



STOREY COUNTY BOARD OF COUNTY COMMISSIONERS MEETING

04/21/2026 10:00 AM

STOREY COUNTY COURTHOUSE
26 SOUTH B STREET, VIRGINIA CITY, NEVADA

AGENDA

This meeting will be held in person and the public is welcome to attend.

Members of the public who wish to **watch the meeting remotely** may do so by accessing the Storey County Clerk's new YouTube channel. To access the Channel and the Live Stream:

1. Open your browser and go to www.youtube.com/@storeycountyclerk
2. Click on the Storey County seal  when it has the **LIVE** display, or click on the video picture for the meeting in the playlist under the county seal with the **LIVE** display on the graphic.

- Public comment may be made by in-person appearance only. -

**For additional information or supporting documents please contact the
Storey County Clerk's Office at 775-847-0969.**

JAY CARMONA
CHAIRMAN

ANNE LANGER
DISTRICT ATTORNEY

CLAY MITCHELL
VICE-CHAIRMAN

DONALD GILMAN
COMMISSIONER

JIM HINDLE
CLERK-TREASURER

Members of the Board of County Commissioners also serve as the Board of Fire Commissioners for the Storey County Fire Protection District, Storey County Health Board, Storey County Brothel License Board, Storey County Water and Sewer System Board, Storey County Highway Board and the Storey County Liquor and Licensing Board and during this meeting may convene as any of those boards as indicated on this or a separately posted agenda. All matters listed under the consent agenda are considered routine and may be acted upon by the Board of County Commissioners with one action, and without an extensive hearing. Any member of the Board or any citizen may request that an item be taken from the consent agenda, discussed, and acted upon separately during this meeting.

Pursuant to NRS 241.020 (2)(d)(6) Items on the agenda may be taken out of order, the public body may combine two or more agenda items for consideration, and the public body may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

The Commission Chair reserves the right to limit the time allotted for each individual to speak. Public comment is limited to three minutes per individual.

All items include discussion and possible action to approve, modify, deny, or continue unless marked otherwise.

1. **CALL TO ORDER REGULAR MEETING AT 10:00 A.M.**
2. **CONVENE AS THE STOREY COUNTY BOARD OF COUNTY COMMISSIONERS**
3. **PLEDGE OF ALLEGIANCE**
4. **PUBLIC COMMENT (No Action)** Public comment is welcomed at the beginning and end of each meeting. These comments should be limited to matters not already on today's calendar agenda. Public comment is again welcomed after each item on the agenda, & those comments should be limited to the agendized topic. Public comment is limited to 3 minutes per individual.
5. **DISCUSSION/FOR POSSIBLE ACTION:**

Consideration and possible approval of the agenda for the April 21, 2026, meeting.
6. **DISCUSSION/FOR POSSIBLE ACTION:**

Consideration and possible approval of the minutes from the March 3rd, 2026, meeting.
7. **CONSENT AGENDA FOR POSSIBLE ACTION:**
 - I For possible action, approval of business license first readings:
 - A. ABC Supply Interiors, Inc. – Out of County / 3 ABC Pkwy ~ Beloit, WI
 - B. All Phase Electric, LLC – Contractor / 76 Glen Carran Circle ~ Sparks, NV
 - C. Amy Farnes – Home Based / 21575 Sazarac Rd. ~ Reno, NV
 - D. Battle Born Blasting LLC – Out of County / 2190 Mammatus Dr. ~ Sparks, NV
 - E. Bawarchi Indian Cuisine – Out of County / 5245 Vista Blvd. F-1 ~ Sparks, NV
 - F. Clover Cleaners LLC – Home Based / 2045 Applegate Rd. ~ Reno, NV
 - G. Mobile Medical Corporation – Out of County / 2413 Lytle Rd. ~ Bethel Park, PA
 - H. Pillulles Tacos Los Famosos 1 – Food Truck / 2100 Victorian Ave. ~ Sparks, NV
 - I. R-2 Contractors, Inc. – Contractor / 4100 SW Empire Rd. ~ Prineville, OR
 - J. WEDCO – Out of County / 2400 38th St. S ~ Fargo, ND
 - II JC QUARTERLY REPORT

III Consideration and possible approval of the new Information Technology Policy, 400.013 Multi-Factor Authentication Policy.

8. **DISCUSSION ONLY (No Action - No Public Comment): Committee/Staff Reports**

9. **BOARD COMMENT (No Action - No Public Comment)**

10. **DISCUSSION/FOR POSSIBLE ACTION:**

Discussion and Possible Action: Consideration and possible action to execute the settlement participation form regarding the six remnant opioid defendants, referred to as the "Remnant Defendants Settlement." The settlement gross and net allocation to Storey County is \$804.24.

11. **DISCUSSION/FOR POSSIBLE ACTION:**

Discussion and possible approval of a private infrastructure improvement project contract between Storey County and Tesla that will facilitate Tesla's extension of the I-80/ Patrick Interchange westbound onramp with County reimbursement of costs not to exceed \$4,100,000 paid incrementally over two fiscal years (FY2027 and FY2028).

12. **DISCUSSION/FOR POSSIBLE ACTION:**

Public Hearing for the Second Reading of Bill No. 149, Ordinance No. 26-337, amending Storey County Code Chapter 5.16, Brothels, Section 5.16.130, License Fees, to update certain language, remove the monthly licensing requirement, and provide that each licensed operator shall pay an annual business license fee of twenty-five dollars (\$25.00), in addition to any fees set forth in Section 5.16.050; increase the loan reporting requirement to the Sheriff's Office from twenty-five thousand dollars (\$25,000) to two hundred thousand dollars (\$200,000); and change the method by which fees are established from resolution to ordinance.

13. **DISCUSSION/FOR POSSIBLE ACTION:**

Consideration and possible action on second reading of Bill No. 149, Ordinance No. 26-337, amending Storey County Code Chapter 5.16, Brothels, Section 5.16.130, License Fees, to update certain language, remove the monthly licensing requirement, and provide that each licensed operator shall pay an annual business license fee of twenty-five dollars (\$25.00), in addition to any fees set forth in Section 5.16.050; increase the loan reporting requirement to the Sheriff's Office from twenty-five thousand dollars (\$25,000) to two hundred thousand dollars (\$200,000); and change the method by which fees are established from resolution to ordinance.

14. DISCUSSION/FOR POSSIBLE ACTION:

Discussion/Possible Action: Consideration and possible approval of a request from the Virginia City Main Street Program for restricted funding in the amount of \$50,000 for Fiscal Year 2026/2027, to be used solely for the salary of a part-time (20 hours per week) Executive Director position.

15. DISCUSSION/FOR POSSIBLE ACTION:

Consideration and Possible Approval of a Grant Application to the Commission for Cultural Centers and Historic Preservation (CCCHP) for the rehabilitation of the southeast elevation door set and frame/transom, the east elevation carriage doors, and three north elevation windows at Piper's Opera House.

16. DISCUSSION/FOR POSSIBLE ACTION:

Storey County Communications Update (January 2025-January 2026)

17. DISCUSSION/FOR POSSIBLE ACTION:

Possible acceptance of the low bid for the Fairgrounds Improvements Project from KP Construction in an amount not to exceed \$1,129,888.00. This project is partially funded by USDA-RD in an amount of \$615,000.00.

18. RECESS TO CONVENE AS THE STOREY COUNTY FIRE PROTECTION DISTRICT BOARD

19. DISCUSSION/FOR POSSIBLE ACTION:

Consideration and possible approval to make a conditional offer to purchase the property adjacent to the existing fire station 72, located at 2998 Cartwright Road, APN 003-361-08, based upon the appraisal dated March 25, 2026, by Anthony J. Wren and Associates, including approval of opening escrow, and completing title search, not to exceed \$135,000.

20. RECESS TO CONVENE AS THE STOREY COUNTY WATER AND SEWER BOARD

21. DISCUSSION/FOR POSSIBLE ACTION:

Discussion and possible approval of a Master Services Agreement and Scope of Work with Utility Service Company Inc. for the long term maintenance and rehabilitation of Storey County's 7 water tanks.

22. RECESS TO CONVENE AS THE STOREY COUNTY LIQUOR LICENSING BOARD

23. DISCUSSION/FOR POSSIBLE ACTION:

For consideration and possible approval of the Second reading for Off-Sale/On-Sale Liquor License, in addition to request a Special Application to Liquor Board for a property not located on C Street. Applicant is Ryan Brandon, Old Corner Bar, 12 North B Street, Virginia City, NV.

24. RECESS TO RECONVENE AS THE STOREY COUNTY BOARD OF COUNTY COMMISSIONERS

25. DISCUSSION/FOR POSSIBLE ACTION:

Consideration and possible approval to designate DiPietro and Thornton, CPA as the County's independent auditor for fiscal year ending June 30, 2026.

26. DISCUSSION/FOR POSSIBLE ACTION:

For Consideration and possible approval of business license second readings:

- A. Adams Electrical Corporation – Contractor / 716 N. Carson St. ~ Carson City, NV
- B. Autenicas Carnitas Valenzuela – Food Truck / 8030 Shifting Sands ~ Reno, NV
- C. Backflow and Foliage Pros LLC – Out of County / 3044 Catham Ct. ~ Sparks, NV
- D. Badger Daylighting Corp. – Contractor / 4910 N CR 900 E. ~ Brownsburg, IN
- E. Bighorn Plumbing – Contractor / 3107 N. Deer Run Rd. Ste. 14 ~ Carson City, NV
- F. Buzzard Creek – General / 145 D S. C St. ~ Virginia City, NV
- G. Capitol Builders Hardware, Inc. – Contractor / 4699 24th St. ~ Sacramento, CA
- H. Cinderlite Trucking – Transportation / 1665 S. Sutro Terrace ~ Carson City, NV
- I. Constantino Francisdaky Cuellar – Out of County / 421 Traci Ln. ~ Moundhouse, NV
- J. Cowgirl Art Collective – General / 122 S. C St. ~ Virginia City, NV
- K. D4 Nevada, LLC – Contractor / 2842 Indian Lakes Rd. ~ Fallon, NV
- L. DataSpan Holdings, Inc. – Out of County / 3006 Skyview Cir. ~ So. Irving, TX
- M. EMPOWERED – Non-Profit / 11 Sunset Way ~ Henderson, NV
- N. Firestop Insulation & Acoustical Specialties – Contractor / 733 Butte Creek Rd. ~ Dayton, NV
- O. House Smart Construction 1182 – Out of County / 8000 Snafu Dr. ~ Stagecoach, NV
- P. Hungry Digger – Non-Profit / 5605 Old Victory Hwy ~ Lovelock, NV
- Q. Kanthal Corporation – Out of County / 119 Wooster St. ~ Bethel, CT
- R. Mark III Construction Inc., – Contractor / 5101 Florin Perkins Rd. ~ Sacramento, CA

- S. Redwood Materials, Inc. – General / 775 Innovation Way ~ McCarran, NV
- T. Temporary Wall Systems Northern Nevada – Out of County / 11700 Vista Park Dr. ~ Sparks, NV
- U. Tesla Inc. – General / 455 Denmark ~ McCarran, NV
- V. The Miner’s Table – General / 18 S. C St. ~ Virginia City, NV
- W. Ziglift Material Handling – Contractor / 12640 Allard St. ~ Santa Fe Springs, CA

27. **PUBLIC COMMENT (No Action)** Public comment is welcomed at the beginning and end of each meeting. These comments should be limited to matters not already on today’s calendar agenda. Public comment is again welcomed after each item on the agenda, & those comments should be limited to the agendized topic. Public comment is limited to 3 minutes per individual.

28. **ADJOURNMENT OF ALL ACTIVE AND RECESSED BOARDS ON THE AGENDA**

NOTICE:

- Anyone interested may request personal notice of the meetings.
- Agenda items must be received in writing by 12:00 noon on the Monday of the week preceding the regular meeting. For information call (775) 847-0969.
- Items may not necessarily be heard in the order that they appear.
- **PUBLIC COMMENT (No Action):** Public comment is welcomed at the beginning and end of each meeting. These comments should be limited to matters not already on today’s calendar agenda. Public comment is again welcomed after each item on the agenda, & those comments should be limited to the agendized topic. Public comment is limited to 3 minutes per individual.
- Storey County recognizes the needs and civil rights of all persons regardless of race, color, religion, gender, disability, family status, or nation origin.
- In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.
- Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotope, American Sign Language, etc.) should contact the responsible Agency or USDA’s TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

- To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

(1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410

(2) fax: (202) 690-7442; or

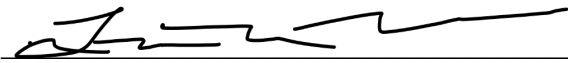
(3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.

Notice to persons with disabilities: Members of the public who are disabled and require special assistance or accommodations at the meeting are requested to notify the Commissioners' Office in writing at PO Box 176, Virginia City, Nevada 89440.

CERTIFICATION OF POSTING

I, Lisa Maciel, Administrative Officer to Storey County, do hereby certify that I posted, or caused to be posted, a copy of this agenda at the following locations on or before 04/15/2026; Storey County Courthouse located at 26 S B St, Virginia City, NV, the Virginia City Fire Department located at 145 N C St, Virginia City, NV, the Virginia City Highlands Fire Department located at 2610 Cartwright Rd, VC Highlands, NV and Lockwood Fire Department located at 431 Canyon Way, Lockwood, NV. This agenda was also posted to the Nevada State website at <https://notice.nv.gov/> and to the Storey County website at: <https://www.storeycounty.org/agendacenter>

By: 

Lisa Maciel
Administrative Officer

	Board of Storey County Commissioners Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 1 min	
Agenda Item Type: Discussion/Possible Action		

- **Title:** Consideration and possible approval of the agenda for the April 21, 2026, meeting.
- **Recommended motion:** Approve or amend as necessary.
- **Prepared by:** Lisa Maciel

Department: Commissioners

Contact Number: 7758470968

- **Staff Summary:** See attached.
- **Supporting Materials:** No Attachments
- **Fiscal Impact:**
- **Legal review required:** False
- **Reviewed by:**

_____ Department Head

Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved	☐ Approved with Modification
☐ Denied	☐ Continued

	Board of Storey County Commissioners Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 5 minutes	
Agenda Item Type: Discussion/Possible Action		

- **Title:** Consideration and possible approval of the minutes from the March 3rd, 2026, meeting.
- **Recommended motion:** Approve or amend as necessary.
- **Prepared by:** Jim Hindle

Department: Clerk & Treasurer

Contact Number: 7758470969

- **Staff Summary:** See attached.
- **Supporting Materials:** See Attachments
- **Fiscal Impact:**
- **Legal review required:** False
- **Reviewed by:**

_____ Department Head

Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved	☐ Approved with Modification
☐ Denied	☐ Continued



MEETING MINUTES

STOREY COUNTY

BOARD OF COUNTY COMMISSIONERS

3/3/2026 10:00 AM
26 SOUTH B STREET, VIRGINIA CITY, NV

JAY CARMONA
CHAIRMAN

CLAY MITCHELL
VICE-CHAIRMAN

DONALD GILMAN
COMMISSIONER

JIM HINDLE
CLERK & TREASURER

ANNE LANGER
DISTRICT ATTORNEY

Roll Call

Present: Commissioners Carmona, Gilman, Mitchell – a quorum was established.

Total Meeting Attendance: 40

1. CALL TO ORDER REGULAR MEETING AT 10:00 A.M.

Meeting called to order at 10:02 a.m. by Chairman Carmona.

2. CONVENE AS THE STOREY COUNTY BOARD OF COUNTY COMMISSIONERS

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT (No Action):

Shayna Rose spoke regarding easements for their Six Mile Canyon property and gave a packet to the commissioners. She will return monthly with more information. County Manager Austin Osborne asked her to stay for the next agenda items.

5. DISCUSSION/FOR POSSIBLE ACTION: Consideration and possible approval of the agenda for the March 3, 2026, meeting.

No public comment

Motion Made to Approve the agenda as submitted by Commissioner Mitchell and
Seconded by Commissioner Gilman:

Aye: 3: Nay: 0: Abstain: 0: Absent: 0; Recused: 0:

Voted For: Mitchell-Clay, Carmona-Jay, Gilman-Donald.

6. DISCUSSION/FOR POSSIBLE ACTION: Consideration and possible approval of the minutes from the January 20, 2026, meeting.

No public comment

Motion Made to Approve the January 20, 2026, minutes by Commissioner Mitchell and **Seconded by** Commissioner Gilman:

Aye: 3: Nay: 0: Abstain: 0: Absent: 0; Recused: 0:
Voted For: Mitchell-Clay, Carmona-Jay, Gilman-Donald.

7. DISCUSSION/FOR POSSIBLE ACTION: Consideration and possible approval of the minutes from the February 3, 2026, meeting.

Clerk-Treasurer Jim Hindle said there was an appendix to the minutes for the Feb. 3, 2026, meeting, to include a handout from Ms. Rose.

Motion Made to Approve the February 3, 2026, minutes to include the appendix, by Commissioner Mitchell and **Seconded by** Commissioner Gilman:

Aye: 3: Nay: 0: Abstain: 0: Absent: 0; Recused: 0:
Voted For: Mitchell-Clay, Carmona-Jay, Gilman-Donald.

8. CONSENT AGENDA FOR POSSIBLE ACTION: For possible action, approval of business license first readings:

- A. C&M Garage Door Services – Contractor / 1051 Olsen St. Ste.3711 ~ Henderson, NV
- B. Corbins, LLC – Contractor / 4829 S. 38th St. ~ Phoenix, AZ
- C. Gallagher Bassett Services Inc. – Out of County / 2850 Golf Rd. ~ Rolling Meadows, IL
- D. Redwood Materials, Inc. - General / 575 Innovation Way – McCarran, NV
- E. Reno Electric, Inc. – Contractor / 50 E. Greg St. Ste. 103 ~ Sparks, NV
- F. Taco T – Food Truck / 190 South Fork Dr. ~ Sun Valley, NV
- G. Western Tools LLC – Out of County / 714 Hallow Pointe Dr. ~ Sparks, NV
- H. US Ghost Adventures LLC – Out of County / 640 Governor Nicholls St. ~ New Orleans, LA

No public comment

Motion Made to Approve the Consent agenda as presented, further I move to direct staff to formally contact the applicant listed as H under Item 8, which is U.S. Ghost Adventures, to request that they appear in person or on Zoom at our next regularly scheduled meeting, to respond to the concerns expressed in previous meetings by the commission and community, specifically to ensure us that they have a plan and intend to follow local ordinances and regulations, by Commissioner Mitchell and **Seconded by** Commissioner Gilman:

Aye: 3: Nay: 0: Abstain: 0: Absent: 0; Recused: 0:
Voted For: Mitchell-Clay, Carmona-Jay, Gilman-Donald.

9. DISCUSSION ONLY (No Action - No Public Comment): Committee/Staff Reports

Reports made by Operations and Projects Manager Mike Northan, Grants Manager Sara Sturtz, Administrative Officer Lisa Maciel, Emergency Management Director Adam Wilson, Tourism Director Todd Tuttle, Health and Community Services Director Stacy York, Community Development staffer Joseph Starnes, Public Information Officer Julia Moreno-Fritz, Lee Sterrett, CWSD board member,

10. BOARD COMMENT (No Action - No Public Comment)

Commissioner Gilman – No comment

Commissioner Mitchell – Reported on meetings attended during his recent trip to Washington D.C.

Commissioner Carmona – No comment

11. DISCUSSION/FOR POSSIBLE ACTION: Consideration and possible approval of Storey County's Plan of Corrective Action in response to the Department of Taxation's review of Fiscal Year 2025 annual audit report and identified violations pursuant to NRS 354.6245.

Comptroller Jennifer McCain said three items requested for review from the Department of taxation were regarding the Indigent/Accident special revenue fund and the Genetic Marker special revenue fund for which we processed transfers but had a shortfall in estimates for 1 month, and the Water & Sewer funds, on which this is the first time Taxation has inquired, because we don't budget for depreciation and we can't increase revenue to cover operational costs.

No public comment

Motion Made to Approve Storey County's Plan of Corrective Action in response to the Nevada Department of Taxation's review of the Fiscal Year 2025 annual audit report and identified violations pursuant to NRS • 354.6245, by Commissioner Mitchell and **Seconded by** Commissioner Gilman:

Aye: 3: Nay: 0: Abstain: 0: Absent: 0; Recused: 0:

Voted For: Mitchell-Clay, Carmona-Jay, Gilman-Donald.

12. DISCUSSION/FOR POSSIBLE ACTION: Consideration and possible approval of an application submission to the U.S. Economic Development Administration's FY 2025 Disaster Supplemental Grant Program for the Long Valley Creek Bridge Replacement and Channel Expansion Project located in Lockwood.

Grants Manager Sara Sturtz sought approval for the grant application. The project will increase channel and bridge capacity along Long Valley Creek to reduce flood risk, improve transportation reliability, and protect homes, businesses, critical infrastructure, and industrial operations affected by recurring flood events.

No public comment

Motion Made to Approve the submittal of an application to the U.S. Economic Development Administration's FY 2025 Disaster Supplemental Grant Program for the Long Valley Creek Bridge Replacement and Channel Expansion Project located in Lockwood, by Commissioner Mitchell and **Seconded by** Commissioner Gilman:

Aye: 3: Nay: 0: Abstain: 0: Absent: 0; Recused: 0:
Voted For: Mitchell-Clay, Carmona-Jay, Gilman-Donald.

- 13. DISCUSSION/FOR POSSIBLE ACTION:** Discussion and possible consideration approving letters between Storey County and the Lockwood Community Corporation and the Canyon General Improvement District indicating notice of intent for interlocal support and cooperation toward county-led efforts to reduce flood hazards and improve public safety as related to the Long Valley Creek corridor in Lockwood including upgrades to the creek channel, bridges, and other drainage improvements, subject to board direction to staff to seek federal grant funding.

County Manager Austin Osborne said this would provide notices of intent, and the corresponding organizations would respond with their own letters, which would all eventually lead to an interlocal agreement between all parties.

