

**AGREEMENT BETWEEN THE STATE OF NEVADA AND
TAHOE DOUGLAS SANITATION DISTRICT**

This Agreement, is made and entered into this 15th day of December, 1999, by and between the State of Nevada, through its State Land Registrar (hereinafter referred to as "Registrar"), and the Tahoe Douglas Sanitation District (hereinafter referred to as "TDSD").

WITNESSETH:

WHEREAS, the State of Nevada, through its State Land Registrar ("Registrar") is authorized pursuant to Chapter 355, Statutes of Nevada, 1993, to acquire real property or any interest in real property to mitigate the environmentally detrimental effects of land coverage in the Lake Tahoe Basin, some of which is located within the boundaries of the Tahoe Douglas Sanitation District, and

WHEREAS, TDSD is supportive of the efforts of the Registrar to acquire such real property or interest in real property located within the boundaries of TDSD, and

WHEREAS, Registrar is precluded from completing an acquisition unless Registrar can obtain a policy of title insurance on such real property which has no reference to any type of future TDSD levy, fee, charge, lien or assessment of any kind whatsoever after transfer of title, and

WHEREAS, TDSD is amenable to such relief upon certain terms and conditions as hereinafter set forth,

NOW, THEREFORE, for good and valuable consideration and cause, it is agreed as follows:

1. Registrar agrees that upon its acquisition of any real property within the boundaries of TDSD, the purchase contract and escrow instructions shall provide that all levies, fees, charges, liens or assessments which TDSD has been authorized by law to charge against that real property, and which are due and payable to TDSD, shall be brought current or paid in full as the case may be, as of the date of recordation of the deed transferring title to the State of Nevada.

2. TDSD agrees that as long as the State of Nevada holds title to the real property and it remains undeveloped, the State of Nevada will be released and be made free from any and all levies, fees, charges, liens or assessments of any kind whatsoever that would otherwise be due to TDSD by reason of its location within TDSD boundaries.

3. Registrar and TDSD agree that for each such acquisition of real property by Registrar within TDSD boundaries, TDSD shall execute and deposit into escrow for recordation, the document entitled "Release" which is attached hereto as Exhibit "A"

and made a part hereof by reference. This Agreement, together with a Release, is intended to provide the necessary documentation in the public record for the Registrar to obtain a policy of title insurance without exception to policy coverage for any current or future levy, fee, charge, lien or assessment by TDSO, subject to the terms and conditions stated herein.

4. Registrar and TDSO agree that any real property acquired by Registrar shall not receive any services or benefits from TDSO unless such services or benefits are specifically requested in writing by Registrar. In such event, Registrar agrees to pay TDSO for those services or benefits commencing upon receipt of said services or benefits. Should any real property, subject to this Agreement be transferred by Registrar to any person or entity, the person or entity shall not be responsible for paying any levy, fee, charge, lien or assessment to TDSO which may have accrued on the real property during the period of time title to the real property is held by the State of Nevada, unless the real property is used for development or for any other use which is inconsistent with protecting the environmental quality and public recreational potential and use of the property. Both parties agree that fencing or barricading the property or any portion thereof shall not constitute development within the meaning of this Agreement.

5. This Agreement shall also apply to any undeveloped real property previously acquired by Registrar, which is situated within TDSO boundaries. Upon presentation by Registrar, TDSO agrees to execute and return to Registrar for recordation, a Release in the form of Exhibit "A" attached hereto which describes such previously acquired real property.

6. Registrar shall hold TDSO free and harmless of any fees and costs incidental to the recordation of this Agreement and any subsequent Releases


7. This Agreement and any Release executed hereunder shall be binding upon any successor of TDSO.

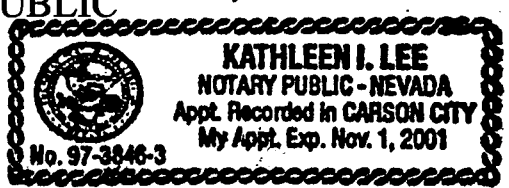
STATE OF NEVADA


PAMELA B. WILCOX
State Land Registrar

STATE OF NEVADA)
 ss.
CARSON CITY)

On December 22, 1999, before me, Kathleen I Lee, a notary public in and for the State of Nevada, personally appeared PAMELA B. WILCOX, Administrator and Ex-Officio State Land Registrar, Division of State Lands, who acknowledged that she executed the above instrument.


NOTARY PUBLIC



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APPROVED as to Form:

FRANKIE SUE DEL PAPA

Attorney General

George H. Taylor

GEORGE TAYLOR
Deputy Attorney General

TAHOE DOUGLAS SANITATION DISTRICT

Janet Murphy

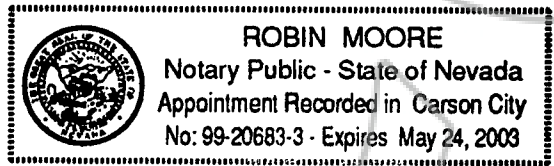
JANET MURPHY, Administrator

STATE OF NEVADA)
 ss.
COUNTY OF DOUGLAS)

On 12/28/99, 1999, before me, Robin Moore, a notary public in and for the State of Nevada, personally appeared JANET MURPHY, who is Administrator of the Tahoe Douglas Sanitation District, personally known to me to be the person who executed the attached Agreement between the State of Nevada and the Tahoe Douglas Sanitation District on behalf of the Tahoe Douglas Sanitation District, and acknowledged to me that she was duly authorized to execute this Agreement and that she executed the same for the purposes therein stated.

Robin Moore

NOTARY PUBLIC



REQUESTED BY
FIRST AMERICAN TITLE CO.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2000 MAR 23 AM 11:45

LINDA SLATER
RECORDER

\$ 9.00 PAID *KJ* DEPUTY

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