TAHOE REGIONAL PLANNING AGENCY

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SETTLEMENT AGREEMENT

This Settlement Agreement is made by and between Action Water Sports of Incline Village, LLC, ("AWS"), Hyatt Corporation, as agent of HR Lake Tahoe Owner, L.L.C., a Delaware limited liability company d/b/a Hyatt Regency Lake Tahoe ~~Hotel~~Resort, Spa, and Casino ("Hyatt"), and the Tahoe Regional Planning Agency ("TRPA"). This Settlement Agreement represents the full and complete compromise and settlement of certain violations alleged by TRPA, as described below:

In August 2020, TRPA inspected the watercraft concession operations conducted by AWS located at 998 Lakeshore Blvd., Incline Village, NV, Assessor's Parcel Number 127-280-02 ("Hyatt Property") and that the following violations of the TRPA Code of Ordinances had occurred:

1. TRPA Code Section 82.3.1 - An activity which is not specifically exempt (pursuant to Section 82.4), qualified exempt (pursuant to Section 82.5), or a continuation of an existing use (pursuant to Section 81.6), is subject to TRPA review and approval. *Unauthorized mooring and placement of 10 additional temporary mooring buoys by AWS.*

2. TRPA Code Section 84.10.1.A - Watercraft which remain in the shorezone or lakezone overnight shall be moored to legally existing buoys, boatlifts, boat slips, or other legally existing watercraft storage facilities. The following types of overnight mooring, including anchoring, are exempt from this provision. *Unauthorized anchoring by AWS on 10 temporary mooring buoys for reasons that do not meet the exemptions for this activity.*

3. TRPA Code Section 84.10.2.C.4.a - Concessions shall moor on legally permitted mooring structures. *Unauthorized placement and use of 10 additional mooring buoys by AWS outside of the Hyatt buoy field.*

This Settlement Agreement is conditioned upon approval by the TRPA Governing Board. Execution of this Agreement prior to Board action shall not be binding on either party in the event that the Board does not authorize settlement on the terms set forth below:

In order to fully resolve the matter, the parties hereby agree as follows:

1. AWS shall pay TRPA $90,000 within 30 days of Governing Board approval of this settlement agreement.

2. AWS understands that it can be an advocate and principal supporter for safety and environmentally sensitive boating on Lake Tahoe. In accordance with the goal, AWS shall do the following:

    a. AWS shall provide to its customers TRPA-printed materials,
    b. AWS shall provide additional education to all watercraft renters that includes following all TRPA watercraft rules and directions ~~of~~on how to download and use the Lake Tahoe Boating Application,

c. AWS shall train its staff so they are capable of educating the public on applicable watercraft rules and regulations,
d. AWS shall equip all of its boats with a GPS system that allows its operators/customers to know when the vessel is within the TRPA's no-wake zone, and
e. AWS shall partner with the League to Save Lake Tahoe ~~Lake Tahoe~~ to conduct a boater education and safety clinic to inform boaters about watercraft rules and other boating tips for safe boating on Lake Tahoe.

AWS and Hyatt will only moor AWS-controlled watercraft within the Hyatt buoy field and each watercraft will be located on one of the 48 permitted buoys. Absent emergency situations, AWS or Hyatt will not moor any boats on temporary moorings or on a mooring permitted for noncommercial purposes. Subject to Governing Board approval, AWS and Hyatt may ~~continue to~~commence operating the watercraft concession on the Hyatt pier and continue operations until they receive a permit from TRPA for that activity or until June 30, 2021, whichever occurs first.

3. If AWS fails to pay the $90,000 required by this Settlement Agreement and TRPA files litigation to enforce this Settlement Agreement, AWS agrees to pay TRPA the amount of $180,000 (payable immediately) and to the issuance by the court of an injunction to enforce the terms of this Settlement Agreement. AWS also agrees to pay all reasonable attorneys' fees and costs associated with collecting the increased settlement payment of $180,000. Notwithstanding the foregoing, the litigation enforcing this agreement shall not be filed unless TRPA has provided AWS with written notice of default and notice to cure such default within ten days of the date of written notice. If the default has not been cured by that time, TRPA may file its enforcement action.

4. Once AWS has paid the settlement amount and has fully complied with all of the terms herein, TRPA shall release both parties of all claims arising out of their failure to follow TRPA procedures during the activities described in this Settlement Agreement.

5. This agreement does not alter any rights to appeal a TRPA permit through the process outlined in Article 11 of TRPA's rules of procedure, or other law governing the TRPA administrative process.

AWS and Hyatt have read this Settlement Agreement and understand all of its terms. AWS and Hyatt have executed this Settlement Agreement after opportunity to review the terms with an attorney and acknowledge that the above-described activities by AWS constitute a violation of TRPA regulations. AWS and Hyatt agree to comply with all applicable TRPA requirements in the future.

Signed:

_____ _____

Action Water Sports of Incline Village, LLC Date

_____ _____

It's: _____
Hyatt Corporation, as agent of _____ Date
HR Lake Tahoe Hotel _____ Date _____ Owner, L.L.C.,

_____ _____ a Delaware limited liability company
d/b/a Hyatt Regency Lake Tahoe Resort,
Spa, and Casino _____

_____ _____
Joanne S. Marchetta, Executive Director _____ Date
Tahoe Regional Planning Agency