No public comment

Motion Made to Approve letters between Storey County and the Lockwood Community Corporation and the Canyon General Improvement District indicating notice of intent for interlocal support and cooperation toward county-led efforts to reduce flood hazards and improve public safety as related to the Long Valley Creek corridor in Lockwood including upgrades to the creek channel, bridges, and other drainage improvements, subject to board direction to staff to seek grant funding by Commissioner Mitchell and **Seconded by** Commissioner Gilman:

Aye: 3: Nay: 0: Abstain: 0: Absent: 0; Recused: 0:
Voted For: Mitchell-Clay, Carmona-Jay, Gilman-Donald.

14. RECESS TO CONVENE AS THE STOREY COUNTY HIGHWAY BOARD

- 15. DISCUSSION ONLY:** Report of Public Works Department regarding roads and highways throughout Storey County.

Public Works Director Jason Wierzbicki said engineering in the Mark Twain areas for training. The department is also looking for alternative traffic routes on Waltham Way,

No Public Comment

16. RECESS TO RECONVENE AS THE STOREY COUNTY BOARD OF COUNTY COMMISSIONERS

17. DISCUSSION/FOR POSSIBLE ACTION: For Consideration and possible approval of business license second readings:

- A. Banner Industrial Services LLC – Contractor / 99 Roxlin Ln ~ Columbia Falls, MT
- B. Coast Construction Group – Contractor / 328 N Olympic Ave ~ Arlington, WA
- C. Frank M. Booth, Inc. – Contractor / 1482 Kleppe Ln. ~ Sparks, NV
- D. Hassle-Free LLC – Home Based / 3780 Palisade Rd. ~ Reno, NV
- E. Kirch Construction LLC – Contractor / 3461 Lisbon Ct. ~ Sparks, NV
- F. The Loesche Collection – Home Based / 1675 Empire Rd. ~ Reno, NV
- G. Titan Plumbing – Contractor / 4690 Longley Ln. # 21 ~ Reno, NV
- H. Trophy Tek – Home Based / 915 S. C St. ~ Virginia City, NV

No public comment

Motion Made to Approve the second readings of business licenses, by Commissioner Mitchell and **Seconded by** Commissioner Gilman:

Aye: 3: Nay: 0: Abstain: 0: Absent: 0; Recused: 0:

Voted For: Mitchell-Clay, Carmona-Jay, Gilman-Donald.

18. PUBLIC COMMENT (No Action)

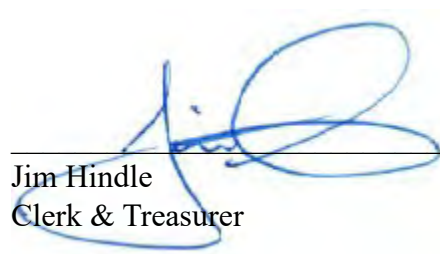
19. CORRESPONDENCE/NO ACTION:

- I. Correspondence: Letter from Shayna Hammer
- II. Correspondence: Letters and Notices from Great Basin Gas

20. ADJOURNMENT OF ALL ACTIVE AND RECESSED BOARDS ON THE AGENDA

Commission Chairman Jay Carmona adjourned the meeting at 10:47 a.m.

Respectfully submitted,



Jim Hindle
Clerk & Treasurer

**Appendix to the Minutes
of March 3, 2026**

Item #4 – Public Comment by Shayna Rose
Handout information provided to the Commissioners

Please submit for Storey County Commissioner's Meeting 03-03-26

FILED

2025 MAR -3 AM 10:55

STOREY COUNTY CLERK

BY A. DUKE
DEPUTY

Update on three certified letters sent to:

John Schilling parcel number 004-321-40
Aaron Kravik parcel number 004-321-42
Trevor Underhill parcel number 004-321-44

Email correspondence with Tabatha Voight, Right Of Way Agent for NV Energy
One new recorded document for section 25 from Voight
Voight states, Cody and I can work out agreement with Storey County and John Schilling of parcel 40
No determination of other parcels, as the road has been altered, waiting for more information as of now

Two new letters dated 03-03-26 to be certified after meeting to parcel neighbors:

Aaron Kravik
Trevor Underhill

Copy of text message to John Schilling, his response, if any

*Handout provided to the Board of
Commissioners during Public Comment
by Shayna Rose*



Tracking Number:

Remove X

9589071052701965874566

Copy



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Latest Update

This is a reminder to arrange for redelivery of your item or your item will be returned to sender.

Get More Out of USPS Tracking:



USPS Tracking Plus®

Delivery Attempt

Reminder to Schedule Redelivery of your item

February 11, 2026

Notice Left (No Authorized Recipient Available)

DAYTON, NV 89403

February 6, 2026, 10:07 am

Out for Delivery

DAYTON, NV 89403

February 6, 2026, 8:13 am

tools.usps.com



Document_2026-02-11 To NV Energy

shayna hamner <shaybiz13@gmail.com>

Wed, Feb 11, 2026 at 9:12 AM

To: "Voight, Tabatha (NV Energy)" <Tabatha.Voight@nvenergy.com>

Shayna and Cody Rose parcel 004-321-38.
Black circles on map where gate and altered road.

 **Document_2026-02-11 To NV Energy.pdf**
17202K

* 2-3-26 Same packet from Storey C.C.
meeting Confile

Voight, Tabatha (NV Energy) <Tabatha.Voight@nvenergy.com>

Wed, Feb 11, 2026 at 9:16 AM

To: shayna hamner <shaybiz13@gmail.com>

Good morning,

I really appreciate this.

Thank you,

Tabatha Voight

Right of Way Agent

Land Resources - North

Office: 775-834-3497

This is what we do.



From: shayna hamner <shaybiz13@gmail.com>
Sent: Wednesday, February 11, 2026 9:12 AM
To: Voight, Tabatha (NV Energy) <Tabatha.Voight@nvenergy.com>
Subject: [INTERNET] Document_2026-02-11 To NV Energy

You don't often get email from shaybiz13@gmail.com. Learn why this is important

THIS MESSAGE IS FROM AN EXTERNAL SENDER.

Look closely at the **SENDER** address. Do not open **ATTACHMENTS** unless expected. Check for **INDICATORS** of phishing. Hover over **LINKS** before clicking. Learn to spot a phishing message

Shayna and Cody Rose parcel 004-321-38.

Black circles on map where gate and altered road.

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Voight, Tabatha (NV Energy) <Tabatha.Voight@nvenergy.com>
To: shayna hamner <shaybiz13@gmail.com>

Wed, Feb 11, 2026 at 10:31 AM

Good morning,

This is very helpful. I was unclear as to what part of the parcels were affected and was searching for easement closer along Six Mile.

I will be working on this today and reviewing with Bill Kruger, my boss.

Thank you,

Tabatha Voight

Right of Way Agent

Land Resources - North

Office: 775-834-3497

This is what we do.



From: shayna hamner <shaybiz13@gmail.com>
Sent: Wednesday, February 11, 2026 9:12 AM
To: Voight, Tabatha (NV Energy) <Tabatha.Voight@nvenergy.com>
Subject: [INTERNET] Document_2026-02-11 To NV Energy

You don't often get email from shaybiz13@gmail.com. Learn why this is important

THIS MESSAGE IS FROM AN EXTERNAL SENDER.

Look closely at the **SENDER** address. Do not open **ATTACHMENTS** unless expected. Check for **INDICATORS** of phishing. Hover over **LINKS** before clicking. Learn to spot a phishing message

Shayna and Cody Rose parcel 004-321-38.

Black circles on map where gate and altered road.

shayna hamner <shaybiz13@gmail.com>
To: "Voight, Tabatha (NV Energy)" <Tabatha.Voight@nvenergy.com>

Wed, Feb 11, 2026 at 11:57 AM

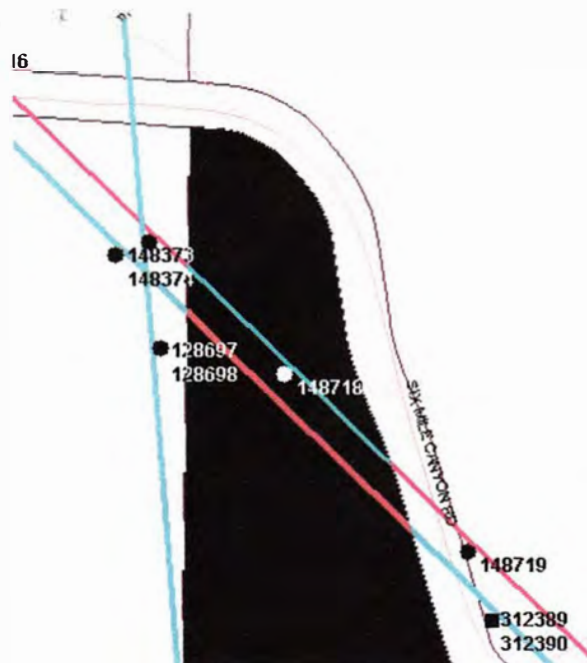
Thanks, I look forward to hearing from you.

Voight, Tabatha (NV Energy) <Tabatha.Voight@nvenergy.com>
To: shayna hamner <shaybiz13@gmail.com>

Wed, Feb 11, 2026 at 12:02 PM

Shayna,

Can let me know which parcel the broken pole is located on, The Schilling parcel or your parcel.



It will give NVE a good reason to head up there.

shayna hamner <shaybiz13@gmail.com>

Wed, Feb 11, 2026 at 12:08 PM

To: "Voight, Tabatha (NV Energy)" <Tabatha.Voight@nvenergy.com>

The pole is fixed. I can send you a picture with the fixed pole if you'd like if you notice at the bottom of that picture to the left is the metal pools and gate, (also, my husband, Cody's in the picture) which is Schilling's gate about 95% sure that pole is on his property 42. Schilling mentioned to us, we could have a mutual survey of that property line. That would be nice.

shayna hamner <shaybiz13@gmail.com>

Wed, Feb 11, 2026 at 2:00 PM

Draft To: "Voight, Tabatha (NV Energy)" <Tabatha.Voight@nvenergy.com>



Picture of fixed pole..

shayna hamner <shaybiz13@gmail.com>

Wed, Feb 11, 2026 at 12:09 PM

To: "Voight, Tabatha (NV Energy)" <Tabatha.Voight@nvenergy.com>





Picture of fixed pole..

Voight, Tabatha (NV Energy) <Tabatha.Voight@nvenergy.com>
To: shayna hamner <shaybiz13@gmail.com>

Thank you. I am having my survey team review the easements that I found.

Once I hear back from them, I can send you anything that is different from what you passed on.

Thank you,

Tabatha Voight

Right of Way Agent

Land Resources - North

Office: 775-834-3497

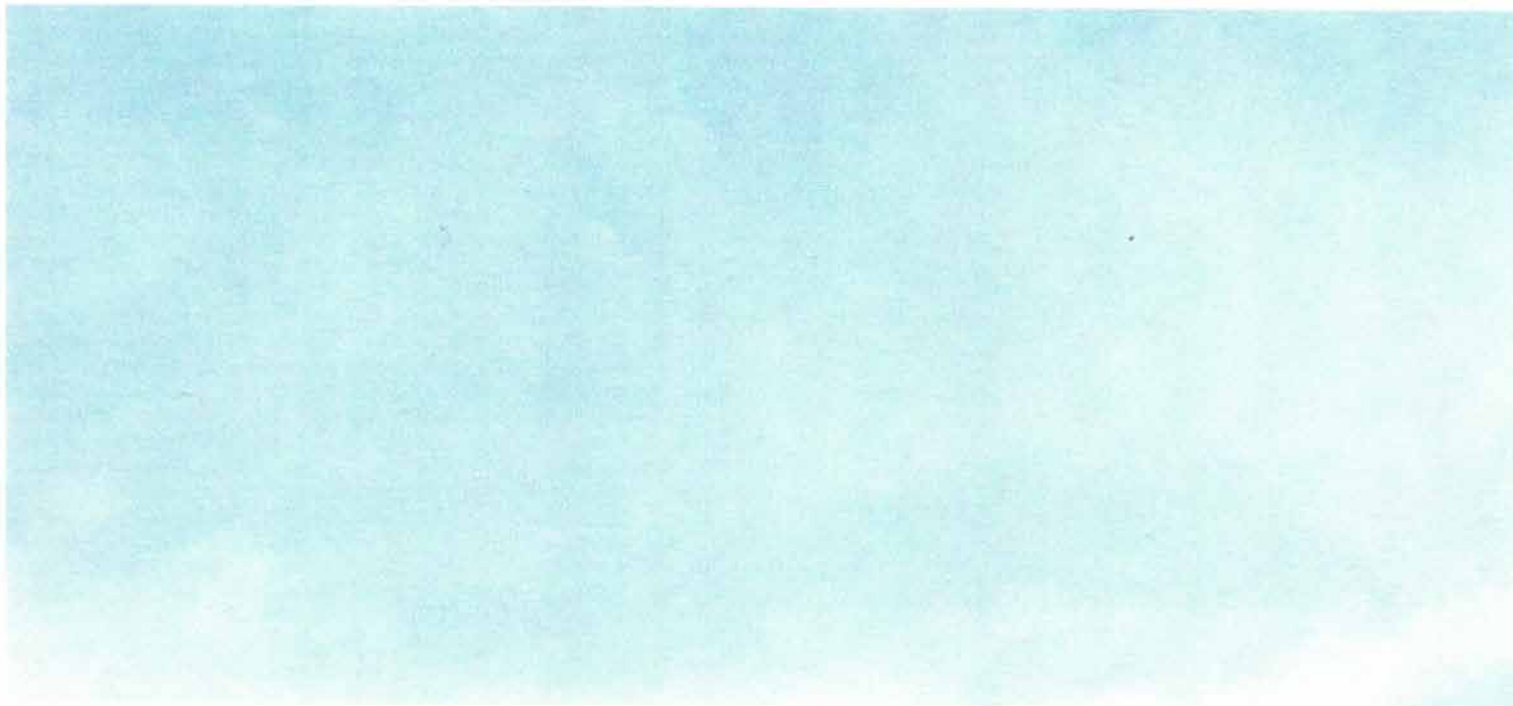
This is what **we** do.



From: shayna hamner <shaybiz13@gmail.com>
Sent: Wednesday, February 11, 2026 12:09 PM
To: Voight, Tabatha (NV Energy) <Tabatha.Voight@nvenergy.com>
Subject: [INTERNET] Picture of fixed pole..

THIS MESSAGE IS FROM AN EXTERNAL SENDER.

Look closely at the **SENDER** address. Do not open **ATTACHMENTS** unless expected. Check for **INDICATORS** of phishing. Hover over **LINKS** before clicking. [Learn to spot a phishing message](#)





Picture of fixed pole..

Voight, Tabatha (NV Energy) <Tabatha.Voight@nvenergy.com>
To: shayna hamner <shaybiz13@gmail.com>

Wed, Feb 18, 2026 at 7:38 AM

Good morning,

I will follow up with survey today.

I was out Monday and Tuesday with being sick.



Picture of fixed pole..

Voight, Tabatha (NV Energy) <Tabatha.Voight@nvenergy.com>
To: shayna hamner <shaybiz13@gmail.com>

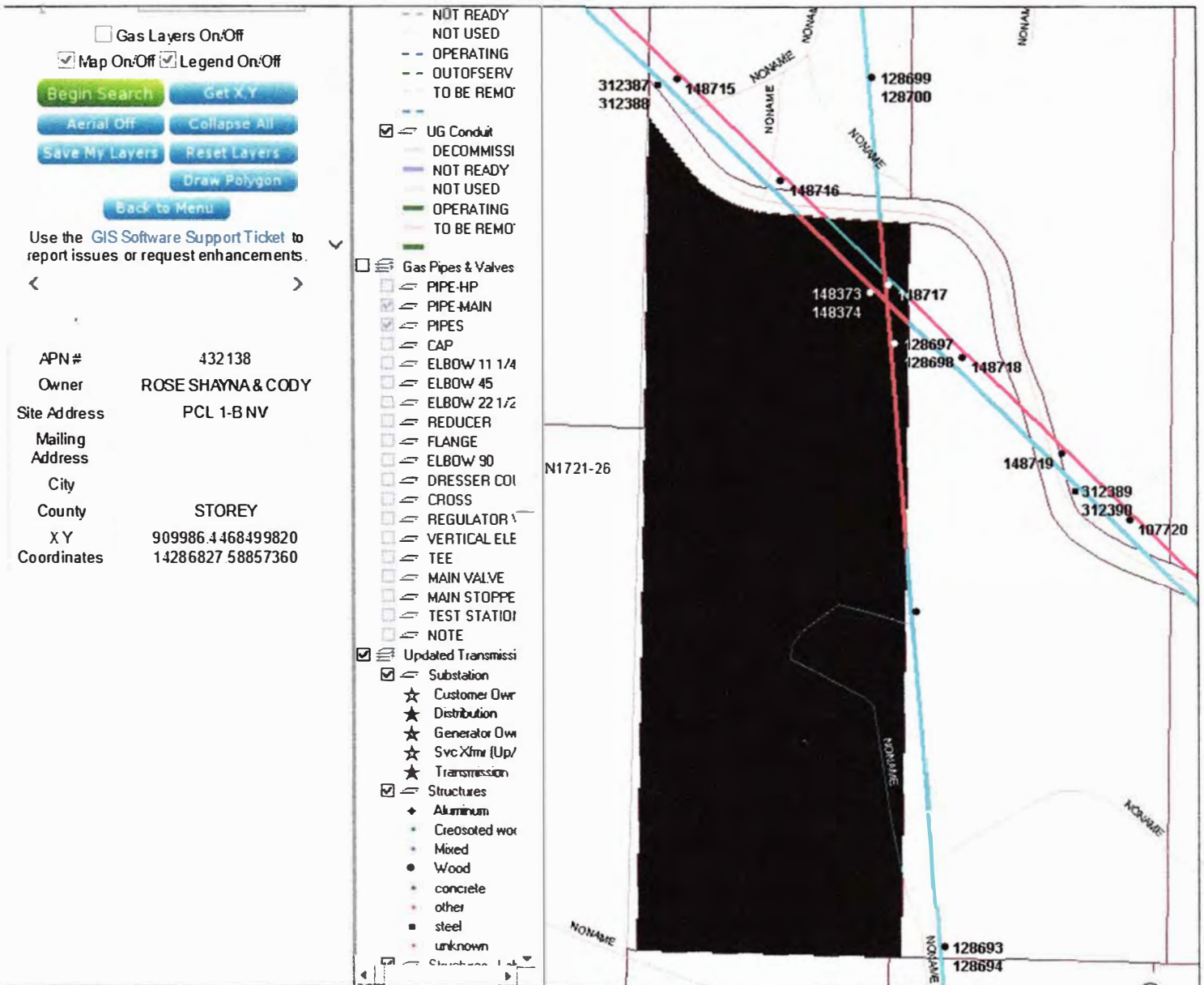
Thu, Feb 19, 2026 at 1:03 PM

Hello,

Here are the 2 documents that I had checked by our survey team.

These are for the transmission lines going vertical and horizontal through your property.

Hope these help and good luck to you 😊



2 attachments

302510.pdf
 138K

114808.pdf
 467K

THIS INDENTURE made this First day of March 1917, by and between The Chicago-Nevada Gold Mining Co., a corporation organized under the laws of the State of Nevada party of the first part, and TRUCKEE RIVER GENERAL ELECTRIC COMPANY, a corporation organized and existing under and by virtue of the laws of the State of California, party of the second part,

W I T N E S S E T H:

That the party of the first part for and in consideration of the sum of Fifty Dollars to it in hand paid by the party of the second part, the receipt whereof is hereby acknowledged, does by these presents grant unto the party of the second part a right of way for an electric line of a uniform width of twenty-five (25) feet on each side of the line hereinafter described, with the right and privilege of erecting, constructing, reconstructing, maintaining and using upon said right of way for the transmission and distribution of electricity, and for any and all purposes connected therewith, such structures, apparatus and appliances of whatsoever nature as may be deemed necessary, convenient or desirable by the party of the second part for the operation or improvement of the service for which said electric line is used or intended, which said right of way shall be upon all land of the party of the first part, twenty-five (25) feet on each side of said line hereinafter described and its extension across adjacent lands whether said line is upon the land of the party of the first part or elsewhere; together with the right to enter upon all adjoining lands owned by the party of the first part when necessary or desirable for the purpose of convenient access to and egress from

said right of way, which right shall be construed as a covenant running with such adjoining lands now owned by the party of the first part; also the right to cut, trim and remove all trees and brush upon said right of way whenever considered by the party of the second part necessary for the complete enjoyment of the aforesaid rights, which trees and brush shall, when cut, be the property of the party of the first part; also the right to remove, displace or use such stone, earth or other material upon said right of way as may be deemed by the party of the second part necessary or useful for the complete enjoyment of said rights.

The center line of said right of way is situated in the County of Storey, State of Nevada, and is described as follows:

Beginning on the Eastern boundary of the SW/4 of the NE/4 of Section 25, T. 17 N. R. 21 E., M.D.B & M. said point being 2240 feet more or less South of the line between Sections 25 & 24, and running thence N. 79° 54-1/2' W. 2240 feet more or less; thence N. 47° 23' W. 3000 feet more or less, a total distance of 5240 feet more or less to a point on the Northern boundary to Section 26, which point is 440 feet more or less West of the section corner common to Sections 23, 24, 25 & 26.

The party of the first part reserves the right to use so much of said rights of way hereby granted as may not be used, or interfere with the use thereof, by the party of the second part, and, provided further, that if it should become necessary in the operation of the business of the party of the first part for it to use said rights of way in such manner as to interfere with or prevent the use thereof by the party of the second part, then and in that event, said party of the first part will, before interfering with the rights of the party of the second part and without charge therefor, provide, furnish and grant unto the said party of the second part, sufficient, suitable and convenient rights of way for the purposes herein mentioned and

for which the rights of way are hereby granted.

TO HAVE AND TO HOLD said right of way with the appurtenances and rights aforesaid unto the party of the second part, its successors and assigns forever.

IN WITNESS WHEREOF, the party of the first part has hereunto subscribed its corporate name and affixed its

official seal this First day of March 1917.

