IRC Section 4966(d)(2) as presently interpreted under federal tax authorities.

6. Termination. This Agreement shall terminate when the objectives of the Sponsored Affiliate can no longer reasonably be accomplished by Basin Wide Foundation. If the objectives of the Sponsored Affiliate can still be accomplished, but either the Sponsored Affiliate or Basin Wide Foundation desires to terminate Basin Wide Foundation's fiscal sponsorship of the Project, the following understandings shall apply. Either Basin Wide Foundation or the Sponsored Affiliate may terminate this Agreement on ninety (90) days written notice to the other party, so long as another nonprofit organization acceptable to the Sponsored Affiliate is found that is tax-exempt under IRC Section 501(c)(3), is not classified as a private foundation under Section 509(a), (the "Successor"), and is willing and able to sponsor the Sponsored Affiliate. As used in this Paragraph 6, the word "able" shall mean that the Successor has charitable purposes compatible with the purposes of the Sponsored Affiliate and has the financial and administrative capacity to competently manage the Project. The balance of assets in Basin Wide Foundation's restricted fund for the Sponsored Affiliate, together with any other tangible and intangible assets held and liabilities incurred by Basin Wide Foundation in connection with the Sponsored Affiliate, shall be transferred to the Successor at the end of the notice period or any extension thereof, subject to the approval of any third parties that may be required. If the Sponsored Affiliate has formed a new organization qualified to be a Successor as set forth in this Paragraph, such organization shall be eligible to receive all such assets and liabilities so long as it has received a determination letter from the Internal Revenue Service, indicating that such qualification have been met, no later than the end of the notice period or any extension thereof. If no Successor is found, Basin Wide Foundation may dispose of the Project assets and liabilities in any manner consistent with applicable tax and charitable trust laws. Either party may terminate this Agreement, based upon a material breach of this Agreement by the other party, by giving thirty (30) days written notice to the other party, and any Project assets and liabilities shall be disposed of at the end of the notice period in a manner consistent with the provisions stated above in this Paragraph.
7. Arbitration. In the event of any dispute under this Agreement, the parties shall attempt to resolve the matter themselves in an amicable manner. Failing such resolution, any dispute under this Agreement shall be resolved by binding arbitration in accordance with commercial arbitration rules of the Judicial Arbitration and Mediation Services, then in effect, or any other rules mutually agreed to by the parties. Any award or order made in any such arbitration may be entered as a judgment in a court of competent jurisdiction. Any dispute, and the resolution thereof in any manner, shall be and remain confidential information, and all parties shall protect the confidential information from public disclosure, using any and all reasonable legal and technical means.
8. Miscellaneous. In the event of any controversy, claim, or dispute between the parties arising out of, or related to, this Agreement, or the alleged breach thereof, the prevailing party shall, in addition to any other relief, be entitled to recover its

reasonable attorneys' fees and costs of sustaining its position. Each provision shall not affect the validity or enforceability of any other provision. The Agreement shall be interpreted and construed in accordance with the laws of the State of California applicable to contracts to be performed entirely within such State. Time is of the essence of this Agreement and of each and every provision hereof. The failure of Basin Wide Foundation to exercise any of its rights under this Agreement shall not be deemed a waiver of such rights.

9. Entire Agreement. This Agreement constitutes the only agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the matter hereof. All Exhibits hereto are a material part of this Agreement and are incorporated by reference. This Agreement, including any Exhibits hereto, may not be amended or modified, except in a writing signed by all parties to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Fiscal Sponsorship Agreement as of the Effective Date set forth in Paragraph 1, above.

BASIN WIDE FOUNDATION:

By: _____
Name: _____
Its: _____

[NAMED OF SPONSORED AFFILIATE]

By: _____
Name: _____
Its: _____