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INTERLOCAL CONTRACT

FILED 11. 2002. 074

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This Agreement is made by and between Douglas County (County), a political subdivision

of the State of Nevada, and the Round Hill General Improvement District (District)

organized under the provisions of NRS ch. 318.

RECITALS

WHEREAS, the parties are public agencies under NRS 277.100 and NRS 277.180(1) provides that any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity, or undertaking which any of the contracting agencies is authorized by law to perform; and

WHEREAS, the District, as the applicant for Tahoe Bond Act Grant Project Funding, has entered into an agreement with Nevada the Division of State Lands and the Nevada Tahoe Conservation District in which the District agreed to the following terms:

The applicant hereby assures and certifies that he will comply with the regulations, policies, guidelines and requirements of the Division of State Lands (the "Division") and the Nevada Tahoe Conservation District (the "District"). Also, the applicant gives assurance and certifies with respect to the grant that:

A. It possesses legal authority to apply for the grant, and to finance and construct the proposed facilities; that a resolution, motion statute authority or similar action has been duly adopted or passed as an official act of the applicant's governing body, authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

- B. It will have sufficient funds available to meet the non-Bond Act share of the costs.
- C. Sufficient funds will be available when construction is completed to assure effective operation and maintenance of the facility for the purposes constructed.
- D. It will hold the Division and the District free and harmless for any claims or liabilities resulting during construction of or during the life of the erosion control facilities.
- E. It will provide and maintain competent and adequate engineering supervision and inspection at the construction site to insure that completed work conforms with the approved plans and specifications; that it will furnish progress reports and such other information as the grantor agency may require.

- F. It will operate and maintain the work done in accordance with the minimum standards as may be required or prescribed by the applicable state and local agencies.
- G. It will give the grantor agency's authorized representative access to and the right to examine all records, books, papers, or documents related to the grant.
- H. It will cause work on the project to be commenced within a reasonable time after receipt of notification from the approving state agency that funds have been approved and that the project will be prosecuted to completion with reasonable diligence.
- I. It will not dispose of or encumber its title or other interests in the site and facilities for 20 years without state approval.

WHEREAS, the District also approved a resolution concerning the project, which states:

WHEREAS, RHGID/Douglas County is submitting an application to the Division of State Lands (the "Division") for financial assistance; and,

WHEREAS, the Nevada Tahoe Conservation District has been assigned the administration of the program and the setting up necessary of procedures governing the program; and,

WHEREAS, the adopted procedures established by the Division require that the applicant must certify by resolution the approval of proposed project, application, including all understanding and assurances contained therein, and availability of matching funds prior to submission of said applications to the Division.

NOW THEREFORE, BE IT RESOLVED that the proposed Round Hill GID project is approved for implementation;

BE IT FURTHER RESOLVED that RHGID/Douglas County does hereby certify that said agency can finance 100% of their share of the project.

BE IT FURTHER RESOLVED that RHGID/Douglas County does hereby appoint Cameron McKay agent of the General Improvement District to conduct all negotiations, execute and submit all documents including applications, agreements, billing statements, and so on which may be necessary for the completion of the above project.

WHEREAS, the County has previously required each District applicant to enter into an interlocal contract for the purpose of ensuring that the District, as the applicant and ultimate recipient of the Tahoe Bond Act Funds, agrees that it will comply with all requirements of receiving and using the Funds and will contractually recognize that it will indemnify and hold the County harmless if it should fail to do so;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties agree as follows:

1. The term of this agreement shall commence upon approval of this agreement by the

governing boards of both parties and shall continue for a period of twenty years, or until the expiration of the maintenance period for the project, whichever is later in time.

- 2. The District agrees that, should any of the terms of the Project not be fulfilled by the District and should repayment of or compliance with any Project funding or cost, including continuing maintenance costs, be required, the District will fully and completely indemnify or reimburse the County, on its demand, for all repayment requirements and any other associated costs. The District also agrees that the County may take any action necessary to protect the County, to recover costs of repayment, compliance, or any other action.
- 3. The laws of the State of Nevada shall be applied in interpreting and construing this agreement.
- 4. The illegality or invalidity of any provision or portion of this agreement shall not affect the validity of the remainder of the agreement.
- 5. This agreement constitutes the full and final agreement between the parties and shall not be modified except in writing and signed by both parties.
- 6. All written notices under this agreement shall be delivered to the following officials at the addresses stated:

County Manager Post Office Box 218 Minden, Nevada 89423

Round Hill General Improvement District Post Office Box 976 Zephyr Cove, Nevada 89448

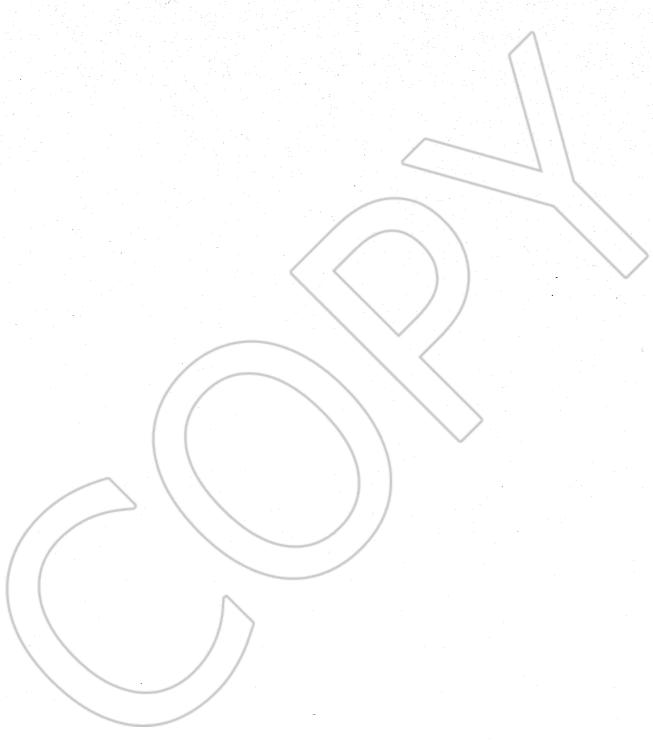
7. This agreement may not be assigned except by writing signed by both parties and shall be binding upon and inure to the benefit of the parties' respective successors and assigns.

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IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed as of the day and year first above written.

DOUGLAS COUNTY BOARD ROUND HILL GENERAL OF COUNTY COMMISSIONERS IMPROVEMENT DISTRICT Chairman Approved as to form: By: **CERTIFIED COPY** The document to which this certificate is attached is a full, true and correct copy of the original on file and on record in my office. B. Reson Clerk of the Judicial District Court of the State of Nelvada, in and for the County of Douglas. **Judicial District Court** G:\BC\BC\COOP\RoundHillGID.TahoeBondMoney.August2001.wpd Deputy 0535830

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