In the presence of
David W. Hall

Attest

James H. Wilson
Secretary

The Chicago-Nevada Gold Mining Co
By James H. Wilson
President

After Recorration - Return To:
 Sierras Pacific Power Company
 Right of Way Dept.
 P. O. Box 10100
 Reno, NV 89520

CONSENT TO COMMON USE AGREEMENT

C30-17655

NO TAX DUE EASEMENT

THIS AGREEMENT, made and entered into this 15 day of September, 1985, by and between SIERRA PACIFIC POWER COMPANY, a Nevada corporation, hereinafter called "Sierra" and AMERICAN EAGLE MINING CO., hereinafter called "Eagle".

WITNESSETH:

WHEREAS! Sierra is the owner and holder of a certain easement and right-of-way upon which it now operates and maintains electric power transmission facilities, in the County of Storey, State of Nevada, more particularly described in that certain Bureau of Land Management 120 kV Transmission Line Permit No. 59133, further described below;

A portion of the West 1/2 of the NW 1/4 of Section 25, Township 17 North, Range 21 East, and West 1/2 of the West 1/2 of Section 24, Township 17 North, Range 21 East, M.D.B.&M., Storey County, Nevada.

NOW, THEREFORE, in consideration of the sum of TEN AND 00/100 DOLLARS (\$10.00), receipt of which is hereby acknowledged, together with the mutual covenants and conditions herein contained, the parties agree as follows:

1. Eagle desires to utilize a portion of Sierra's easement, more particularly described above, for the purpose of conducting mining operations within the 80 foot wide 120 kV transmission line easement, hereinafter referred to as the "Easement". All activity conducted within the right-of-way Easement, especially the use of mechanical mining equipment, trucks, loaders, or any other equipment, in proximity to Sierra Pacific Power's structures, conduits, down guy wiring or other appurtenances, shall comply with all Occupational Safety and Health Administration (OSHA) and National Electrical Safety Code (NESC) requirements and any other Federal or State Safety requirements.

2. Subject to and upon the terms and conditions herein contain&, Sierra does hereby consent to the common use of the Easement. This consent is given only to the extent that Sierra has the right to give the same and shall not be construed as the consent of the owner of record of the underlying real property.

3. Eagle acknowledges Sierra's title to the Easement in the area of common use and the priority of Sierra's title over the title of Eagle therein. Sierra has and reserves the right to use the area of common use for all of the purposes for which the Easement was acquired.

4. Eagle shall not make or permit any use of the Easement which interferes with the access, safe operation or maintenance of the power lines which have been constructed thereon or will hereinafter be constructed thereon pursuant to the terms of the Easement.

COMPARED

1

INDEXED

BOOK 106 PAGE 476

5. Sierra assumes no liability or responsibility by reason of use or occupancy of the Easement by those acting by or through Eagle.

6. Eagle shall indemnify and hold harmless Sierra, its directors, officers and employees from and against any and all actions, suits, causes of action, costs, claims, demands, expenses, loss or liability for any injury to or death of any persons, or damage to any property, including Sierra's, arising out of or in any way connected with the common use or **occupance** of the Easement.

7. Eagle shall conform to plans to be submitted to Sierra for review and written approval prior to commencement of work. Eagle shall provide Sierra with an "as built" drawing(s) upon completion of the work, should there be any deviation in location from that as shown by Eagle's **original plan(s)**.

8. No equipment of any kind shall be used or permitted within such proximity to the conductors of Sierra's power lines or substation facilities so as to be in violation of the safe working clearances prescribed by **OSHA** or the NESC, and any other Federal or State Safety requirements.

9. Eagle or those acting by or through Eagle must regard all powerlines on the Easement as being energized at all times.

10. Eagle will reimburse Sierra promptly, upon proper billing, for all costs which Sierra may incur in the nature of increased access, maintenance, or operation costs arising out of or caused by the use by Eagle of the Easement.

11. Sierra may terminate this Agreement upon the expiration of thirty (30) days after written notice of breach of this Agreement has been delivered to Eagle, if such breach has not been cured within such time. In the event of any such termination, Sierra shall have the right to rearrange, rebuild, relocate or remove Eagle's facilities or installation on or from the Easement as required at Eagle's cost and expense, if Eagle does not do so promptly upon request.

12. Eagle shall contact Sierra in case of hazard to Sierra's facilities.

13. This Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

14. The grant of common use shall not be appurtenant to the land, but shall exist solely in favor of Eagle and may not be assigned or transferred without the prior written consent of Sierra.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate by their respective officials thereunto duly authorized.

AMERICAN EAGLE MINING CO.

By: James E. McKay

Print Name: JAMES E. MCKAY

Title: BUSINESS MGR. & DIRECTOR

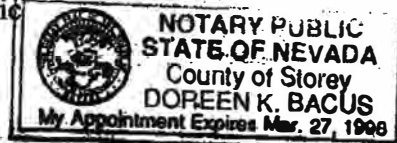
SIERRA PACIFIC POWER COMPANY

By: Robert J. Edwards
ROBERT J. EDWARDS, Manager
 Right-of-Way/Real Property Dept.

STATE OF Nevada)
 COUNTY OF Storey)

This instrument was acknowledged before me on Sept. 11, 1995
 by James E. McKay as BUSINESS MGR. & DIRECTOR
 of AMERICAN EAGLE MINING CO.

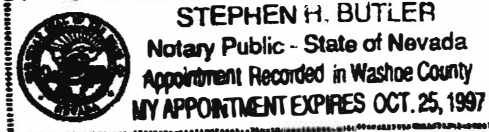
Doreen Bacus
 Notary Public



STATE OF NEVADA)
 COUNTY OF WASHOE)

This instrument was acknowledged before me on September 15, 1995
 by ROBERT J. EDWARDS, Manager, Right-of-Way/Real Property Dept. of SIERRA
 PACIFIC POWER COMPANY.

Stephen H. Butler
 Notary Public



ameagle.agr

FILED FOR RECORDING
AT THE REQUEST OF

Sierra Pacific Power Co

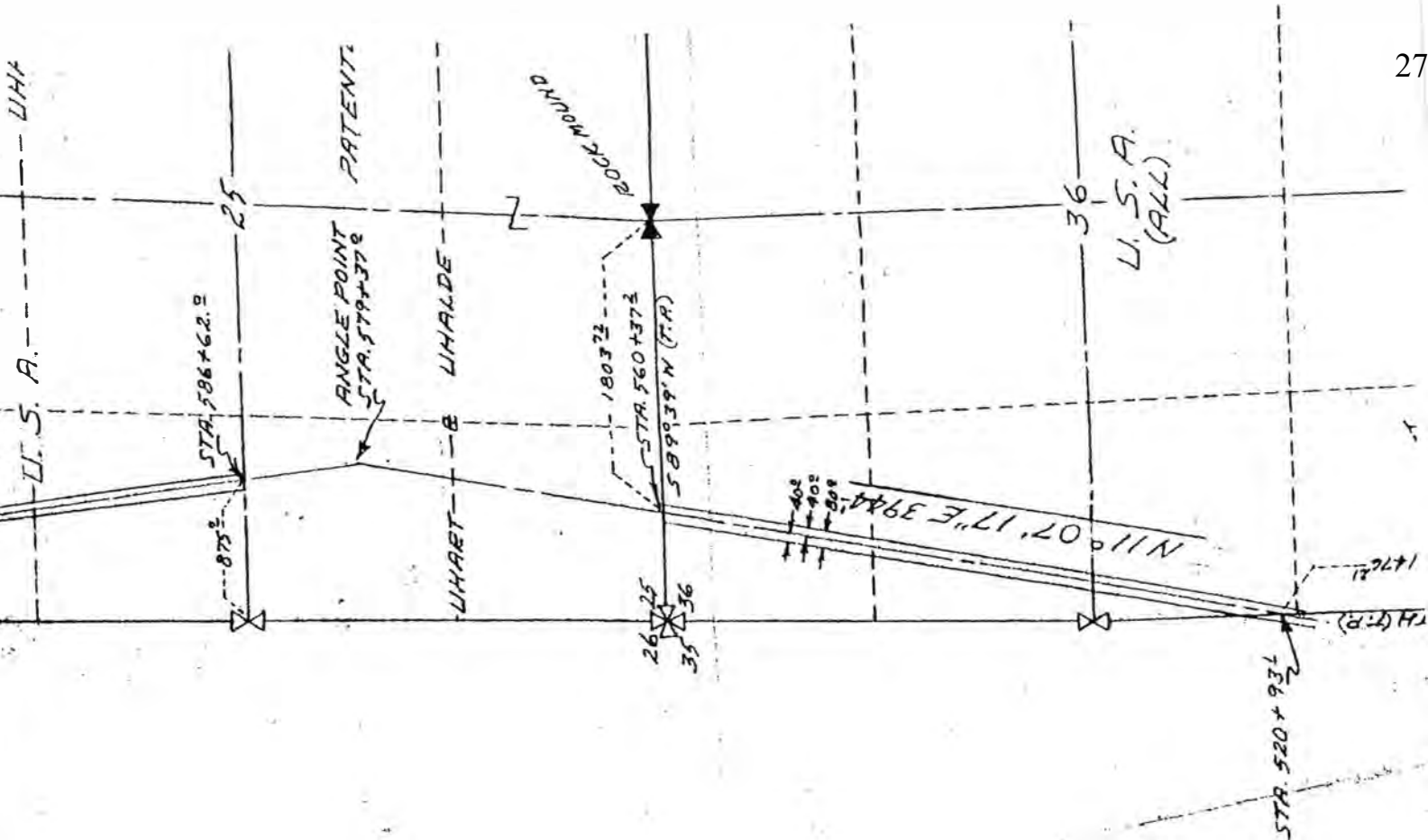
'95 OCT 10 P1:06

076646

FILE NO. _____
MARGARET LOWTHER
STOREY COUNTY RECORDER

✓ 10⁰⁰ FEE DEP. ✓

4
BOOK 106 PAGE 479





Picture of fixed pole..

shayna hamner <shaybiz13@gmail.com>

Thu, Feb 19, 2026 at 2:01 PM

To: "Voight, Tabatha (NV Energy)" <Tabatha.Voight@nvenergy.com>

Thank you so much for the info. I will present these at the meeting. Is there any printed information that your Company, NV Energy, has regarding the use of the utility access roads? Any documents that state mine my neighbors rights to use these roads and how they should be treated?

Picture of fixed pole..

Voight, Tabatha (NV Energy) <Tabatha.Voight@nvenergy.com>

Fri, Feb 20 at 10:15 AM

To: shayna hamner <shaybiz13@gmail.com>

Good morning,

We don't have a standard as to if a gate is up and we need to access. Typically for us we would just remove the lock placed and include one of our locks if needed.

We use the recorded easements to prove that we have right of way. If the neighbors have blocked you from access unfortunately you will need to work that out with them and Storey Co.

I am sorry I don't have a better answer and it seems that you are working overtime to get this resolved.

Best of luck and hope this gets resolved for you.

[Quoted text hidden]

Picture of fixed pole..

shayna hamner <shaybiz13@gmail.com>

Fri, Feb 20 at 1:46 PM

To: Voight, Tabatha (NV Energy) <Tabatha.Voight@nvenergy.com>

Thank you, I understand. What about in the situation shown where the road, your utility access easement has been altered? Will there be any recourse on behalf of NV Energy to property owners then?

As all the documents on record I have seen say access to successors, heirs etc. forever. If NV Energy doesn't maintain their own roads, why would these easement agreements stand? If you do need compliance on the road easement will you reach out to those whom have altered the easement(s)?

Sincerely,
Shayna Rose
[Quoted text hidden]

Picture of fixed pole..

Voight, Tabatha (NV Energy) <Tabatha.Voight@nvenergy.com>

Mon, Feb 23 at 9:29 AM

To: shayna hamner <shaybiz13@gmail.com>

Good morning,

At this time there will not be any recourse. If we need to access that area, we will cut any locks/ chains or move obstacles that prevent us from accessing.

[Quoted text hidden]



John

Text Message • RCS
Sat, Feb 7 at 9:18 AM

John,
This is Shayna Rose, from Storey County parcel # 38. Can we get together this next week or the week after to put on paper mutual surveyed property line and your solution regarding pad locked gate for access to our property? Please send back to me or Cody date and time to do this. Cody suggested we could take you and your wife to dinner to do this. Does this work for you? Either way, I am obligated to speak at the Storey County Commissioner's meeting the first of every month until my easements issue is resolved for access to our property. Thank you for helping us.

Read 2/7/26

Wed, Feb 11 at 9:05 AM

I won't be unlocking or removing my gate for anyone to have access on my Private property.



< 162



John

obligated to speak at the Storey County Commissioner's meeting the first of every month until my easements issue is resolved for access to our property. Thank you for helping us.

Read 2/7/26

Wed, Feb 11 at 9:05 AM

I won't be unlocking or removing my gate for anyone to have access on my Private property. My property is clearly posted no trespassing which means you and Cody are not allowed on my property.

Your property is not landlocked you have a large frontage on 6 Mile canyon road which gives you easy access to your property.

The easement on the top of my property is a utility easement for NV energy and is not a public access easement. I've already given NV energy Access through that gate when they did the repair on the power pole.



03-03-26

Trevor D. Underhill and Cameo D. McNeil
165 Jumping Frog Cir.
Dayton, NV.
89403

Mr. and Mrs. Shayna and Cody Rose
28 Smoke Tree Lane
Yerington, NV.
89447

Mr. Underhill and Ms. McNeil,

Hello this is parcel number 004-321-38, near your property in Storey County. Do you realize you may have altered an indentured service road for NV Energy? I have attached two different common use agreements for all parcels in section 25 and Manoukian parcels. These are documented agreements from Storey County Recorder's office. We own property 004-321-38. You are property 44, there is a dirt pile and barbed wire fence where there was once a road. Could you please take down your fence and dirt pile? We will wait for your response with the reasonable time frame of 30 days. This road is indentured to all parcels in section 25 and Manoukian parcels, and it is our way onto our property until we build our own road. We noticed we were blocked from out property since last April 2025. I have had correspondence with, Right Of Way Agent, Tabatha Voight of Nv Energy. Here is her office number, 775-834-3497. Please don not alter the common use easements.

Sincerely,
Shayna and Cody Rose

03-03-26

Mr. Aaron Kravik
3983 South McCarran Blvd.
#619
Reno, NV.
89502

Mr. and Mrs. Shayna and Cody Rose
28 Smoke Tree Lane
Yerington, NV.
89447

Mr. Kravik,

Hello this is parcel number 004-321-38, near your property in Storey County. Do you realize you may have altered an indentured service road for NV Energy? I attached two different common use agreements for all parcels in section 25 and Manoukian parcels in the first certified letter to you. These are documented agreements from Storey County Recorder's office. We own property 004-321-38. You are property 42, there is a dirt pile and barbed wire fence where there was once a road. Could you please take down your fence and dirt pile? This is our second letter to you regarding easements. We will wait for your response with the reasonable time frame of 30 days. This road is indentured to all parcels in section 25, and it is our way onto our property until we build our own road. We noticed we were blocked from out property since last April 2025. I have had correspondence with, Right Of Way Agent, Tabatha Voight of NV Energy. Here is her office number, 775-834-3497. Please do not alter the common use easements.

Sincerely,
Shayna and Cody Rose



	Board of Storey County Commissioners Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 0-5	
Agenda Item Type: Consent Agenda		

- **Title:** For possible action, approval of business license first readings:
- A. ABC Supply Interiors, Inc. – Out of County / 3 ABC Pkwy ~ Beloit, WI
- B. All Phase Electric, LLC – Contractor / 76 Glen Carran Circle ~ Sparks, NV
- C. Amy Farnes – Home Based / 21575 Sazarac Rd. ~ Reno, NV
- D. Battle Born Blasting LLC – Out of County / 2190 Mammatus Dr. ~ Sparks, NV
- E. Bawarchi Indian Cuisine – Out of County / 5245 Vista Blvd. F-1 ~ Sparks, NV
- F. Clover Cleaners LLC – Home Based / 2045 Applegate Rd. ~ Reno, NV
- G. Mobile Medical Corporation – Out of County / 2413 Lytle Rd. ~ Bethel Park, PA
- H. Pillulles Tacos Los Famosos 1 – Food Truck / 2100 Victorian Ave. ~ Sparks, NV
- I. R-2 Contractors, Inc. – Contractor / 4100 SW Empire Rd. ~ Prineville, OR
- J. WEDCO – Out of County / 2400 38th St. S ~ Fargo, ND
- **Recommended motion:** None required (if approved as part of the Consent Agenda) I move to approve all first readings (if removed from consent agenda by request).
- **Prepared by:** Ashley Mead

Department: Community Development

Contact Number: 775-847-0966

- **Staff Summary:** First readings of submitted business license applications are normally approved on the consent agenda. The applications are then submitted at the next Commissioner's meeting for approval.
- **Supporting Materials:** See Attachments
- **Fiscal Impact:**
- **Legal review required:** False
- **Reviewed by:**

_____ Department Head

Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved	☐ Approved with Modification
☐ Denied	☐ Continued

Storey County Community Development



110 Toll Road ~ Gold Hill Divide
P O Box 526 ~ Virginia City NV 89440

(775) 847-0966 ~ Fax (775) 847-0935
CommunityDevelopment@storeycounty.org

To: Jim Hindle, Clerk's office
Austin Osborne, County Manager

April 13, 2026
Via Email

Fr: Ashley Mead

Please add the following item(s) to the **April 21, 2026**

COMMISSIONERS Consent Agenda:

FIRST READINGS:

- A. ABC Supply Interiors, Inc.** – Out of County / 3 ABC Pkwy ~ Beloit, WI
- B. All Phase Electric, LLC** – Contractor / 76 Glen Carran Circle ~ Sparks, NV
- C. Amy Farnes** – Home Based / 21575 Sazarac Rd. ~ Reno, NV
- D. Battle Born Blasting LLC** – Out of County / 2190 Mammatus Dr. ~ Sparks, NV
- E. Bawarchi Indian Cuisine** – Out of County / 5245 Vista Blvd. F-1 ~ Sparks, NV
- F. Clover Cleaners LLC** – Home Based / 2045 Applegate Rd. ~ Reno, NV
- G. Mobile Medical Corporation** – Out of County / 2413 Lytle Rd. ~ Bethel Park, PA
- H. Pillulles Tacos Los Famosos 1** – Food Truck / 2100 Victorian Ave. ~ Sparks, NV
- I. R-2 Contractors, Inc.** – Contractor / 4100 SW Empire Rd. ~ Prineville, OR
- J. WEDCO** – Out of County / 2400 38th St. S ~ Fargo, ND

Ec: Community Development
Commissioner's Office

Planning Department
Comptroller's Office

Sheriff's Office

	Board of Storey County Commissioners Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 5 minutes	
Agenda Item Type: Consent Agenda		

- **Title:** JC QUARTERLY REPORT
- **Recommended motion:** APPROVE
- **Prepared by:** EILEEN HERRINGTON

Department: Justice Court

Contact Number: 775-847-0962

- **Staff Summary:** JC QUARTERLY REPORT
- **Supporting Materials:** See Attachments
- **Fiscal Impact:**
- **Legal review required:** False
- **Reviewed by:**

_____ Department Head

Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved	☐ Approved with Modification
☐ Denied	☐ Continued

Virginia Township Justice Court ~ Storey County, Nevada

800 South C Street – PO Box 674
Virginia City, Nevada 89440

775-847-0962 Facsimile: 775-847-0915
www.storeycounty.org

2026 APR -1 PM 3: 23

STOREY COUNTY CLERK

BY

DEPUTY

April 1, 2026

QUARTERLY REPORT

Pursuant to NRS 4.100, attached please find End of Period Listing Reports for January, February, and March, 2026.

I, E.F. Herrington, Sr. Justice of the Peace, State of Nevada, do hereby certify that to the best of my knowledge and belief, the attached information is a full, true, and correct statement of NRS 4.100.

E.F. Herrington, Sr. Justice of the Peace

Subscribed and sworn before me

This 1 day of April, 2026
Lori Trowbridge
Justice Court Clerk



Disbursed Total

EOM JANUARY 2026

Account	Payee Name	Check Number	Check Status Code	Disbursed Amount	Number of Cases
1F AA FEE - JUSTICE/187-000-35104	VIRGINIA TOWNSHIP JUSTICE COURT	N/A	N/A	1,356.00	176
1F AA FEE - JUVENILE 001-000-35103	STOREY COUNTY TREASURER	N/A	N/A	386.00	176
1F AA FEE - STATE (GENERAL) 170-000-35114	NEVADA STATE CONTROLLER	N/A	N/A	12,783.00	189
1F AA FEE - GENETIC MARKER ANALYSIS 180-000-35101	STOREY COUNTY TREASURER	N/A	N/A	616.00	182
1F BLACKJACK FEES/187-35126-000	VIRGINIA TOWNSHIP JUSTICE COURT	N/A	N/A	1,375.00	27
1F BOND PROCESSING FEE - COUNTY/001-000-34204	STOREY COUNTY TREASURER	N/A	N/A	56.25	3
1F CIVIL FEES/001-000-34204	STOREY COUNTY TREASURER	N/A	N/A	75.00	2
1F CIVIL FEES - COURT ACCOUNT/187-000-35125	VIRGINIA TOWNSHIP JUSTICE COURT	N/A	N/A	829.12	5
1F CHEMICAL ANALYSIS FEE/001-000-35101	STOREY COUNTY TREASURER	N/A	N/A	190.00	4
1F COPY FEES/001-000-34204	STOREY COUNTY TREASURER	N/A	N/A	3.38	0
1F FINE - COUNTY/001-000-35109	STOREY COUNTY TREASURER	N/A	N/A	29,187.00	180
1F COURT FACILITY FEE/187-000-35111	VIRGINIA TOWNSHIP JUSTICE COURT	N/A	N/A	2,060.00	186
1F OVERPAYMENTS TO COUNTY/001-000-35109	STOREY COUNTY TREASURER	N/A	N/A	30.00	4
1F RECORDS SEARCH/001-000-34204	STOREY COUNTY TREASURER	N/A	N/A	2,352.75	0
1F SPECIALTY COURT FEE (MISD)/170-000-34217	NEVADA STATE CONTROLLER	N/A	N/A	1,449.00	181
1F STATE PERMANENT SCHOOL FINE/FORF/001-35116-000	NEVADA STATE TREASURER	N/A	N/A	7,225.00	74
1F CENSUS FEE/170-000-34201	STOREY COUNTY TREASURER	N/A	N/A	2.00	2
1F BOND FILING FEE VICTIM OF CRIMES/170-000-35108	NEVADA STATE CONTROLLER	N/A	N/A	75.00	3
60,050.50					

*** End of Report ***

EOM February 2026

Disbursed Total

Account	Payee Name	Check Number	Check Status Code	Disbursed Amount	Number of Cases
1F AA FEE - JUSTICE/187-000-35104	VIRGINIA TOWNSHIP JUSTICE COURT	N/A	N/A	1,605.00	210
1F AA FEE - JUVENILE 001-000-35103	STOREY COUNTY TREASURER	N/A	N/A	460.00	210
1F AA FEE - STATE (GENERAL)	NEVADA STATE CONTROLLER	N/A	N/A	14,653.33	217
170-000-35114	STOREY COUNTY TREASURER	N/A	N/A	681.00	202
1F AA FEE - GENETIC MARKER	VIRGINIA TOWNSHIP JUSTICE COURT	N/A	N/A	2,730.00	43
ANALYSIS 180-000-35101	STOREY COUNTY TREASURER	N/A	N/A	187.50	10
1F BLACKJACK FEES/187-35126-000	STOREY COUNTY TREASURER	N/A	N/A	37.50	1
1F BOND PROCESSING FEE - COUNTY/001-000-34204	VIRGINIA TOWNSHIP JUSTICE COURT	N/A	N/A	1,510.12	11
1F CIVIL FEES/001-000-34204	STOREY COUNTY TREASURER	N/A	N/A	350.00	6
1F CIVIL FEES - COURT	STOREY COUNTY TREASURER	N/A	N/A	3.38	0
ACCOUNT/187-000-35125	NEVADA STATE CONTROLLER	N/A	N/A	0.00	2
1F CHEMICAL ANALYSIS	STOREY COUNTY TREASURER	N/A	N/A	33,630.75	174
FEE/001-000-35101	VIRGINIA TOWNSHIP JUSTICE COURT	N/A	N/A	2,300.00	211
1F COPY FEES/001-000-34204	STOREY COUNTY TREASURER	N/A	N/A	32.00	4
1F FINE - STATE OF NEVADA/(NHP)	STOREY COUNTY TREASURER	N/A	N/A	4,302.00	0
170-000-34214	NEVADA STATE CONTROLLER	N/A	N/A	1,599.00	204
1F FINE - COUNTY/001-000-35109	NEVADA STATE TREASURER	N/A	N/A	10,915.00	99
1F COURT FACILITY FEE/187-000-35111	STOREY COUNTY TREASURER	N/A	N/A	2.00	1
1F OVERPAYMENTS TO COUNTY/001-000-35109	NEVADA STATE CONTROLLER	N/A	N/A	250.00	10
1F RECORDS SEARCH/001-000-34204	STOREY COUNTY TREASURER	N/A	N/A		
1F SPECIALTY COURT FEE (MISD)/170-000-34217	NEVADA STATE CONTROLLER	N/A	N/A		
1F STATE PERMANENT SCHOOL FINE/FORE/001-35116-000	NEVADA STATE TREASURER	N/A	N/A		
1F CENSUS FEE/170-000-34201	STOREY COUNTY TREASURER	N/A	N/A		
1F BOND FILING FEE VICTIM OF CRIMES/170-000-35108	NEVADA STATE CONTROLLER	N/A	N/A		

75,248.58

*** End of Report ***

EOM MARCH 2026

Disbursed Total

Account	Payee Name	Check Number	Check Status Code	Disbursed Amount	Number of Cases
1F AA FEE - JUSTICE/187-000-35104	VIRGINIA TOWNSHIP JUSTICE COURT	N/A	N/A	2,163.00	267
1F AA FEE - JUVENILE 001-000-35103	STOREY COUNTY TREASURER	N/A	N/A	618.00	267
1F AA FEE - STATE (GENERAL) 170-000-35114	NEVADA STATE CONTROLLER	N/A	N/A	19,119.00	276
1F AA FEE - GENETIC MARKER ANALYSIS 180-000-35101	STOREY COUNTY TREASURER	N/A	N/A	930.00	267
1F BLACKJACK FEES/187-35126-000	VIRGINIA TOWNSHIP JUSTICE COURT	N/A	N/A	2,406.00	40
1F BOND PROCESSING FEE - COUNTY/001-000-34204	STOREY COUNTY TREASURER	N/A	N/A	131.25	6
1F CIVIL FEES - COURT ACCOUNT/187-000-35125	VIRGINIA TOWNSHIP JUSTICE COURT	N/A	N/A	2,327.50	7
1F CHEMICAL ANALYSIS FEE/001-000-35101	STOREY COUNTY TREASURER	N/A	N/A	120.00	2
1F FINE - COUNTY/001-000-35109	STOREY COUNTY TREASURER	N/A	N/A	39,640.00	223
1F COURT FACILITY FEE/187-000-35111	VIRGINIA TOWNSHIP JUSTICE COURT	N/A	N/A	3,030.00	270
1F OVERPAYMENTS TO COUNTY/001-000-35109	STOREY COUNTY TREASURER	N/A	N/A	25.00	5
1F RECORDS SEARCH/001-000-34204	STOREY COUNTY TREASURER	N/A	N/A	6,787.50	0
1F SPECIALTY COURT FEE (MISD)/170-000-34217	NEVADA STATE CONTROLLER	N/A	N/A	2,140.00	267
1F SMALL CLAIMS FEES/001-000-34204	STOREY COUNTY TREASURER	N/A	N/A	63.75	1
1F STATE PERMANENT SCHOOL FINE/FORF/001-35116-000	NEVADA STATE TREASURER	N/A	N/A	12,991.00	113
1F CENSUS FEE/170-000-34201	STOREY COUNTY TREASURER	N/A	N/A	1.00	1
1F BOND FILING FEE VICTIM OF CRIMES/170-000-35108	NEVADA STATE CONTROLLER	N/A	N/A	175.00	6

*** End of Report ***

	Board of Storey County Commissioners Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 0	
Agenda Item Type: Consent Agenda		

- **Title:** Consideration and possible approval of the new Information Technology Policy, 400.013 Multi-Factor Authentication Policy.
- **Recommended motion:** I (commissioner) move to approve the Information Technology Policy, 400.013 Multi-Factor Authentication Policy, effective 04/21/2026.
- **Prepared by:** Lisa Maciel

Department: Commissioners

Contact Number: 775-847-0968

- **Staff Summary:** The purpose of this policy is to safeguard Storey County's digital infrastructure, sensitive data, and resident information. Passwords alone are no longer sufficient to protect against unauthorized access. It aligns with modern cybersecurity standards (like National Institute of Standards and Technology/Criminal Justice Information Services (NIST/CJIS)) while specifically adhering to your requirements for allowed methods. This policy mandates the use of Multi-Factor Authentication (MFA) to provide an additional layer of security.
- **Supporting Materials:** See Attachments
- **Fiscal Impact:**
- **Legal review required:** False
- **Reviewed by:**

____ Department Head

Department Name:

____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved	☐ Approved with Modification
☐ Denied	☐ Continued

**STOREY COUNTY ADMINISTRATIVE
POLICIES AND PROCEDURES**
NUMBER: 400.013
EFFECTIVE DATE: 04/21/2026
REVISED:
AUTHORITY: BOCC
COUNTY MANAGER: AO
SUBJECT: MULTI-FACTOR AUTHENTICATION POLICY

I. Purpose:

The purpose of this policy is to safeguard Storey County's digital infrastructure, sensitive data, and resident information. Passwords alone are no longer sufficient to protect against unauthorized access. It aligns with modern cybersecurity standards (like National Institute of Standards and Technology/Criminal Justice Information Services (NIST/CJIS)) while specifically adhering to your requirements for allowed methods. This policy mandates the use of Multi-Factor Authentication (MFA) to provide an additional layer of security.

II. Scope:

This policy applies to all individuals who access Storey County information systems, including:

1. Full-time, part-time, and seasonal employees.
2. Elected and appointed officials.
3. Contractors, consultants, and third-party vendors.
4. Volunteers and interns.

III. Policy Statement:

Effective immediately, all users are required to use Multi-Factor Authentication to access Storey County networks, email (Microsoft 365), Virtual Private Networks (VPNs), and any internal or cloud-based applications containing sensitive data.

IV. Authorized MFA Methods:

To ensure accessibility and security, Storey County IT permits only the following three methods for identity verification:

Method	Description	Usage Note
Microsoft Authenticator App	A mobile application that provides a push notification or a 6-digit rolling code.	Preferred Method. Recommended for all users with a smartphone.
Text Message (SMS)	A one-time passcode (OTP) sent via Short Message Service (SMS) to a registered mobile device.	Secondary option for users without the app.
Storey County IT Token	A physical hardware device that generates a time-based code.	Issued to users without mobile devices or those working in secure areas.

V. User Responsibilities:

1. Enforcement: Users must not attempt to bypass or disable MFA.
2. Device Security: Users utilizing personal or county-issued mobile devices for MFA must maintain a lock screen (PIN, pattern, or biometrics) on that device.
3. Lost/Stolen Factors: If a hardware token is lost, or if a mobile device used for MFA is stolen, the user must notify Storey County IT Help Desk within one (1) hour of discovery to revoke the credentials.
4. Suspicious Activity: Users must never approve an MFA prompt they did not initiate. Any unsolicited prompts must be reported to IT as a potential security incident.

VI. Procurement of Hardware Tokens:

Hardware tokens are the property of Storey County.

1. Tokens will be issued by the IT Department upon request or based on job requirements.
2. Lost hardware tokens may be subject to a replacement fee at the discretion of the County Manager.

VII. Compliance and Enforcement:

Failure to comply with this policy may result in the immediate suspension of network access. Unauthorized attempts to circumvent MFA are considered a violation of the Acceptable Use Policy and may lead to disciplinary action, up to and including termination.

VIII. Responsibility for Review: The IT Director will review this policy every 5 years, or more frequently is necessary.

	Board of Storey County Commissioners Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 10 minutes	
Agenda Item Type: Discussion/Possible Action		

- **Title:** Discussion and Possible Action: Consideration and possible action to execute the settlement participation form regarding the six remnant opioid defendants, referred to as the "Remnant Defendants Settlement." The settlement gross and net allocation to Storey County is \$804.24.
- **Recommended motion:** I, Commissioner ____, move to approve Storey County's participation in the six remnant opioid defendants settlement, referred to as the "Remnant Defendants Settlement," with a settlement in the amount of gross and net allocation of \$804.94 to Storey County.
- **Prepared by:** Anne Langer

Department: District Attorney

Contact Number: (775) 847-0964

- **Staff Summary:** A national settlement has recently been noticed to participating Counties Nationwide involving six remnant opioid defendants, referred to as the "Remnant Defendants Settlement," including (1) Associated Pharmacies, Inc. and American Associated Pharmacies, (2) JM Smith Co., (3) Louisiana Wholesale Drug Company, Inc., (4) Morris and Dickson, (5) N. Carolina Wholesale Drug Company, Inc., and (6) UNFI/SuperValu. Nevada's share of the settlement is \$1,134,430.04, with a further breakdown by share for each signatory/participant to the One Nevada Agreement. A settlement share to Storey County is estimated in the amount of gross and net allocation of \$804.94 upon the completion of the Participation form.
- **Supporting Materials:** See Attachments
- **Fiscal Impact:**
- **Legal review required:** False
- **Reviewed by:**

____ Department Head

Department Name:

____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved	☐ Approved with Modification
☐ Denied	☐ Continued

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

IN RE: NATIONAL PRESCRIPTION
OPIATE LITIGATION

This Document Relates to:

ALL SUBDIVISION ACTIONS

MDL 2804

Case No. 1:17-md-2804

**SETTLEMENT AGREEMENT
AMONG PARTICIPATING
SUBDIVISIONS AND REMNANT
DEFENDANTS**

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Exhibit A – List of Actions

Exhibit B – Documents Describing Alleged Harms

Exhibit C – List of Litigating Subdivisions

Exhibit D – List of Opioid Remediation Uses

Exhibit E – Plan of Allocation

Exhibit F – List of Remnant Defendants’ Joint Ventures, Subsidiaries, Affiliates, and Predecessor Entities

Exhibit G – Subdivision Settlement Participation Form

Exhibit H – Agreement on Attorneys' Fees, Costs, and Expenses

This Settlement Agreement, including all exhibits or related agreements attached hereto or referenced herein (collectively, the “*Agreement*”), is dated February 23, 2026, by and between the Remnant Defendants and the Participating Subdivisions (as those terms are defined below). Upon satisfaction of the conditions set forth in Section IV.C. and Section IV.D., this Agreement will be binding on all Participating Subdivisions and Remnant Defendants. This Agreement will then be filed as part of a request for a Consent Judgment with the Court pursuant to the terms set forth in Section IV.E. This Agreement is intended by the Settling Parties to fully, finally, and forever resolve, discharge, and settle the Released Claims (as that term is defined herein), upon and subject to the terms and conditions herein.

I. Definitions

As used in this Agreement, the following terms have the meanings specified below:

- A. “*Action(s)*” means a lawsuit purportedly brought by or on behalf of any Litigating Subdivision against one or more Remnant Defendants coordinated under or parallel to MDL No. 2804, *In re: National Prescription Opiate Litigation*, No. 1:17-md-2804-DAP (N.D. Ohio) (hereinafter “*MDL No. 2804*”), in any court, including but not limited to, the actions listed in **Exhibit A**.
- B. “*Agreement*” means this agreement, as set forth above. For the avoidance of doubt, this Agreement is inclusive of all exhibits or related agreements attached hereto or referenced herein.
- C. “*Alleged Harms*” means the alleged past, present, and future financial, societal, and public nuisance harms and related expenditures arising out of the alleged misuse and abuse of Products, non-exclusive examples of which are described in the documents listed on **Exhibit B**, that have allegedly arisen as a result of the physical and bodily injuries sustained by individuals suffering from opioid-related addiction, abuse, death, and other related diseases and disorders, and that have allegedly been caused by the Released Entities.
- D. “*Allocated Amount*” means the portion of Opioid Remediation Funds that a Subdivision will receive pursuant to the Plan of Allocation if it becomes a Participating Subdivision.
- E. “*Attorneys’ Fees and Expenses*” means payment to plaintiffs’ counsel of attorneys’ fees and reimbursable costs and charges (including expert and consulting fees) and includes the common benefit obligations due under the MDL Court’s common benefit-related orders. Attorneys’ Fees and Expenses shall be paid from the Settlement Funds pursuant to the provisions of Section VI.B.1.c. and Section VIII. of this Agreement.
- F. “*Claim(s)*” means any past, present or future cause of action, claim for relief, cross-claim or counterclaim, theory of liability, demand, derivative claim, request, assessment, charge, covenant, damage, debt, lien, loss, penalty, judgment, right, obligation, dispute, suit, contract, controversy, agreement, *parens patriae* claim, promise, performance, warranty, omission, or grievance of any nature whatsoever,

whether legal, equitable, statutory, regulatory or administrative, whether arising under federal, state or local common law, statute, regulation, guidance, ordinance or principles of equity, whether filed or unfiled, whether asserted or unasserted, whether known or unknown, whether accrued or unaccrued, whether foreseen, unforeseen or unforeseeable, whether discovered or undiscovered, whether suspected or unsuspected, whether fixed or contingent, and whether existing or hereafter arising, in all such cases, including, but not limited to, any request for declaratory, injunctive, or equitable relief, compensatory, punitive, or statutory damages, absolute liability, strict liability, restitution, abatement, subrogation, contribution, indemnity, apportionment, disgorgement, reimbursement, attorney fees, expert fees, consultant fees, fines, penalties, expenses, costs or any other legal, equitable, civil, administrative, or regulatory remedy whatsoever.

- G. “*Claim-Over*” means a Claim asserted by a Non-Released Entity against a Released Entity on the basis of contribution, indemnity, or other claim-over on any theory relating to a Non-Party Covered Conduct Claim asserted by a Releasor.
- H. “*Compensatory Restitution Amount*” means the aggregate amount paid by the Remnant Defendants hereunder other than amounts paid as attorneys’ fees and costs or identified pursuant to Section VII.A.2. as being used to pay attorney’s fees, investigation costs or litigation costs. For purposes of Section VI. and Section X.V., each Remnant Defendant’s portion of the Compensatory Restitution Amount shall be the portion of the Opioid Remediation Fund equal to the portion of the Pooled Settlement Amount that the Remnant Defendant contributed.
- I. “*Consent Judgment*” means the judgment that the Settling Parties will mutually agree to and submit to the MDL Court for entry pursuant to Section IV.E.
- J. “*Covered Conduct*” means any actual or alleged act, failure to act, negligence, statement, error, omission, breach of any duty, conduct, event, transaction, agreement, misstatement, misleading statement or other activity of any kind whatsoever, occurring at any time up to and including the Effective Date (and any past, present, or future consequence of any such act, failure to act, negligence, statement, error, omission, breach of duty, conduct, event, transaction, agreement, misstatement, misleading statement or other activity, occurring at any time up to and including the Effective Date) arising from or relating to (1) compounding, counseling and documentation relating to any Product or class of Products; (2) the discovery, development, manufacture, packaging, repackaging, marketing, promotion, advertising, labeling, recall, withdrawal, distribution, delivery, monitoring, reporting, supply, sale, prescribing, dispensing, physical security, warehousing, use or abuse of, or operating procedures relating to, any Product, or any system, plan, policy or advocacy relating to any Product or class of Products, including, but not limited to, any unbranded promotion, marketing, programs, or campaigns relating to any Product or class of Products; (3) the characteristics, properties, risks, or benefits of any Product; (4) the reporting, disclosure, non-reporting or nondisclosure to federal, state or other regulators of orders placed by

or with any Released Entity; or (5) diversion control programs or suspicious order monitoring.

- K. “*Designated Subdivision*” means the Subdivision designated in writing by Plaintiffs’ Settlement Counsel to undertake the acts and obligations provided for in Section X.V.
- L. “*Effective Date*” means the date that the Consent Judgment entered by the MDL Court pursuant to Section IV.E. becomes a Final Judgment.
- M. “*Final Judgment*” means the Consent Judgment when it has become final and non-appealable. The Consent Judgment shall be deemed to be the Final Judgment on (a) the day following the expiration of the deadline for appealing the entry by the MDL Court of the Consent Judgment (or for appealing any ruling on a timely motion for reconsideration of such Consent Judgment, whichever is later), if no such appeal is filed; or (b) if an appeal of the Consent Judgment is filed (i) the date upon which all appellate courts with jurisdiction (including the United States Supreme Court by petition for certiorari) affirm such Consent Judgment, or deny any such appeal or petition for certiorari, such that no further appeal is possible, or (ii) if no appeal is filed from the appellate court decision obtained pursuant to clause (i), the day following the expiration of the deadline for filing a petition for certiorari to the United States Supreme Court. Any appeal or other proceeding pertaining solely to any order adopting or approving a Plan of Allocation and/or to any order issued with respect to an application for Attorneys’ Fees and Expenses consistent with this Agreement shall not in any way delay or preclude the Consent Judgment from becoming Final, *provided* that any such appeal or proceeding has no impact on any other aspect of the Settlement or this Agreement.
- N. “*Later Litigating Subdivision*” means any Subdivision, regardless of its population, in any state, that first files a lawsuit bringing a Released Claim against a Released Entity after the Preliminary Agreement Date.
- O. “*Litigating Subdivision*” means (1) any (a) General Purpose Government (including, but not limited to, a municipality, county, county subdivision, city, town, township, parish, village, borough, gore, or any other entities that provide municipal-type government), School District, or Special District within a State; and (b) any other subdivision or subdivision official or sub-entity of or located within a State (whether political, geographical or otherwise, whether functioning or non-functioning, regardless of population overlap, and including, but not limited to, Nonfunctioning Governmental Units and public institutions);¹ (2) that

¹ “General Purpose Government,” “School District,” and “Special District” shall correspond to the “five basic types of local governments” recognized by the U.S. Census Bureau and match the 2017 list of Governmental Units. The three (3) General Purpose Governments are county, municipal, and township governments; the two (2) special purpose governments are School Districts and Special Districts. “Fire District,” “Health District,” “Hospital District,” and “Library District” shall correspond to categories of Special Districts recognized by the U.S. Census Bureau. References to a State’s Subdivisions or to a Subdivision “in,” “of,” or “within” a State include Subdivisions

has brought any lawsuit, including but not limited to lawsuits filed in state court or federal court including those centralized in MDL 2804 or MDL 2996, prior to the Preliminary Agreement Date; in a direct, *parens patriae*, or any other capacity; against any defendant; that alleges or seeks to recover for harms allegedly caused by Covered Conduct. **Exhibit C** is an agreed list of all Litigating Subdivisions. **Exhibit C** will be updated (including with any corrections) periodically, and a final version of **Exhibit C** will be attached hereto as of the Reference Date.

- P. “*MDL Court*” means the United States District Court for the Northern District of Ohio Eastern Division, Case No. 1:17-md-2804, Judge Dan Aaron Polster, or his duly-appointed successor.
- Q. “*Non-Litigating Subdivision*” means a Subdivision that is not a Litigating Subdivision.
- R. “*Non-Participating Subdivision*” means any Subdivision that is not a Participating Subdivision.
- S. “*Non-Party Covered Conduct Claim*” means a Claim against any Non-Released Entity involving, arising out of, or related to Covered Conduct (or conduct that would be Covered Conduct if engaged in by a Released Entity).
- T. “*Non-Party Settlement*” means a settlement by any Releasor that settles any Non-Party Covered Conduct Claim and includes a release of any Non-Released Entity.
- U. “*Non-Released Entity*” means an entity that is not a Released Entity.
- V. “*Notice*” means the notice advising Subdivisions of their rights with respect to this Settlement Agreement in accordance with Section IV.B.
- W. “*Notice and Administrative Costs*” means the reasonable sum of money to be paid out of the Settlement Funds for Notice and related administrative costs, including escrow fees, Taxes, or Tax Expenses. For purposes of calculating a Remnant Defendant’s portion of the Settlement Fund or Opioid Remediation Fund under Section VI. and Section X.V., the Notice and Administrative Costs will be deemed to be divided and paid equally by the Remnant Defendants except as provided in Section I.YY. and Section I.AA.
- X. “*Notice and Claims Administrator*” means the notice and claims administrator(s) to be selected by Plaintiffs’ Settlement Counsel with the consent of the Remnant Defendants.

located within the State even if they are not formally or legally a sub-entity of the State; *provided, however*, that a “Health District” that includes any of the following words or phrases in its name shall not be considered a Subdivision: mosquito, pest, insect, spray, vector, animal, air quality, air pollution, clean air, coastal water, tuberculosis, and sanitary.

- Y. “*Opioid Remediation*” means care, treatment, and other programs and expenditures (including reimbursement for past such programs or expenditures except where this Agreement restricts the use of funds solely to future Opioid Remediation) designed to (1) address the misuse and abuse of Products, (2) treat or mitigate opioid use or related disorders, or (3) mitigate other alleged effects of the opioid abuse crisis, including on those injured as a result of the opioid abuse crisis. **Exhibit D** provides a non-exhaustive list of expenditures that qualify as being paid for Opioid Remediation.²
- Z. “*Opioid Remediation Fund*” means the component of the Settlement Funds described in Section VI.C.
- AA. “*Opioid Remediation Funds*” means the Settlement Funds, less the payments set forth in Section VI.B.1.
- BB. “*Participating Subdivision*” means a Subdivision that meets the requirements for becoming a Participating Subdivision under Section IV.C.
- CC. “*Participation Report*” means the list of Subdivisions that returned a fully executed Subdivision Settlement Participation Form by the Subdivision Settlement Participation Form Submission Deadline created by the Notice and Claims Administrator.
- DD. “*Plaintiffs’ Settlement Counsel*” means the MDL 2804 Co-Lead Counsel, Liaison Counsel, and members of the MDL Court-appointed Settlement Negotiating Committee.
- EE. “*Plan of Allocation*” means the plan or formula of allocation of the Opioid Remediation Fund set forth in **Exhibit E** that a Subdivision will receive pursuant to Section VI.C, if it becomes a Participating Subdivision. For the avoidance of doubt and notwithstanding any other provision in this Agreement, no Non-Participating Subdivision will receive any amount from the Settlement Fund, regardless of whether such Subdivision is included on **Exhibit E**.
- FF. “*Pooled Settlement Amount*” means \$97,625,000.00.
- GG. “*Preliminary Agreement Date*” means the date this Agreement is fully executed and fully executed copies of this Agreement have been delivered to counsel for all Remnant Defendants and Plaintiffs’ Settlement Counsel.
- HH. “*Product*” means any chemical substance, whether used for medicinal or nonmedicinal purposes, and whether natural, synthetic, or semi-synthetic, or any finished pharmaceutical product made from or with such substance, that is: (1) an opioid or opiate, as well as any product containing any such substance; (2) a benzodiazepine, carisoprodol, or gabapentin; or (3) a combination or “cocktail” of

² Opioid Remediation includes amounts paid to satisfy any future demand by another governmental entity to make a required reimbursement in connection with the past care and treatment of a person related to the Alleged Harms.

chemical substances prescribed, sold, bought, or dispensed to be used together that includes opioids or opiates. “Product” shall include, but is not limited to, any substance consisting of or containing buprenorphine, codeine, fentanyl, hydrocodone, hydromorphone, meperidine, methadone, morphine, oxycodone, oxymorphone, tapentadol, tramadol, opium, heroin, carfentanil, diazepam, estazolam, quazepam, alprazolam, clonazepam, oxazepam, flurazepam, triazolam, temazepam, midazolam, carisoprodol, gabapentin, or any variant of these substances or any similar substance.

- II. “*Reference Date*” means the date by which each Remnant Defendant must inform the Plaintiffs’ Settlement Counsel of its determination whether the condition in Section IV.D.1. has been satisfied. The Reference Date shall be thirty (30) days after counsel for Remnant Defendants receive the Participation Report, unless it is extended by written agreement of the Remnant Defendants and Plaintiffs’ Settlement Counsel.
- JJ. “*Related Agreements*” means the related but individual agreements between each Remnant Defendant and Plaintiffs’ Settlement Counsel, on behalf of all Participating Subdivisions, setting forth each Remnant Defendant’s share of the Pooled Settlement Amount.
- KK. “*Released Claims*” means any and all Claims, including Unknown Claims, that directly or indirectly are based on, arise out of, or in any way relate to or concern Covered Conduct occurring prior to the Effective Date. Without limiting the foregoing, Released Claims include any Claims that have been, are, or could be asserted against one or more Released Entities by any Participating Subdivision or Releasor in any federal, state, or local action or proceeding (whether judicial, arbitral, or administrative) directly or indirectly based on, arising out of, or relating to, in whole or in part, Covered Conduct (whether or not such Releasor has brought such action or proceeding). Released Claims also include all Claims against Released Entities asserted in any proceeding to be dismissed pursuant to this Agreement, whether or not such claims relate to Covered Conduct. The Settling Parties intend that this term be interpreted broadly. For the avoidance of doubt, Released Claims do not include Claims of private individuals. It is the intent of the Parties that Claims by private individuals be treated in accordance with applicable law. Released Claims is also used herein to describe claims brought by a non-party Subdivision that would have been Released Claims if they had been brought by a Releasor against a Released Entity.
- LL. “*Released Entities*” means, with respect to Released Claims, the Remnant Defendants and:
 - 1. all past and present subsidiaries, divisions, predecessors, successors, and assigns (in each case, whether direct or indirect) of each Remnant Defendant;

2. all past and present subsidiaries and divisions (in each case, whether direct or indirect) of any entity described in subsection (1);
3. the respective past and present officers, directors, members, trustees, and employees of any of the foregoing (each for actions that occurred during and related to their work for, affiliation or employment with, any of the Remnant Defendants or the foregoing entities);
4. all past and present joint ventures (whether direct or indirect) of each Remnant Defendant or its subsidiaries, including in any Remnant Defendant's or its subsidiary's capacity as a participating member in such joint venture;
5. all direct or indirect parents and shareholders of the Remnant Defendants (solely in their capacity as parents or shareholders of the applicable Remnant Defendant with respect to Covered Conduct); and
6. any insurer of any Remnant Defendant or any person or entity otherwise described in subsections (1)-(5) (solely in its role as insurer of such person or entity and subject to the last sentence of Section IX.B.2.).

An illustrative list of joint ventures, subsidiaries and affiliates and predecessor entities for each Remnant Defendant is set forth in **Exhibit F**. Any person or entity described in subsections (3)-(6) shall be a Released Entity solely in the capacity described in such clauses and shall not be a Released Entity with respect to its conduct in any other capacity. With respect to joint ventures (including predecessor entities), only entities listed on **Exhibit F** are Released Entities. Current or former Defendants in In re: National Prescription Opiate Litigation, No. 1: 17-md-2804 (N.D. Ohio) ("MDL") or in other pending litigation asserting a Claim for Covered Conduct not identified in **Exhibit F** are not considered Released Entities, provided, however, that any Remnant Defendant entities that fall within clauses (1)-(5) above against whom Released Claims are brought in the MDL on or after the Preliminary Agreement Date shall be considered Released Entities even if not listed on **Exhibit F**. For the avoidance of doubt, any entity acquired, or joint venture entered into, by a Remnant Defendant after the Effective Date is not a Released Entity.

- MM. "*Releasors*" means, with respect to Released Claims, (1) each Participating Subdivision and, (2) without limitation and to the maximum extent of the power of each Participating Subdivision to release Claims, (a) the Participating Subdivision's departments, agencies, divisions, boards, commissions, subdivisions, districts, instrumentalities of any kind and attorneys, and any person in his or her official capacity, whether elected or appointed to serve any of the foregoing, and any agency, person, or other entity claiming by or through any of the foregoing, and (b) any person or entity acting in a *parens patriae*, sovereign, quasi-sovereign, private attorney general, *qui tam*, taxpayer, or other capacity seeking relief on behalf of or generally applicable to the general public with

respect to a Participating Subdivision, whether or not any of them participate in this Agreement. The inclusion of a specific reference to a type of entity in this definition shall not be construed as meaning that the entity is not a Participating Subdivision. In addition to being a Releasor as provided herein, a Participating Subdivision shall also provide the Subdivision Settlement Participation Form referenced in Section IV.C. providing for a release to the fullest extent of the Participating Subdivision's authority.

- NN. *"Remnant Defendants"* means Associated Pharmacies, Inc., American Associated Pharmacies, J M Smith Corporation, Louisiana Wholesale Drug Company, Inc., Morris & Dickson Co., North Carolina Mutual Wholesale Drug Company, Inc., United Natural Foods, Inc. (including without limitation its direct and indirect subsidiaries SuperValu, Inc., Advantage Logistics Southwest, Inc., Advantage Logistics USA West, L.L.C., Advantage Logistics USA East, L.L.C., and UNFI Distribution Company, LLC) collectively, and all their past and present subsidiaries (excluding, in the case of United Natural Foods, Inc., New Albertsons, Inc. (a former subsidiary of SuperValu, Inc.)), divisions, predecessors, successors, and assigns (in each case, whether direct or indirect). Each individually is a "Remnant Defendant." For the avoidance of doubt, nothing in this Agreement releases or is intended to release Albertsons Companies, Inc. or any of its subsidiaries.
- OO. *"Settlement"* means the settlement of the Released Claims between the Settling Parties on the terms and conditions set forth in this Agreement.
- PP. *"Settlement Fund"* means the interest-bearing account to be established and controlled by the Settlement Fund Administrator as set forth in Section III.
- QQ. *"Settlement Funds"* means the Pooled Settlement Amount plus any interest that may accrue on the Pooled Settlement Amount from the date the Remnant Defendants pay the Pooled Settlement Amount in the Settlement Fund or any portion thereof.
- RR. *"Settlement Fund Administrator"* means the agent to be selected as set forth in Section III.D.
- SS. *"Settlement Participation Form Submission Deadline"* means sixty (60) days after the Preliminary Agreement Date, unless it is extended by written agreement of the Remnant Defendants and Plaintiffs' Settlement Counsel.
- TT. *"Settling Parties"* means, collectively, the Participating Subdivisions and Remnant Defendants.
- UU. *"State"* means any state of the United States of America including their respective agencies, departments, and instrumentalities.
- VV. *"State-Subdivision Agreement"* means an agreement that a State reaches with the Subdivisions in that State regarding the allocation, distribution, and/or use of

funds allocated to its Subdivisions under this Agreement. Preexisting agreements addressing funds other than those allocated pursuant to this Agreement shall qualify if adopted pursuant to the terms of a national opioid settlement or by statute.

- WW. “*Subdivisions*” means (1) all formal and legally recognized sub-entities and sub-entity officials (acting in an official capacity on behalf of a sub-entity) of a State that have a population of 30,000 or more (as recognized in the most recent U.S. Census), (2) all Litigating Subdivisions, and, for the avoidance of doubt, (3) all plaintiffs listed on Exhibit A. For the avoidance of doubt, “Subdivisions” includes sub-entities and sub-entity officials that meet the above criteria, and that provide general governance for a defined area, including a county, parish, city, town, village, or similar entity. Unless otherwise specified, “Subdivisions” includes all functional counties and parishes and other functional levels of sub-entities of a State that provide general governance for a defined area, as well as all Special Districts and historic, non-functioning sub-entities that are also Litigating Subdivisions.
- XX. “*Subdivision Settlement Participation Form*” means the document or online form, in the form attached as **Exhibit G** to this Agreement, that Participating Subdivisions must execute and return to the Claims Administrator to participate in the Settlement and receive a payment pursuant to this Agreement and the Plan of Allocation, and which shall (1) make such Participating Subdivisions signatories to this Agreement, (2) include a full and complete release of any and all of such Subdivision’s claims, and (3) require the prompt dismissal with prejudice of any Released Claims that have been filed by any such Participating Subdivisions.
- YY. “*Taxes*” means taxes (including any estimated taxes, interest, or penalties) arising with respect to the income earned by the Settlement Fund, including, without limitation, any taxes or tax detriments that may be imposed upon the Remnant Defendants, their counsel, or any Released Entity with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a qualified settlement fund for federal or state income tax purposes. For purposes of calculating a Remnant Defendant’s portion of the Settlement Fund or Opioid Remediation Fund under Section VI. and Section X.V., Taxes will be deemed to be divided and paid by the Remnant Defendants in proportion to the amounts they contributed to the Pooled Settlement Amount.
- ZZ. “*Tax Expense*” means all expenses and costs incurred in connection with the operation and implementation of Section III., including, without limitation, expenses of tax attorneys and/or accountants (including the Settlement Fund Administrator) and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in Section III.E. For purposes of calculating a Remnant Defendant’s portion of the Settlement Fund or Opioid Remediation Fund under Section VI. and Section X.V., the Tax Expense will be deemed to be divided and paid equally by all Remnant Defendants.

- AAA. “*Termination Refund*” means the amount of the Settlement Funds to be returned to a Remnant Defendant that elects to terminate this Agreement pursuant to Section V.C. The Termination Refund shall be the portion of the Settlement Fund equal to the portion of the Pooled Settlement Amount contributed by the Remnant Defendant, plus all interest and/or earnings thereon, less its portion of any Notice and Administrative Costs, including any Taxes or Tax Expenses, that have been paid, incurred, or are due and owing as of the date the notice of termination is given.
- BBB. “*Unknown Claims*” means any Released Claim that a Participating Subdivision or Releaser does not know or suspect to exist in their favor at the time of the release of the Released Entities that, if known by them, might have affected their settlement with and release of the Released Entities.

II. Representations and Warranties

A. **Plaintiffs’ Settlement Counsel’s Representations and Warranties.** Plaintiffs’ Settlement Counsel represents and warrants to the Remnant Defendants as follows:

1. Plaintiffs’ Settlement Counsel believes the Settlement is fair, reasonable, adequate, and beneficial to the Subdivisions and that participation in the Settlement would be in their best interests.
2. Because Plaintiffs’ Settlement Counsel believes that the Settlement is in the best interests of the Subdivisions, Plaintiffs’ Settlement Counsel will use their best reasonable efforts to encourage and assist the Subdivisions to participate in this Settlement.

B. **Participating Subdivisions’ Representations and Warranties.** By electing to become a party to this Agreement, each Participating Subdivision represents and warrants to the Remnant Defendants as follows:

1. each Participating Subdivision has received legal advice from its attorneys regarding the advisability of entering into this Agreement and the legal consequences of this Agreement;
2. each Participating Subdivision is not relying on any statement, representation, omission, inducement, or promise by Remnant Defendants, except those expressly stated in this Agreement;
3. each Participating Subdivision has, with the assistance of its attorneys, investigated the law and facts pertaining to the Released Claims and the Settlement;
4. each Participating Subdivision has carefully read, and knows and understands, the full contents of this Agreement and is voluntarily entering into this Agreement after having consulted with its attorneys;

5. each Participating Subdivision has all necessary authority to enter into this Agreement and release all Released Claims on behalf of itself and all other entities that are Releasers by virtue of their relationship or association with it;
6. each Participating Subdivision has authorized the execution and performance of its Participation Agreement, and has authorized the person signing this Agreement on its behalf to do so;
7. upon execution of its respective Participation Agreement, each Participating Subdivision accepts, agrees to, and ratifies the terms of this Agreement; and
8. no portion of any relief under this Agreement to which any of the Participating Subdivisions may be entitled has been assigned, transferred, or conveyed by or for any of the Participating Subdivisions to any other person or entity.

C. **Remnant Defendants' Representations and Warranties.** Remnant Defendants represent and warrant to Participating Subdivisions as follows:

1. each of the Remnant Defendants has received legal advice from its attorneys regarding the advisability of entering into this Agreement and the legal consequences of this Agreement;
2. none of the Remnant Defendants is relying on any statement, representation, omission, inducement, or promise by Plaintiffs' Settlement Counsel or any Subdivision, except those expressly stated in this Agreement;
3. each of the Remnant Defendants, with the assistance of its attorneys, has investigated the law and facts pertaining to the Released Claims and the Settlement;
4. each of the Remnant Defendants has carefully read, and knows and understands, the full contents of this Agreement and is voluntarily entering into this Agreement after having consulted with its attorneys; and
5. each of the Remnant Defendants has all necessary authority to enter into this Agreement, has authorized the execution and performance of this Agreement, and has authorized the person signing this Agreement on its behalf to do so.

III. Settlement Fund

A. **Settlement Payment.** The Remnant Defendants shall pay into the Settlement Fund the Pooled Settlement Amount in consideration of the covenants, agreements, and releases

set forth in this Agreement. The Pooled Settlement Amount shall be allocated and used only as specified in Section VII.

1. Payments of the Pooled Settlement Amount to the Settlement Fund will be allocated among the Remnant Defendants in accordance with each Remnant Defendant's agreed portion as separately negotiated and agreed to by each Remnant Defendant with Plaintiffs' Settlement Counsel in the Related Agreements. A Remnant Defendant's sole responsibility for payments under this Agreement and any related agreements (including without limitation the Fee Agreement attached hereto as **Exhibit H**) shall be to pay its respective portion of the Pooled Settlement Amount. The obligations of the Remnant Defendants in this Agreement are several and not joint. No Remnant Defendant shall be responsible for any portion of another Remnant Defendant's share.
2. The Remnant Defendants shall pay into the Settlement Fund by wire transfer their respective portion of the Pooled Settlement Amount within forty-five (45) days of the later of (1) receipt of a fully executed copy of this Settlement Agreement, or (2) the Remnant Defendants' receipt of the information and instructions required to effectuate the wire transfer.
3. The Settlement Funds will be held in escrow in the Settlement Fund until the Effective Date. If the Effective Date does not occur as to one or more Remnant Defendants, the Settlement Fund Administrator will return to each Remnant Defendant for which the Effective Date did not occur, its portion of the Pooled Settlement Amount with accrued interest less that Remnant Defendant's portion of (1) any Notice and Administrative Costs incurred, and (2) any Taxes and Tax Expense due or becoming due.
4. Upon the occurrence of the Effective Date, the Pooled Settlement Amount shall not be subject to reduction and no funds may be returned to any Remnant Defendant, except as otherwise provided in this Agreement.

B. Nature of Payment. Each of the Remnant Defendants and Participating Subdivisions acknowledges and agrees that notwithstanding anything to the contrary in this Agreement, including but not limited to, the scope of the Released Claims:

1. It has entered into this Agreement to avoid the delay, expense, inconvenience, and uncertainty of further litigation;
2. (a) The Participating Subdivisions sought compensatory restitution (within the meaning of 26 U.S.C. § 162(f)(2)(A)) as damages for the Alleged Harms allegedly suffered by the Participating Subdivisions; (b) the Compensatory Restitution Amount is no greater than the amount, in the aggregate, of the Alleged Harms allegedly suffered by the Participating Subdivisions; and (c) the portion of the Compensatory Restitution Amount received by each Participating Subdivision is no greater than the amount

of the Alleged Harms allegedly suffered by such Participating Subdivision;

3. The payment of the Compensatory Restitution Amount by the Remnant Defendants constitutes, and is paid for, compensatory restitution (within the meaning of 26 U.S.C. § 162(f)(2)(A)) for alleged damage or harm (as compensation for alleged damage or harm arising out of and/or because of alleged bodily injury) allegedly caused by the Remnant Defendants;
4. The Compensatory Restitution Amount is being paid as compensatory restitution (within the meaning of 26 U.S.C. § 162(f)(2)(A)) in order to restore, in whole or in part, the Participating Subdivisions to the same position or condition that they would be in had the Participating Subdivisions not suffered the Alleged Harms; and
5. For the avoidance of doubt: (a) no portion of the Compensatory Restitution Amount represents reimbursement to any Participating Subdivision or other person or entity for the costs of any investigation or litigation, (b) the entire Compensatory Restitution Amount is properly characterized as described in Section III.B., and (c) no portion of the Compensatory Restitution Amount constitutes disgorgement or is properly characterized as the payment of statutory or other fines, penalties, multiple or treble damages, punitive damages, or other punitive assessments.

C. **No Other Payments.** Other than payment under Section III.A. of this Agreement, the Remnant Defendants shall have no obligations to make any further or additional payment of any sort or kind in connection with this Agreement or the Settlement.

D. **The Settlement Fund and Administrator.**

1. Plaintiffs' Settlement Counsel shall arrange for the Settlement Fund to be established at Huntington Bank, with Law Office of Joseph C. Tann, PLLC and Winbridge Partners, LLC serving as the Settlement Fund Administrator subject to an escrow agreement mutually acceptable to Plaintiffs' Settlement Counsel and Remnant Defendants, and such escrow to be administered under the MDL Court's continuing supervision and control. The Settlement Fund Administrator will act as an independent and neutral third party in the performance of its functions including administering and disbursing funds from the Settlement Fund and the Opioid Remediation Fund. To the extent that there is any ambiguity or inconsistency when this Agreement and the escrow agreement are read together, the terms of this Agreement shall control.
2. The Settlement Fund Administrator shall invest the Pooled Settlement Amount deposited pursuant to Section III.A. in U.S. agency or treasury securities or other instruments backed by the full faith and credit of the U.S. government or an agency thereof, or fully insured by the U.S.

government or an agency thereof and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then-current market rates; *provided, however*, that the Settlement Fund Administrator will not invest in any instruments that a “*qualified settlement fund*,” within the meaning of Treas. Reg. § 1.468B-1, *et seq.*, is not permitted to invest in, pursuant to the Treasury regulations, or any modification in Internal Revenue Service (“IRS”) guidelines, whether set forth in IRS rulings, other IRS pronouncements or otherwise. All risks related to the investment of the Settlement Funds shall be borne by the Settlement Fund, and any losses in the Settlement Fund shall be borne by the Settlement Fund and shall not be recoverable from the Remnant Defendants. The Remnant Defendants shall have no responsibility for, interest in, or liability whatsoever with respect to the investment decisions or the actions of the Settlement Fund Administrator or any transactions executed by the Settlement Fund Administrator related to the investment of the Settlement Funds.

3. The Settlement Fund Administrator shall not, and Plaintiffs’ Settlement Counsel shall not instruct the Settlement Fund Administrator to, disburse the Settlement Funds, except as provided in this Agreement or by order of the MDL Court. For the avoidance of doubt, the Settlement Fund Administrator is authorized, and Plaintiffs’ Settlement Counsel is authorized to instruct the Settlement Fund Administrator, to execute such transactions as are consistent with the terms of this Agreement or as directed by the MDL Court, including but not limited to execute transactions prior to the Effective Date to enable payment of Notice and Administrative Costs as incurred.
4. All funds held in the Settlement Fund shall be deemed and considered to be *in custodia legis* of the MDL Court, and shall remain subject to the jurisdiction of the MDL Court, until such time as such funds are distributed pursuant to this Agreement and/or further order(s) of the MDL Court.

E. Taxes.

1. The Settlement Fund shall be, and shall be treated by the Settling Parties and the Settlement Fund Administrator as being at all times, a “qualified settlement fund” within the meaning of Treas. Reg. § 1.468B-1 (and corresponding or similar provisions of state, local, or foreign law, as applicable), and the MDL Court shall have continuing jurisdiction over the Settlement Fund, pursuant to Treas. Reg. § 1.468B-1(c)(1), and over the Settlement Fund Administrator as its administrator. The Settlement Fund Administrator shall not take any action or tax position inconsistent with such treatment. In addition, the Settlement Fund Administrator shall timely make such elections as necessary or advisable and do all things necessary to carry out the provisions of this Section III, and shall, in any

event, make any available “*relation-back election*” (as defined in Treas. Reg. § 1.468B-1(j)(2) (and corresponding or similar elections under state, local, or foreign law, as applicable)), back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the responsibility of the Settlement Fund Administrator to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur. The Settling Parties agree to take any other reasonable actions as shall be necessary to ensure that the Settlement Fund qualifies as a qualified settlement fund for federal and state income tax purposes including but not limited to requesting the MDL Court to formally (i) approve the Settlement Fund as a “qualified settlement fund” within the meaning of Treas. Reg. § 1.468B-1, and (ii) confirm its continuing jurisdiction over the Settlement Fund and the Opioid Remediation Fund. Notwithstanding anything in this Agreement to the contrary, the Settlement Fund Administrator shall not on behalf of or in connection with the Settlement Fund request a private letter ruling, technical advice memorandum or any other ruling or guidance from the Internal Revenue Service or any other taxing authority on any matter without consulting with and obtaining the prior written consent of each Remnant Defendant.

2. For the purpose of § 468B of the Internal Revenue Code of 1986, as amended, and Treas. Reg. § 1.468B-2(k)(3) (and any corresponding or similar provisions of state, local or foreign law, as applicable), the qualified settlement fund “administrator” shall be the Law Office of Joseph C. Tann, PLLC and Winbridge Partners, LLC. Plaintiffs’ Settlement Counsel shall cooperate with and cause the Settlement Fund Administrator to, and the Settlement Fund Administrator shall satisfy the administrative requirements imposed by Treas. Reg. § 1.468B-2 (and any similar provisions of state, local or foreign law, as applicable) by, for example: (i) obtaining employer identification numbers and providing the same in an IRS Form W-9 to the Remnant Defendants; (ii) satisfying any information reporting or withholding requirements imposed with respect to the Settlement Fund, including with respect to any distributions from the Settlement Fund; (iii) timely and properly filing or causing to be filed all informational and other tax returns or filings necessary or advisable with respect to the Settlement Fund (including, without limitation, the returns described in Treas. Reg. § 1.468B-2(k)) and paying any taxes reported thereon; (iv) sending copies of all such tax returns and filings to the Remnant Defendants; and (v) providing instructions for the release of sufficient funds from the Settlement Fund to pay all Taxes owed by the Settlement Fund in accordance with Section III. and Treas. Reg. § 1.468B-2 and any applicable state, local or other tax laws. Such returns, as well as the relation-back election described in Section III.E.1., shall be consistent with the provisions of this Section III.E.2. and in all events shall reflect that all Taxes as defined in Section I.YY. on the income earned by the

Settlement Fund shall be paid out of the Settlement Funds as provided in Section III.E.3. Each Released Entity shall provide to the administrator and the IRS the statement described in Treas. Reg. § 1.468B-3(e)(2) no later than February 15th of the year following each calendar year in which such Released Entity made its transfer to the Settlement Fund. The Released Entities shall have no responsibility or liability for the Settlement Fund's tax returns or other filings.

3. The following shall be paid out of the Settlement Funds: (i) all Taxes (including any estimated taxes, interest, or penalties) arising with respect to the income earned by the Settlement Fund, including, without limitation, any taxes or tax detriments that may be imposed upon the Remnant Defendants, their counsel, or any Released Entity with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a qualified settlement fund for federal or state income tax purposes (collectively, "Taxes"), and (ii) all Tax Expenses. In all events, neither the Remnant Defendants nor any other Released Entity nor their counsel shall have any liability or responsibility for any Taxes or Tax Expenses. With funds from the Settlement Fund, the Settlement Fund Administrator shall indemnify and hold harmless the Remnant Defendants and any other Released Entity and their counsel for all Taxes and Tax Expenses (including, without limitation, Taxes payable by reason of any such indemnification). Further, all Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement Fund and shall timely be paid by the Settlement Fund Administrator out of the Settlement Funds without prior order from the MDL Court. The Settlement Fund Administrator shall be obligated (notwithstanding anything herein to the contrary) to withhold from any funds necessary to pay such amounts, including the establishment of adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. § 1.468B-2(1)(2)) (and any corresponding or similar provisions of state, local or foreign law, as applicable). Neither the Remnant Defendants nor any Released Entity nor their counsel is responsible therefor, nor shall they have any liability therefor. The Settling Parties agree to cooperate with the Settlement Fund Administrator, each other, their tax attorneys, and their accountants to the extent reasonably necessary to carry out the provisions of this Section III.E.3, and with respect to any tax claim, dispute, investigation, audit, examination, contest, litigation, or other proceeding relating to this Agreement.

IV. Implementing the Agreement

A. **Stay.** Following the Preliminary Agreement Date, Plaintiffs' Settlement Counsel and Remnant Defendants shall promptly jointly inform the MDL Court and jointly undertake reasonable best efforts to stay the Actions as to the Remnant Defendants.

B. **Notice to the Subdivisions.** No later than seven (7) calendar days after the Preliminary Agreement Date, the Notice and Claims Administrator shall send individual written Notice of the opportunity to participate in this Agreement and the requirements of participation to all Subdivisions. The form and manner of Notice agreed upon by the Parties shall be provided by the Notice and Claims Administrator to the Subdivisions. The notice shall include a Subdivision Settlement Participation Form and shall provide prominent notice of the Subdivision Settlement Participation Form Submission Deadline. Nothing contained herein shall preclude Plaintiffs' Settlement Counsel from providing further notice to or otherwise contacting any Subdivision about becoming a Participating Subdivision, including beginning any of the activities described in this paragraph prior to the Preliminary Agreement Date.

C. **Participation by Subdivisions.**

1. A Subdivision may become a Participating Subdivision by returning an executed Subdivision Settlement Participation Form to the Notice and Claims Administrator specifying (1) that the Subdivision agrees to the terms of this Agreement, (2) that the Subdivision releases all Released Claims against all Released Entities, (3) that the Subdivision agrees to use monies it receives from the Opioid Remediation Fund, if any, pursuant to the applicable requirements of Section VII., *provided, however*, that Non-Litigating Subdivisions may only use monies originating from the Opioid Remediation Fund for purposes that qualify as Opioid Remediation, and (4) the Subdivision submits to the jurisdiction of the MDL Court for purposes limited to the MDL Court's role under this Agreement. The required Subdivision Settlement Participation Form is attached as **Exhibit G.**
2. The eligibility of entities that submit Subdivision Settlement Participation Forms to participate in the Settlement as Participating Subdivisions will be subject to confirmation by the Notice and Claims Administrator.
3. Subdivision Settlement Participation Forms shall be deemed valid only for the entity named in the request.
4. Subdivision Settlement Participation Forms shall be deemed timely if received by the Notice and Claims Administrator no later than the Subdivision Settlement Participation Form Submission Deadline, or otherwise as agreed in writing by Plaintiffs' Settlement Counsel and the Remnant Defendants.
5. A Subdivision that has not submitted a Settlement Participation Form, and is thus a Non-Participating Subdivision, shall not directly receive any portion of the Opioid Remediation Funds. The Remnant Defendants reserve all of their legal rights and defenses with respect to Non-Participating Subdivisions.

6. Within ten (10) calendar days of the Subdivision Settlement Participation Form Submission Deadline, as extended by written agreement, the Notice and Claims Administrator shall deliver to Plaintiffs' Settlement Counsel and Remnant Defendants the Participation Report.
7. Within fifteen (15) calendar days of delivering the Participation Report, the Notice and Claims Administrator shall deliver to Remnant Defendants copies of all Subdivision Settlement Participation Forms.

D. Notice by Remnant Defendants.

1. After receiving the Participation Report, each Remnant Defendant will individually determine on or before the Reference Date whether there is sufficient Subdivision participation and sufficient resolution or dismissal of the Claims of the Litigating Subdivisions to proceed with this Agreement. The determination shall be in the sole discretion of the Remnant Defendant and may be based on any criteria or factors deemed relevant by the Remnant Defendant.
2. On or before the Reference Date, each Remnant Defendant shall inform Plaintiffs' Settlement Counsel of its determination pursuant to Section IV.D.1. If one or more Remnant Defendants determine to proceed, those Parties will proceed to file the motion for a Consent Judgment and the obligations in the Subdivision Settlement Participation Form will become effective and binding as of the Effective Date. If one or more Remnant Defendants determine not to proceed, those Remnant Defendants shall serve notice of their decision to terminate this Agreement as to them only in accordance with Section V.C.

E. Entry of Consent Judgment.

1. Within fourteen (14) days after the Reference Date (or the next business day thereafter), the Settling Parties shall submit an appropriate motion to the MDL Court reporting upon the Settlement as specified herein, including the Participation Report, and jointly requesting that the MDL Court:
 - a. enter a final consent judgment dismissing the Actions coordinated under MDL No. 2804 with prejudice as to the Remnant Defendants and, except as provided for in this Agreement, without costs or attorneys' fees;
 - b. direct Participating Subdivisions to dismiss the other Actions not coordinated under MDL No. 2804 with prejudice as to the Remnant Defendants and, except as provided for in this Agreement, without costs or attorneys' fees;

- c. discharge and release the Released Entities from all Released Claims;
 - d. permanently bar and enjoin the institution and prosecution by Participating Subdivisions of any other action against the Released Entities in any forum asserting any claims related in any way to the Released Claims;
 - e. reserve and continue exclusive jurisdiction over the Settlement, including the Settlement Fund, Opioid Remediation Fund, the Settlement Fund Administrator, the Notice and Claims Administrator, and all future proceedings concerning the administration, consummation, and enforcement of this Agreement;
 - f. determine pursuant to Federal Rule of Civil Procedure 54(b) that there is no just reason for delay and direct entry of a final judgment as to the Participating Subdivisions and the Remnant Defendants; and
 - g. confirm such other and further provisions consistent with the terms of this Agreement to which the Settling Parties expressly consent in writing.
- 2. In connection with the filing of the motion for a Consent Judgment, Plaintiffs' Settlement Counsel will also request that the MDL Court approve the proposed Plan of Allocation, as altered by subsequent agreement, if any, pursuant to Section VII.B.3, and apply the MDL Court's prior common benefit Orders to the Settlement Funds.
 - 3. Participating Subdivisions shall be subject to and bound by the provisions of this Agreement, the releases contained herein, and the Final Judgment.

V. Conditions of Settlement; Effect of Disapproval, Cancellation, or Termination

A. Occurrence of Effective Date.

- 1. Upon the Effective Date, any and all remaining interest or right of the Remnant Defendants that have elected to proceed with the Settlement, in or to the Settlement Funds, if any, shall be absolutely and forever extinguished except as provided by this Agreement, and the Settlement Funds (less any Notice and Administrative Costs, Taxes, Tax Expenses, or Attorneys' Fees and Expenses paid) shall be transferred from the Settlement Fund to the Opioid Remediation Fund, and from the Settlement Fund Administrator to the Notice and Claims Administrator as successor Settlement Fund Administrator, within ten (10) business days of the Notice and Claims Administrator notifying Plaintiffs' Settlement Counsel

it is ready to distribute the Opioid Remediation Funds, which must be after the Effective Date.

2. Upon the Effective Date, the Participating Subdivisions shall dismiss the Actions with prejudice as to the Released Entities, including all Actions listed on **Exhibit A**, as provided for in the Consent Judgment.

B. Failure of Effective Date to Occur. In the event that the Effective Date does not occur for any reason as to one or more Remnant Defendants, including for the reasons set forth in Sections IV.C., then this Agreement shall be cancelled and terminated as to those Remnant Defendants for which the Effective Date does not occur only, unless the affected Settling Parties mutually agree in writing to proceed with this Agreement.

C. Termination.

1. Prior to the Effective Date, this Agreement may be terminated by a Remnant Defendant as to it (but not as to any other Remnant Defendant) by serving on Plaintiffs' Settlement Counsel and counsel for the other Remnant Defendants a written notice of termination within ten (10) calendar days (or such longer time as may be agreed between Remnant Defendants and Plaintiffs' Settlement Counsel) after any of the following occurrences:
 - a. the Remnant Defendant provides written notice of its election not to proceed under Section IV.D.2.;
 - b. a Consent Judgment approving this Agreement without modification of any of this Agreement's terms has not been entered by the MDL Court on or before one hundred eighty (180) calendar days after the Preliminary Agreement Date;
 - c. this Agreement or the Consent Judgment has been disapproved by the MDL Court (or, in the event of an appeal from or review of a decision of the MDL Court to approve this Agreement and the Consent Judgment, by the court hearing such appeal or conducting such review), and the time to appeal from such disapproval has expired, or, in the event of an appeal from such disapproval, the appeal has been dismissed or the disapproval has been affirmed by the court of last resort to which such appeal has been taken and such dismissal or disapproval has become no longer subject to further appeal (including, without limitation, review by the United States Supreme Court); or
 - d. the Effective Date does not otherwise occur within one hundred eighty (180) calendar days after the Preliminary Agreement Date.
2. If this Agreement is terminated by one or more Remnant Defendants pursuant to Section V.C.1.:

- a. Plaintiffs' Settlement Counsel must notify the Settlement Fund Administrator and/or the Notice and Claims Administrator of those Remnant Defendants' decision to terminate this Agreement within seven (7) days of receiving written notice of such termination and instructions from those Remnant Defendants required to effectuate the wire transfer for the Termination Refund;
- b. the Settlement Fund Administrator and/or the Notice and Claims Administrator shall transfer the Termination Refund to those Remnant Defendants within seven (7) days of receiving written notice from Plaintiffs' Settlement Counsel; and
- c. upon receipt of the Termination Refund, this Agreement and all of its terms (except Section X.L. and any other non-admissibility provisions, which shall continue in full force and effect) shall be canceled and terminated, and this Agreement and all orders issued pursuant to this Agreement shall become null and void and of no effect as between the Participating Subdivisions and the terminating Remnant Defendants only. The Participating Subdivisions and those Remnant Defendants shall be returned to the status quo that existed in the Actions immediately prior to their entry into this Settlement Agreement (subject to appropriate extensions of deadlines to enable the Actions to proceed), and the Participating Subdivisions and the terminating Remnant Defendants shall retain all of their respective rights and defenses as of immediately prior to their entry into this Settlement Agreement. The Participating Subdivisions and those Remnant Defendants shall then proceed in all respects as if this Agreement and any related orders had not been executed.

VI. Notice and Claims Administrator

A. **Selection of Notice and Claims Administrator.** Plaintiffs' Settlement Counsel shall nominate, subject to the consent of the Remnant Defendants, an entity to serve as Notice and Claims Administrator that meets the following requirements:

1. The Notice and Claims Administrator will be bound by an agreement mutually acceptable to Plaintiffs' Settlement Counsel and Remnant Defendants.
2. The Notice and Claims Administrator will act as an independent and neutral third party in the performance of its functions including administering and disbursing funds from the Settlement Fund and the Opioid Remediation Fund.

3. The Notice and Claims Administrator may not be an entity that has acted as counsel for, or otherwise represented, a party in claims relating to Products.
4. The Notice and Claims Administrator shall have the authority to perform all actions consistent with the terms of this Agreement that the Notice and Claims Administrator deems to be reasonably necessary to effectuate the notice. Subject to the Parties' approval, the Notice and Claims Administrator may retain any entity that the Notice and Claims Administrator deems to be reasonably necessary to provide assistance in effectuating Notice to the Participating Subdivisions.
5. The Notice and Claims Administrator's role generally shall include, consistent with the terms of this Agreement, administration of the proposed Settlement, including receiving, preserving, reviewing, analyzing, and approving Participation Forms, including all supporting documentation, as well as distributing and overseeing distribution of the Opioid Remediation Fund according to the Plan of Allocation.
6. Any successor to the initial Notice and Claims Administrator shall be subject to the consent of all Settling Parties, shall fulfill the same functions from and after the date of succession, and shall be bound by the determinations made by the predecessor(s) to date.
7. The Notice and Claims Administrator shall have no authority to alter in any way the Settling Parties' or Participating Subdivisions' rights and obligations under this Agreement.
8. The Remnant Defendants and Released Entities shall have no involvement with or responsibility for supervising the Notice and Claims Administrator and are not subject to the authority of the Notice and Claims Administrator.
9. All fees, costs, and expenses incurred in the administration and/or work by the Notice and Claims Administrator, including fees, costs, and expenses of the Notice and Claims Administrator, as well as the costs of distributing the Notice, shall be paid from the Settlement Funds. Remnant Defendants shall have no obligation to pay any such fees, costs, and expenses other than the Pooled Settlement Amount.

B. Distribution of Settlement Fund.

1. The Notice and Claims Administrator shall administer the claims submitted by Participating Subdivisions and shall oversee distribution of the Settlement Funds, including distribution of amounts in the Opioid Remediation Fund to Participating Subdivisions pursuant to the Plan of Allocation. Subject to the terms of this Agreement and any order(s) of the

MDL Court, as may be necessary or as circumstances may require, the Settlement Funds shall be applied as follows:

- a. to pay Taxes and Tax Expenses on the Settlement Funds (but not on any individual distributions to Participating Subdivisions made pursuant to the Plan of Allocation);
 - b. to pay Notice and Administrative Costs (including escrow fees and costs);
 - c. to pay the Attorneys' Fees and Expenses, as set forth in and pursuant to the provisions of Section VII. of this Agreement; and
 - d. to distribute the balance, which constitutes the "Opioid Remediation Funds," to Participating Subdivisions as allowed by this Agreement and the Plan of Allocation.
2. No amount may be disbursed from the Settlement Fund until the Effective Date, except that: (a) Notice and Administrative Costs (including escrow fees and costs) may be paid from the Settlement Fund as they become due, and (b) Taxes and Tax Expenses on the Settlement Funds may be paid from the Settlement Fund as they become due.

C. **Distribution of Opioid Remediation Fund.** Upon the Effective Date and thereafter, and in accordance with the terms of this Agreement, the Plan of Allocation, and any further order(s) of the MDL Court, the Opioid Remediation Funds shall be distributed to Participating Subdivisions as provided by Section VI.B.1.d.

VII. Use and Allocation of Opioid Remediation Fund.

A. Use of Opioid Remediation Funds.

1. It is the intent of the Parties that the payments disbursed from the Opioid Remediation Fund to Participating Subdivisions be for Opioid Remediation as set forth in **Exhibit D: List of Opioid Remediation Uses**, all of which are compensatory and remedial in nature consistent with the restitution characterization under 26 U.S.C. § 162(f)(2)(A). In no event may less than ninety-five percent (95%) of the Opioid Remediation Funds be spent on Opioid Remediation.
2. While disfavored by the Parties, a Participating Subdivision set forth on **Exhibit C** may use monies from the Opioid Remediation Fund (that have not been restricted by this Agreement solely to future Opioid Remediation) for purposes that do not qualify as Opioid Remediation. If, at any time, a Participating Subdivision set forth on **Exhibit C** uses any monies from the Opioid Remediation Fund for a purpose that does not qualify as Opioid Remediation, such Participating Subdivision set forth on **Exhibit C** shall identify such amounts and report to the Notice and

Claims Administrator and the Remnant Defendants how such funds were used, including if used to pay attorneys' fees, investigation costs, litigation costs, or costs related to the operation and enforcement of this Agreement, respectively. It is the intent of the Parties that the reporting under this Section VII.A.2. shall be available to the public. For the avoidance of doubt, (a) any amounts not identified under this Section VII.A.2. as used to pay attorneys' fees, investigation costs, or litigation costs shall be included in the Compensatory Restitution Amount for purposes of Section III.B., and (b) Participating Subdivisions not listed on **Exhibit C** may only use monies from the Opioid Remediation Fund for purposes that qualify as Opioid Remediation.

B. Allocation of Opioid Remediation Fund. The allocation of the Opioid Remediation Fund allows for different approaches to be taken in different states, such as through a State-Subdivision Agreement. The Notice and Claims Administrator will, for each Participating Subdivision, apply the terms of this Agreement and any relevant State-Subdivision Agreement or voluntary redistribution of funds as set out below before disbursing the funds.

1. A State-Subdivision Agreement may govern the operation and use of amounts allocated to the Participating Subdivisions of a particular State so long as the terms do not conflict with Section VII.A. and the funds are held in a segregated account until distributed for their intended purposes.
2. In the absence of an applicable State-Subdivision Agreement, the Opioid Remediation Fund will be used solely for future Opioid Remediation and the Opioid Remediation Funds will be distributed for their intended purposes by the Notice and Claims Administrator to Participating Subdivisions included on **Exhibit E** pursuant to the Plan of Allocation. Section VII.B.3. shall govern amounts that would otherwise be distributed to Non-Participating Subdivisions listed in **Exhibit E**. For the avoidance of doubt and notwithstanding any other provision in this Agreement, no Non-Participating Subdivision will receive any amount from the Opioid Remediation Fund, regardless of whether such Subdivision is included on **Exhibit E**. Also, no State will receive any amount from the Opioid Remediation Fund.
3. Any portion of the Opioid Remediation Fund allocated pursuant to Section VII.B. and the Plan of Allocation to a Subdivision that is a Non-Participating Subdivision will be re-allocated among Participating Subdivisions as later agreed between Plaintiffs' Settlement Counsel and Remnant Defendants. For avoidance of doubt, any amount allocated to a Participating Subdivision under this Section VII.B.3. must be used as provided by Section VII.A.

C. No Liability for Distribution of Settlement Fund or Opioid Remediation Fund. Neither the Released Entities nor their counsel shall have any responsibility for, or liability whatsoever with respect to, the distribution of the Settlement Fund or Opioid

Remediation Fund; administering the Plan of Allocation; the Settlement Fund's or Opioid Remediation Fund's qualification as a "qualified settlement fund"; the payment or withholding of Taxes or Tax Expenses; the distribution of Settlement Funds or Opioid Remediation Funds; or any losses incurred in connection with any such matters. The Releasors hereby fully, finally, and forever release, relinquish, and discharge the Released Entities and their counsel from any and all such liability. No entity shall have any claim against Plaintiffs' Settlement Counsel, the Notice and Claims Administrator, or any Released Entity based on the distributions made in accordance with this Agreement, the Plan of Allocation, or further orders of the MDL Court.

D. Balance Remaining in Settlement Fund or Opioid Remediation Fund. If there is any balance remaining in the Settlement Fund or Opioid Remediation Fund (whether by reason of tax refunds, uncashed checks, or otherwise), such balance shall be deemed as Opioid Remediation Funds and distributed in accordance with the Plan of Allocation and Section VII., and shall be used and expended solely for the purpose set forth in **Exhibit D**, or further order of the MDL Court (but not to the Remnant Defendants).

VIII. Attorneys' Fees and Expenses

The Agreement on Attorneys' Fees and Expenses is set forth in **Exhibit H** and incorporated herein by reference. The Released Entities shall have no responsibility for or liability whatsoever with respect to any payment for Attorneys' Fees and Expenses or to any other entity or person that may assert a claim for any attorneys' fee, expense, or costs, except as set forth in the Agreement on Attorneys' Fees and Expenses in **Exhibit H**.

IX. Releases and Dismissal

A. No Future Actions Following Release. As of the Effective Date, the Released Entities are fully, finally, and forever released and discharged from all of the Releasors' Released Claims. Each Releasor hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist in bringing or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever, whether on its own behalf, or as part of any putative, purported, or certified class. The releases provided for in this Agreement are intended by the Settling Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims. This Agreement shall be a complete bar to any Released Claim. Other than as set forth herein, this Agreement does not include any provisions for injunctive relief. Participating Subdivisions shall look solely to the Settlement Funds for settlement and satisfaction against the Released Entities of all claims that are released hereunder. The MDL Court shall have continuing and exclusive jurisdiction to enforce the terms and provisions of this Agreement and any and all of its Orders made in connection with Settlement approval, notice, administration, and implementation.

B. Claim-Over and Non-Party Settlement.

1. It is the intent of the Parties that:

- a. Released Entities should not seek contribution or indemnification (other than pursuant to an insurance or other third-party contract), from other parties for their payment obligations under this Agreement;
- b. The payments made under this Agreement shall be the sole payments made by the Released Entities to the Releasors involving, arising out of, or related to Covered Conduct (or conduct that would be Covered Conduct if engaged in by a Released Entity);
- c. Claims by Releasors against non-Parties should not result in additional payments by Released Entities, whether through contribution, indemnification or any other means; and
- d. this Agreement meets the Uniform Contribution Among Tortfeasors Act and any similar state law or doctrine that reduces or discharges a released party's liability to pay other parties.

The provisions of this Section IX.B. are intended to be implemented consistent with these principles. This Agreement and the releases and dismissals provided for herein are made in good faith.

- 2. No Released Entity shall seek to recover for amounts paid under this Agreement based on indemnification, contribution, or any other theory from a manufacturer, pharmacy, hospital, pharmacy benefit manager, health insurer, third-party vendor, trade association, distributor, or health care practitioner; *provided that* a Released Entity shall be relieved of this prohibition with respect to any entity that asserts a Claim-Over against it. For the avoidance of doubt, nothing herein shall prohibit a Released Entity from recovering amounts owed pursuant to insurance or other third-party contracts.
- 3. To the extent that, on or after the Effective Date, any Releasor enters into a Non-Party Settlement, including in any bankruptcy case or through any plan of reorganization (whether individually or as a class of creditors), the Releasor will seek to include (or in the case of a Non-Party Settlement made in connection with a bankruptcy case, will cause the debtor to include), unless prohibited from doing so under applicable law, in the Non-Party Settlement a prohibition on contribution or indemnity of any kind substantially equivalent to that required from Remnant Defendants in Section IX.B.2. or a release from such Non-Released Entity in favor of the Released Entities (in a form equivalent to the releases contained in this Agreement) of any Claim-Over. The obligation to obtain the prohibition and/or release required by this subsection is a material term of this Agreement.
- 4. In the event that any Releasor obtains a judgment against a Non-Released Entity that does not contain a prohibition like that described in Section

IX.B.2., or any Releasor files a Non-Party Covered Conduct Claim against a Non-Released Entity in bankruptcy or a Releasor is prevented for any reason from obtaining a prohibition/release in a Non-Party Settlement as provided in Section IX.B.2., and such Non-Released Entity asserts a Claim-Over against a Released Entity, the Released Entity shall be relieved of the prohibition in Section IX.B.2. with respect to that Non-Released Entity and that Releasor and the Remnant Defendants shall take the following actions to ensure that the Released Entities do not pay more with respect to the Covered Conduct to Releasors or to Non-Released Entities than the amounts owed under this Agreement by the Remnant Defendants:

- a. The Remnant Defendants shall notify that Releasor of the Claim-Over within sixty (60) days of the assertion of the Claim-Over or within sixty (60) days of the Effective Date, whichever is later.
- b. The Remnant Defendants and that Releasor shall meet and confer concerning the means to hold the Released Entities harmless from the Claim-Over and ensure that the Released Entities are not required to pay more with respect to the Released Claims than the amounts owed by Remnant Defendants under this Agreement.
- c. That Releasor and the Remnant Defendants shall take steps sufficient and permissible under applicable law to hold the Released Entities harmless from the Claim-Over and ensure the Released Entities are not required to pay more with respect to the Covered Conduct than the amounts owed by Remnant Defendants under this Agreement. Such steps may include, where permissible:
 - (i) The Releasor supporting a motion to dismiss or such other appropriate motion as may be filed by the Released Entities in response to any Claim filed in litigation or arbitration;
 - (ii) Reduction of that Releasors' Claim and any judgment it has obtained or may obtain against such Non-Released Entity by whatever amount or percentage is necessary to extinguish such Claim-Over under applicable law, up to the amount that releasor has obtained, may obtain, or has authority to control from such Non-Released Entity;
 - (iii) Placement into escrow of funds paid by the Non-Released Entities such that those funds are available to satisfy the Claim-Over;
 - (iv) Return of monies paid by Remnant Defendants to that Releasor under this Agreement to permit satisfaction of a

judgment against or settlement with the Non-Released Entity to satisfy the Claim-Over;

- (v) Payment of monies to Remnant Defendants by that Releasor to ensure they are held harmless from such Claim-Over, up to the amount that Releasor has obtained, may obtain, or has authority to control from such Non-Released Entity;
- (vi) Credit to the Remnant Defendants under this Agreement to reduce the overall amounts to be paid under this Agreement such that they are held harmless from the Claim-Over; and
- (vii) Such other actions as that Releasor and the Remnant Defendants may devise to hold the Released Entities harmless from the Claim-Over.

d. The actions of that Releasor and Remnant Defendants taken pursuant to paragraph (c) must in combination, ensure Remnant Defendants are not required to pay more with respect to Covered Conduct than the amounts owed by Remnant Defendants under this Agreement.

5. To the extent that the Claim-Over is based on a contractual indemnity, the obligations under Section IX.B.3. shall extend solely to a Non-Party Covered Conduct Claim against a pharmacy, distributor, clinic, hospital or other purchaser or dispenser of Products, a manufacturer that sold Products, a consultant, and/or a pharmacy benefit manager or other third-party payor. Each Remnant Defendant shall notify the Participating Subdivisions, to the extent permitted by applicable law, in the event that any of these types of Non-Released Entity assert a Claim-Over arising out of contractual indemnity against it.

C. **Litigation Bar.** The Settling Parties contemplate and agree that this Agreement may be pleaded as a bar to a lawsuit, and an injunction may be obtained, preventing any action from being initiated or maintained in any case sought to be prosecuted on behalf of any Releasors with respect to the Released Claims.

D. **General Release.** The Releasors acknowledge that, by executing this Agreement, and for the consideration received hereunder, it is their intention to release, and they are releasing, all Released Claims, even Unknown Claims. In connection with the releases provided for in this Agreement, each Releasor expressly, knowingly, and voluntarily waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to Section 1542 of the California Civil Code, which reads:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS
THAT THE CREDITOR OR RELEASING PARTY DOES NOT

KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Releasors likewise expressly, knowingly, and voluntarily waive any rights under Section 20-7-11 of the South Dakota Codified Laws, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

The Releasors acknowledge that they have been advised by Plaintiffs' Settlement Counsel of the contents and effects of California Civil Code § 1542, and hereby expressly waive and release with respect to the Released Claims any and all provisions, rights, and benefits conferred by California Civil Code § 1542 or by any equivalent, similar, or comparable law or principle of law in any jurisdiction, including, but not limited to Section 20-7-11 of the South Dakota Codified Laws. A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Releasor hereby expressly waives, and fully, finally, and forever settles, releases, and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Releasors' decision to enter into or participate in this Agreement.

E. **Assigned Interest Waiver.** To the extent that any Releasor has any direct or indirect interest in any rights of a third party that is a debtor under the Bankruptcy Code as a result of a claim arising out of Covered Conduct by way of assignment or otherwise, including as a result of being the beneficiary of a trust or other distribution entity, to assert claims against a Remnant Defendant (whether derivatively or otherwise), under any legal or equitable theory, including for indemnification, contribution, or subrogation, such Releasor waives the right to assert any such claim, or to receive a distribution or any benefit on account of such claim and such claim, distribution, or benefit shall be deemed assigned to such Remnant Defendant.

F. **Res Judicata.** Nothing in this Agreement shall be deemed to reduce the scope of the *res judicata* or claim preclusive effect that the Settlement gives rise to under applicable law.

G. **Effectiveness.** The releases set forth in this Agreement shall not be impacted in any way by any dispute that exists, has existed, or may later exist between or among the Releasors. Nor shall such releases be impacted in any way by any current or future law, regulation, ordinance, or court or agency order limiting, seizing, or controlling the distribution or use of the Settlement Funds or any portion thereof, by the enactment of future laws or the reinterpretation of existing law, or by any seizure of the Settlement Funds or any portion thereof.

H. **Cooperation.** The Settling Parties agree to use their best efforts and to cooperate to cause this Agreement and the Consent Judgment to become effective, to obtain all necessary approvals, consents and authorizations, if any, and to execute all documents and to take such other action as may be appropriate in connection herewith. Consistent with the foregoing, the Settling Parties agree that they will not directly or indirectly assist or encourage any challenge to this Agreement or the Consent Judgment by any other person, and will support the integrity and enforcement of the terms of this Agreement and the Consent Judgment. Upon the Effective Date, Plaintiffs' Settlement Counsel will also reasonably cooperate with the Remnant Defendants to secure the prompt dismissal of any and all Released Claims in the Actions and in any later-filed litigation implicated by the releases, covenants not to sue, and/or claim bars set forth herein.

I. **Liens.** Each Participating Subdivision agrees to be responsible for any liens, interests, actions, or claims asserted by any third party, in a derivative manner, for or against the portion of Opioid Remediation Funds allocated to that Participating Subdivision, including, without limitation, any derivative actions or claims asserted by any financial institutions, lenders, insurers, agents, representatives, successors, predecessors, assigns, attorneys, bankruptcy trustees, and any and all other entities that may claim through them in a derivative manner.

J. **Claims Excluded from Release.** Notwithstanding the foregoing, the releases provided herein shall not release claims of governmental entities that do not participate in the Settlement; claims arising solely from conduct by the Remnant Defendants that occurs after the Effective Date; claims against the Remnant Defendants other than the Released Claims; or claims alleging a breach of this Agreement or seeking to enforce this Agreement.

X. **Miscellaneous Provisions**

A. **Population of Subdivisions.** The population figures for Subdivisions shall be the published U.S. Census Bureau's population estimates for July 1, 2019, released May 2020. These population figures shall remain unchanged during the term of this Agreement.

B. **No Admission of Liability or Wrongdoing.** The Parties agree to settle the Released Claims and to execute this Agreement solely to compromise and settle protracted, complicated, and expensive litigation. The Remnant Defendants do not admit liability or wrongdoing. Neither this Agreement nor the Consent Judgment shall be considered, construed or represented to be (1) an admission, concession or evidence of liability or wrongdoing or (2) a waiver or any limitation of any defense otherwise available to the Remnant Defendants.

C. **Voluntary Settlement.** Each Settling Party warrants and represents that it negotiated the terms of this Agreement in good faith, without any degree or duress or compulsion, and after consultation with competent legal counsel. The Settling Parties agree that throughout the course of the litigation of the Action, the Settling Parties and their counsel vigorously prosecuted their claims and/or defenses consistent with the applicable rules of procedure.

D. **Authorization to Enter Settlement Agreement.** The undersigned representatives of Remnant Defendants represent they are fully authorized to enter into and execute this Agreement on behalf of Remnant Defendants. Plaintiffs' Settlement Counsel represent that they

are, pursuant to MDL Court appointment, expressly authorized to take all action required or permitted to be taken pursuant to this Agreement to effectuate its terms and enter into and execute this Agreement and any modifications or amendments to this Agreement, on behalf of the Participating Subdivisions, that they deem appropriate.

E. **Integrated Agreement.** Except for any amendments, alterations, or modifications provided for under Section X.G., this Agreement, including its exhibits and any other attachments, and the Related Agreements, embodies the entire agreement and understanding between and among the Settling Parties relating to the subject matter hereof and supersedes (1) all prior agreements and understandings relating to such subject matter, whether written or oral, and (2) all purportedly contemporaneous oral agreements and understandings relating to such subject matter. It is understood by the Settling Parties that, except for the matters expressly represented herein, the facts or law with respect to which this Agreement is entered into may turn out to be other than or different from the facts now known to each party or believed by such party to be true. Each Settling Party therefore expressly assumes the risk of the facts or law turning out to be so different, and agrees that this Agreement shall be in all respects effective and not subject to termination by reason of any such different facts or law.

F. **Exhibits.** The exhibits to this Agreement are as follows all of which are incorporated by reference, *provided that* the descriptions of the exhibits below are for reference only and do not alter any other term of this Agreement:

Exhibit A – List of Actions. Lists lawsuits brought in state or federal court by or on behalf of Litigating Subdivisions against Remnant Defendants, coordinated under or parallel to MDL No. 2804.

Exhibit B – Documents Describing Alleged Harms. References non-exclusive examples of alleged past, present, and future financial, societal, and public nuisance harms and related expenditures.

Exhibit C – List of Litigating Subdivisions. Lists of all Litigating Subdivisions.

Exhibit D – List of Opioid Remediation Uses. Provides a non-exhaustive list of expenditures that qualify as being paid for Opioid Remediation. It includes core strategies and approved uses for settlement funds, such as naloxone distribution, medication-assisted treatment, prevention programs, and more.

Exhibit E – Plan of Allocation. The plan or formula for allocation of the Opioid Remediation Fund among Participating Subdivisions.

Exhibit F – List of Remnant Defendants’ Joint Ventures, Subsidiaries, Affiliates, and Predecessor Entities. Lists joint ventures, subsidiaries, affiliates, and predecessor entities of the Remnant Defendants.

Exhibit G – Subdivision Settlement Participation Form. Form that Participating Subdivisions must execute and return to participate in the settlement and receive payment.

Exhibit H – Agreement on Attorneys' Fees, Costs, and Expenses. Details the agreement regarding the allocation and payment of attorneys' fees, costs, and expenses from the settlement funds, including the structure of the Attorney Fee Fund, Common Benefit Fund, and Contingency Fee Fund.

G. **Amendment.** The terms and provisions of this Agreement may not be altered, amended, or modified except in writing signed by all Settling Parties.

H. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts and by different signatories on separate counterparts, each of which shall be deemed an original, but all of which shall together be one and the same agreement. One or more counterparts of this Agreement may be delivered by facsimile or electronic transmission with the intent that it or they shall constitute an original counterpart hereof. One or more counterparts of this Agreement may be signed by electronic signature. Counsel for the Settling Parties to this Agreement shall exchange among themselves original or scanned counterparts and a complete, assembled executed counterpart shall be filed with the MDL Court.

I. **Construction.** None of the Settling Parties shall be considered to be the drafter of this Agreement or of any of its provisions for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Agreement. The headings of the provisions of this Agreement are not binding and are for reference only and do not limit, expand, or otherwise affect the contents or meaning of this Agreement.

J. **Each Party to Bear Its Own Costs and Fees.** Except as otherwise provided herein, each Settling Party shall bear its own attorneys' fees and other litigation expenses and costs.

K. **Federal Rule of Evidence 408.** The Settling Parties agree that this Agreement, its terms and the negotiations surrounding this Agreement shall be governed by Federal Rule of Evidence 408 and shall not be admissible or offered or received into evidence in any suit, action, or other proceeding, except as provided in this Agreement, upon the written agreement of the Settling Parties hereto, pursuant to an order of a court of competent jurisdiction, or as shall be necessary to give effect to, or to declare or enforce the rights of the Settling Parties with respect to, any provision of this Agreement.

L. **Use of Agreement as Evidence.** Neither this Agreement nor the Settlement, nor any act performed, statement made, or document executed pursuant to or in furtherance of this Agreement or the Settlement: (a) is, may be deemed to be, or may be used as an admission or evidence of the validity of any Released Claims, any allegation made in any Action, or any wrongdoing or liability of Remnant Defendants; or (b) is, may be deemed to be, or may be used as an admission or evidence of any liability, fault, or omission of the Released Entities in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal. Neither this Agreement nor the Settlement, nor any act performed, statement made, or document executed pursuant to or in furtherance of this Agreement or the Settlement shall be admissible in any proceeding for any purpose except to enforce the terms of the Settlement, and except that the Released Parties may file this Agreement and/or the Consent Judgment in any

action for any purpose, including, but not limited to, in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion, issue preclusion, or similar defense or counterclaim. Notwithstanding anything to the contrary in this Agreement or otherwise, Remnant Defendants may file or use this Agreement and related materials in any action: (i) involving a determination regarding insurance coverage; (ii) involving a determination of the taxable income or tax liability of any Remnant Defendants; (iii) to support a claim for contribution and/or indemnification; or (iv) to support any argument or defense by a Remnant Defendant that the Pooled Settlement Amount provides a measure of compensation for asserted harms or otherwise satisfies the relief sought.

M. **Preservation of Records.** For five years following the Effective Date, (i) the Notice and Claims Administrator shall be required to keep, maintain, preserve, and otherwise refrain from altering, modifying, spoiling, deleting, removing, or destroying all records and data submitted in connection with any Participation Form; and (ii) each Participating Subdivision shall keep, maintain, preserve, and otherwise refrain from altering, modifying, spoiling, deleting, removing, or destroying all records and data supporting its Participation Form.

N. **Binding Effect.** This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties.

O. **Notices.** All notices from or between the Settling Parties shall be in writing. Each such notice shall be given by: (a) email; (b) hand delivery; (c) registered or certified mail, return receipt requested, postage pre-paid; or (d) FedEx or similar overnight courier, to their representatives at the addresses set forth below or such other addresses as Plaintiffs' Settlement Counsel or the Remnant Defendants may designate, from time to time, by giving notice to all Settling Parties in the manner described in this paragraph.

If directed to Plaintiffs' Settlement Counsel, or Participating Subdivisions,
address notice to:

Peter H. Weinberger
SPANGENBERG SHIBLEY & LIBER
1001 Lakeside Avenue East, Suite 1700
Cleveland, OH 44114
(216) 696-3232
pweinberger@spanglaw.com

Jayne Conroy
SIMMONS HANLY CONROY
112 Madison Avenue, 7th Floor
New York, NY 10016
(212) 784-6400
jconroy@simmonsfirm.com

Joseph F. Rice
 MOTLEY RICE
 28 Bridgeside Blvd.
 Mt. Pleasant, SC 29464
 (843) 216-9000
 jrice@motleyrice.com

Paul T. Farrell, Jr., Esq.
 FARRELL & FULLER
 270 Munoz Rivera Ave., Suite 201
 San Juan, PR 00918
 (304) 654-8281
 paul@farrellfuller.com

If directed to the Remnant Defendants, address notice to:

United Natural Foods, Inc.

Kim J. Myrdahl
 Deputy General Counsel, Senior Vice President & Chief Compliance Officer
 United Natural Foods, Inc.
 Legal Department
 PO Box 990
 Minneapolis, Minnesota 55440
 kim.j.myrdahl@unfi.com

With a copy (which shall not constitute notice) to:

Joseph M. Vanek
 Greg Shinall
 Trevor K. Scheetz
 Sperling Kenny Nachwalter, LLC
 321 N. Clark St., 25th Floor
 Chicago, Illinois 60654
 jvanek@sperlingkenny.com
 shinall@sperlingkenny.com
 tscheetz@sperlingkenny.com

J M Smith Corporation

Robert M. Barrett
 General Counsel
 J M Smith Corporation
 9098 Fairforest Road
 Spartanburg, SC 29301
 rbarrett@jmsmith.com

With a copy (which shall not constitute notice) to:

John J. Haggerty
 Fox Rothschild LLC
 Stone Manor Corporate Ctr.
 2800 Kelly Road, Suite 200
 Warrington, PA 18975
 jhaggerty@foxrothschild.com

Louisiana Wholesale Drug Company, Inc.

Chad Gielen
 President
 Louisiana Wholesale Drug Co., Inc.
 2085 I-49 S. Service Rd.
 Sunset, LA 70584

With a copy (which shall not constitute notice) to:

Neil G. Vincent
 Allen & Gooch, ALC
 2000 Kaliste Saloom Road, Ste. 400
 Lafayette, Louisiana 70508
 neilvincent@allengooch.com

Morris & Dickson Co., L.L.C.

Jim Walden
 Walden Macht Haran & Williams LLP
 250 Vesey Street, 27th Floor
 New York, NY 10281
 jwalden@wmhwlaw.com

Russell Dickson
 General Counsel
 Morris & Dickson Co., L.L.C.
 PO Box 51367
 Shreveport, LA 71135
 rdickson@morrisdickson.com

North Carolina Mutual Wholesale Drug Company, Inc.

Clint Syvinski, Co-CEO
 Katie Zechman, Co-CEO
 North Carolina Mutual Wholesale Drug Co.

816 Ellis Rd.
 Durham, NC 27703
 csyvinski@mutualdrug.com
 kzechman@mutualdrug.com

With a copy (which shall not constitute notice) to:

Chris Graebe
 Morningstar Law Group
 434 Fayetteville St., Suite 2200
 Raleigh, NC 27601
 cgraebe@morningstarlawgroup.com

Associated Pharmacies, Inc.; American Associated Pharmacies

Clint King
 President
 Associated Pharmacies, Inc.
 211 Lonnie E. Crawford Blvd.
 Scottsboro, AL 35769
 clint@apirx.com

With a copy (which shall not constitute notice) to:

Carl S. Burkhalter
 S. Reeves Jordan
 Maynard Nexsen P.C.
 1901 Sixth Ave. N., Suite 1700
 Birmingham, AL 35203
 cburkhalter@maynardnexsen.com
 rejordan@maynardnexsen.com

Any Settling Party may change or add the contact information of the persons designated to receive notice on its behalf by notice given (effective upon the giving of such notice) as provided in this Section X.O.

P. Consent to Jurisdiction. The Remnant Defendants, the Plaintiffs' Settlement Counsel, and Participating Subdivisions (including all Releasers) hereby irrevocably submit to the exclusive jurisdiction of the MDL Court only for the specific purpose of any suit, action, proceeding, or dispute arising out of or relating to the enforcement of this Agreement or the applicability of this Agreement. Solely for purposes of such suit, action, or proceeding, to the fullest extent that they may effectively do so under applicable law, the Remnant Defendants, the Plaintiffs' Settlement Counsel, and the Participating Subdivisions and the Participating Subdivisions' Counsel irrevocably waive and agree not to assert, by way of motion, as a defense or otherwise, any claim or objection that they are not subject to the jurisdiction of the MDL Court or that the MDL Court is in any way an improper venue or an inconvenient forum. Nothing herein shall be construed as a submission to jurisdiction for any purpose other than any

suit, action, proceeding, or dispute arising out of or relating to enforcement of this Agreement or the applicability of this Agreement. For the avoidance of doubt, nothing herein shall be construed as a submission to jurisdiction in any action involving a determination regarding insurance coverage.

Q. Resolution of Disputes; Retention of Exclusive Jurisdiction. Any disputes between or among the Remnant Defendants and any Participating Subdivision concerning matters contained in this Agreement, including the Plan of Allocation, shall, if they cannot be resolved by negotiation and agreement, be submitted to the MDL Court. The MDL Court shall retain exclusive jurisdiction over the implementation and enforcement of the Settlement.

R. Choice of Law. This Agreement shall be construed and enforced in accordance with, and governed by, the applicable provisions of the Federal Rules of Civil Procedure and Evidence, and the internal, substantive laws of the State of Ohio without giving effect to that State's choice of law principles.

S. No Waiver. No delay or omission by any Settling Party in exercising any rights under this Agreement will operate as a waiver of that or any other right. The waiver of any rights conferred hereunder shall be effective only if made by written instrument executed by the waiving Party or Parties. The waiver by any Party of any breach of this Agreement shall not be deemed to be or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, nor shall such waiver be deemed to be or construed as a waiver by any other Party.

T. Preservation of Privilege. Nothing contained in this Agreement or any Consent Judgment, and no act required to be performed pursuant to this Agreement or any Consent Judgment, is intended to constitute, cause, or effect any waiver (in whole or in part) of any attorney-client privilege, work product protection, or common interest/joint defense privilege, and each Party and Participating Subdivision agrees that it shall not make or cause to be made in any forum any assertion to the contrary.

U. Duty Not to Encourage Non-Participation. Plaintiffs' Settlement Counsel agrees not to in any way encourage, promote, or solicit any Subdivision, or their counsel, to decline to participate in this Settlement, or seek any relief inconsistent with this Settlement.

V. Tax Cooperation and Reporting.

1. Upon request by any Remnant Defendant, the Participating Subdivisions agree to perform such further acts and to execute and deliver such further documents as may be reasonably necessary for the Remnant Defendant to establish the statements set forth in Section III.B. to the satisfaction of their tax advisors, their independent financial auditors, the Internal Revenue Service, or any other governmental authority, including as contemplated by Treasury Regulations Section 1.162-21(b)(3)(ii) and any subsequently proposed or finalized relevant regulations or administrative guidance.

2. Without limiting the generality of Section X.V.1., each Participating Subdivision shall cooperate in good faith with any Remnant Defendant with respect to any tax claim, dispute, investigation, audit, examination, contest, litigation, or other proceeding relating to this Agreement. The Settling Parties agree to cooperate in good faith to provide documentation and perform such further acts, reporting, or allocation to achieve maximum deductibility under the terms of this Agreement.
3. The Designated Subdivision, as defined in Section I.K., on behalf of all Participating Subdivisions, shall designate one of its officers or employees to act as the “appropriate official” within the meaning of Treasury Regulations Section 1.6050X-1(f)(1)(ii)(B) (the “*Appropriate Official*”). The Designated Subdivision shall direct and ensure that the Appropriate Official timely (a) files (i) at the time this Agreement becomes binding on the Settling Parties, an IRS Form 1098-F with respect to each of the Remnant Defendants and (ii) any legally required returns or amended returns with any applicable governmental authority, or any returns requested by the respective Remnant Defendant, and (b) provides to each of the Remnant Defendants a copy of (i) the IRS Form 1098-F filed with respect to such Remnant Defendant and (ii) any legally required written statement pursuant to any applicable law and any other document referred to in clause (a)(ii) above. Any such form, return, or statement shall be prepared and filed in a manner fully consistent with Section III.B.
4. The Participating Subdivisions agree that any return, amended return, or written statement filed or provided pursuant to Section X.V.3., and any similar document, shall be prepared and filed in a manner consistent with reporting each Remnant Defendant’s portion of the Pooled Settlement Amount as the “Total amount to be paid” pursuant to this Agreement in Box 1 of IRS Form 1098-F and each Remnant Defendant’s portion of the Compensatory Restitution Amount as “Restitution/remediation amount” in Box 2 of IRS Form 1098-F. If the Designated Subdivision or Appropriate Official shall be required to file any return, amended return, or written statement contemplated by this Section X.V. other than an IRS Form 1098-F, the Designated Subdivision shall direct and ensure that the Appropriate Official provides to each Remnant Defendant a draft of such return, amended return, or written statement in respect of such Remnant Defendant no later than sixty (60) calendar days prior to the due date thereof and shall accept and reflect any reasonable comments of such Remnant Defendant on the return, amended return, or written statement in respect of such Remnant Defendant.
5. For the avoidance of doubt, neither the Remnant Defendants nor the Participating Subdivisions make any warranty or representation to any Participating Subdivision or Releaser as to the tax consequences of any aspect of the Settlement or this Agreement.

W. **No Third-Party Beneficiaries.** Except as expressly provided in this Agreement, no portion of this Agreement shall provide any rights to, or be enforceable by, any person or entity that is not a Released Entity. No Participating Subdivision may assign or otherwise convey any right to enforce any provision of this Agreement.

X. **Confidentiality.** The terms of this Agreement shall remain confidential until Subdivision Settlement Participation Forms are submitted to Subdivisions pursuant to the terms of this Agreement, or the proposed order to establish qualified settlement funds is submitted to the MDL Court, whichever occurs first; *provided that*, prior to then the Settling Parties may disclose the terms of this Settlement to accountants, lenders, auditors, legal counsel, tax advisors, insurers, or consultants; or as part of any security or other disclosure required by law (as determined by a Settling Party and its counsel); or in response to a request by any governmental, judicial, or regulatory authority or otherwise required by applicable law or court order; and Participating Subdivisions may disclose the terms of the Settlement to any entity that has applied to serve as Notice and Claims Administrator, or Settlement Fund Administrator, who shall abide by the terms of this paragraph. Any formal press release by a Settling Party regarding this Settlement prior to entry of the Final Judgment shall be shared in advance with the other Settling Party, with a reasonable opportunity for comments and suggested changes.

IN WITNESS WHEREOF, the Settling Parties hereto, through their fully authorized representatives, have executed this Agreement as of the date set opposite their names.

PLAINTIFFS' SETTLEMENT COUNSEL

Date: _____

By: _____

Printed Name: _____

Title: _____

IN WITNESS WHEREOF, the Settling Parties hereto, through their fully authorized representatives, have executed this Agreement as of the date set opposite their names.

MORRIS & DICKSON CO., L.L.C.

Date: _____

By: _____

Printed Name: _____

Title: _____

IN WITNESS WHEREOF, the Settling Parties hereto, through their fully authorized representatives, have executed this Agreement as of the date set opposite their names.

UNITED NATURAL FOODS, INC.

Date: _____

By: _____

Printed Name: _____

Title: _____

IN WITNESS WHEREOF, the Settling Parties hereto, through their fully authorized representatives, have executed this Agreement as of the date set opposite their names.

**LOUISIANA WHOLESALE DRUG
COMPANY, INC.**

Date: _____

By: _____

Printed Name: _____

Title: _____

IN WITNESS WHEREOF, the Settling Parties hereto, through their fully authorized representatives, have executed this Agreement as of the date set opposite their names.

J M SMITH CORPORATION

Date: _____

By: _____

Printed Name: _____

Title: _____

IN WITNESS WHEREOF, the Settling Parties hereto, through their fully authorized representatives, have executed this Agreement as of the date set opposite their names.

ASSOCIATED PHARMACIES, INC.

Date: _____

By: _____

Printed Name: _____

Title: _____

**AMERICAN ASSOCIATED
PHARMACIES**

Date: _____

By: _____

Printed Name: _____

Title: _____

IN WITNESS WHEREOF, the Settling Parties hereto, through their fully authorized representatives, have executed this Agreement as of the date set opposite their names.

**NORTH CAROLINA MUTUAL
WHOLESALE DRUG COMPANY, INC.**

Date: _____

By: _____

Printed Name: _____

Title: _____

**SIX REMNANT (ESTIMATED TOTAL) - SINGLE YEAR
OPIOID LITIGATION SETTLEMENT CALCULATOR**

NEVADA RECOVERY	\$ 1,134,430.04

LEAD LITIGATOR COSTS ESTIMATE	

FEDERAL GOVERNMENT CMS MEDICAID COSTS (22.52%)	

ALLOCATION AMOUNT ESTIMATE	\$ 1,134,430.04

GOVERNMENT ENTITY	GROSS ALLOCATION	ATTORNEY FEES	NET ALLOCATION
STATE OF NEVADA	\$ 497,561.02	\$ 106,975.62	\$ 390,585.40
CARSON CITY	\$ 11,556.63	\$ 2,889.16	\$ 8,667.47
CHURCHILL COUNTY	\$ 4,466.40	\$ 1,116.60	\$ 3,349.80
CLARK COUNTY	\$ 426,223.34	\$ 106,555.84	\$ 319,667.50
DOUGLAS COUNTY	\$ 10,572.96	\$ 2,643.24	\$ 7,929.72
ELKO COUNTY	\$ 6,894.58	\$ -	\$ 6,894.58
ESMERALDA COUNTY	\$ 316.71	\$ 79.18	\$ 237.53
EUREKA COUNTY	\$ 658.25	\$ -	\$ 658.25
HUMBOLDT COUNTY	\$ 6,491.43	\$ 1,622.86	\$ 4,868.57
LANDER COUNTY	\$ 2,310.20	\$ -	\$ 2,310.20
LINCOLN COUNTY	\$ 1,511.47	\$ 377.87	\$ 1,133.60
LYON COUNTY	\$ 10,012.47	\$ 2,503.12	\$ 7,509.35
MINERAL COUNTY	\$ 3,816.71	\$ 954.18	\$ 2,862.53
NYE COUNTY	\$ 10,200.63	\$ 2,550.16	\$ 7,650.47
PERSHING COUNTY	\$ 2,308.33	\$ -	\$ 2,308.33
STOREY COUNTY	\$ 804.94	\$ -	\$ 804.94
WASHOE COUNTY	\$ 58,043.92	\$ 14,510.98	\$ 43,532.94
WHITE PINE COUNTY	\$ 6,660.74	\$ 1,665.19	\$ 4,995.55
BOULDER CITY	\$ 941.71	\$ 235.43	\$ 706.28
ELY CITY	\$ 42.14	\$ 10.54	\$ 31.60
FERNLEY CITY	\$ 92.03	\$ 23.01	\$ 69.02
HENDERSON CITY	\$ 14,661.14	\$ 3,665.29	\$ 10,995.85
LAS VEGAS CITY	\$ 30,064.66	\$ 7,516.17	\$ 22,548.49
MESQUITE CITY	\$ 933.06	\$ 233.27	\$ 699.79
NORTH LAS VEGAS CITY	\$ 15,449.72	\$ 3,862.43	\$ 11,587.29
RENO CITY	\$ 8,637.77	\$ 2,159.44	\$ 6,478.33
SPARKS CITY	\$ 2,708.75	\$ 677.19	\$ 2,031.56
WEST WENDOVER CITY	\$ 359.20	\$ 89.80	\$ 269.40
CENTRAL LYON FIRE PROTECTION DISTRICT	\$ 96.12	\$ 24.03	\$ 72.09
NORTH LYON FIRE PROTECTION DISTRICT	\$ 33.01	\$ 8.25	\$ 24.76
TOTAL:	\$ 1,134,430.04	\$ 262,948.85	\$ 871,481.19

EXHIBIT G

**Six (6) Remnant Defendants’
Combined Subdivision Participation and Release Form
 (“Combined Participation Form”)**

Governmental Entity:	State: Nevada
Authorized Official:	
Address 1:	
Address 2:	
City, State, Zip:	
Phone:	
Email:	

The governmental entity identified above (“Governmental Entity”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the six (6) Remnant Defendants’ Settlement Agreement (“RDSA”), dated February 23, 2026, and described further in Paragraph 1, and acting through the undersigned authorized official, hereby elects to participate in the RDSA, release all Released Claims against all Released Entities, and agrees as follows:

1. The Governmental Entity hereby elects to participate in the RDSA as a Participating Subdivision with each of the following six (6) Remnant Defendants that are parties to the RDSA: (1) Associated Pharmacies, Inc. (and American Associated Pharmacies), (2) J M Smith Corporation, (3) Morris and Dickson Co., L.L.C., (4) Louisiana Wholesale Drug Company, Inc., (5) North Carolina Mutual Wholesale Drug Company, Inc., and (6) United Natural Foods, Inc. (and SuperValu).
2. The Governmental Entity is aware of and has reviewed the RDSA, understands that all capitalized terms not defined in this Combined Participation Form have the meanings defined in the RDSA, and agrees that by executing this Combined Participation Form, the Governmental Entity elects to participate in the RDSA and become a Participating Subdivision as provided in the RDSAs.
3. The Governmental Entity shall promptly, and in any event no later than 14 days after the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed against any Released Entity in the RDSA. With respect to any Released Claims pending in *In Re National Prescription Opiate Litigation*, MDL No. 2804, the Governmental Entity authorizes the Plaintiffs’ Executive Committee to execute and file on behalf of the Governmental Entity a Stipulation of Dismissal with Prejudice for each of six (6) Remnant Defendants listed in Paragraph 1 above substantially in the form found at <https://nationalopioidsettlement.com/additional-settlements/>.
4. The Governmental Entity agrees to the terms of each of the RDSA pertaining to Participating Subdivisions as defined therein.

5. By agreeing to the terms of the RDSA settlements and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
6. The Governmental Entity agrees to use any monies it receives through the RDSA solely for the purposes provided therein.
7. The Governmental Entity submits to the jurisdiction of the MDL Court and agrees to follow the process for resolving any disputes described in the RDSA.
8. The Governmental Entity has the right to enforce the RDSA as provided therein.
9. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes of the RDSA, including without limitation all provisions related to release of any claims, and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in his or her official capacity whether elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in the RDSA in any forum whatsoever. The release provided for in the RDSA is intended by the Parties to be broad and shall be interpreted so as to give the Released Entities in the RDSA the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The RDSA shall be a complete bar to any Released Claim against the Released Entities.
10. The Governmental Entity hereby takes on all rights and obligations of a Participating Subdivision as set forth in the RDSA.
11. In connection with the releases provided in the RDSA, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

General Release; extent. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims in the RDSA, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the RDSA.

12. The Governmental Entity understands and acknowledges that nothing herein is intended to modify in any way the terms of any of the RDSA, to which Governmental Entity hereby agrees. To the extent this Combined Participation Form is interpreted differently from the RDSA in any respect, the RDSA controls.

I have all necessary power and authorization to execute this Combined Participation Form on behalf of the Governmental Entity.

Signature: _____

Name: _____

Title: _____

Date: _____

	Board of Storey County Commissioners Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 30 min.	
Agenda Item Type: Discussion/Possible Action		

- **Title:** Discussion and possible approval of a private infrastructure improvement project contract between Storey County and Tesla that will facilitate Tesla's extension of the I-80/Patrick Interchange westbound onramp with County reimbursement of costs not to exceed \$4,100,000 paid incrementally over two fiscal years (FY2027 and FY2028).
- **Recommended motion:** I (commissioner) motion to approve a private infrastructure improvement project contract between Storey County and Tesla that will facilitate Tesla's extension of the I-80/Patrick Interchange westbound onramp with County reimbursement of costs not to exceed \$4,100,000 paid incrementally over two fiscal years (FY2027 and FY2028).
- **Prepared by:** Austin Osborne

Department: Commissioners

Contact Number: 775.847.0968

- **Staff Summary:** The board on March 17 and April 7, 2026, directed staff to develop a plan and draft agreement between Storey County and Tesla, in coordination with the Nevada Department of Transportation (NDOT), to improve the I-80/Patrick Interchange westbound onramp with structured cost reimbursement to Tesla by the county for work performed by Tesla and its contractors.
- Discussions between the county, Tesla, and NDOT occurred in consultation with Tesla's retained engineering firm Kimley Horn and Associates. The engineering firm is qualified in traffic analyses and road infrastructure improvement projects, and it has performed work with NDOT and private companies in and around the TRI-Center area. The parties agree that extending the Patrick westbound on-ramp approximately 2,200 feet will enhance merging traffic capability onto I-80, substantially alleviating overall afternoon rush-hour traffic congestion and safety concerns on the interstate between USA Parkway and Vista. The project may also improve traffic flows on Waltham Way and USA Parkway in TRI-Center. The preliminary potential project cost estimate is between \$3-5 million, and the tentatively agreed not-to-exceed amount eligible for reimbursement is \$4.1 million.
- The parties seek county commission approval of a contractual agreement enabling Tesla to apply to NDOT for a private infrastructure improvement project which may be funded by Storey County up to the maximum stated amount over two county fiscal years (FY 2027 and FY2028). Approaching the infrastructure improvement project in this public-

private fashion may expedite project completion, reduce costs, and alleviate NDOT and the State of Nevada of associated costs.

- **BACKGROUND** – The USA Parkway and Patrick interchanges provide TRI-Center’s only connections to Interstate-80 (I-80), providing for the movement of people, goods, and emergency services (Fire, Emergency Medical Services, Sheriff, and Highway Patrol) to and from the industrial center as well as the state and region.
- Both interchanges frequently become overwhelmed with traffic, particularly during afternoon “rush-hour” periods. Traffic congestion in this area is causing substantial burden to area businesses which have reported losing employees, driver safety concerns, and persistent tucking and logistical delays and challenges.
- NDOT, in cooperation with Storey County, has implemented short-term measures to improve traffic flows at the USA Parkway Interchange, including installation and timing of nearby traffic signals to better “meter” traffic at the interchange. These efforts are in addition to NDOT’s planned long-term solutions associated with its I-80 Widening Project.
- Storey County staff regularly discuss with TRI-Center companies – notably Tesla – potential methods to improve traffic conditions within TRI-Center and I-80, including potential alternative road alignments and existing transportation infrastructure improvements. These engagements also complement ongoing regional transportation planning efforts between Storey County, Washoe RTC, NDOT, and other agencies.
- Recent conversations with Tesla have focused on potential immediate westbound onramp improvements to the Patrick Interchange that may facilitate efficient merging onramp traffic and substantially reduce afternoon westbound traffic congestion between TRI-Center and the Sparks-Vista Interchange.
- Funding limitations, and state and federal regulatory timelines, may delay action to resolving immediate problems. Storey County and Tesla, in coordination with NDOT, have contemplated potential public-private partnerships between the county, Tesla, and cooperating TRI-Center companies that may make expedited infrastructure improvements possible.

- **Supporting Materials:** See Attachments

- **Fiscal Impact:** Yes

- **Legal review required:** TRUE

- **Reviewed by:**

_____ Department Head

Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved

☐ Approved with Modification

☐ Denied	☐ Continued

INFRASTRUCTURE REIMBURSEMENT AGREEMENT

This Infrastructure Reimbursement Agreement (“Agreement”) is effective as of the date last signed below by an authorized representative of each Party (“Effective Date”) and is entered into by and between The County of Storey, a political subdivision of the State of Nevada (“County”), and Tesla, Inc., a Texas corporation (“Developer”). County and Developer are sometimes referred to herein individually as a “Party” and collectively as the “Parties”.

1. Background

- 1.1. County is supportive of planned infrastructure improvements between Developer and Nevada Department of Transportation (“NDOT”), with the intended goal of helping alleviate I-80 traffic between USA Parkway and Vista Blvd. The first phase will expand the westbound onramp length to improve the Patrick interchange (“Patrick Interchange Improvement” or “Development”) on NDOT land.
- 1.2. In exchange for Developer working with NDOT to construct the Development, County shall provide Developer reimbursement for Reimbursable Costs, as provided herein (“County Obligation”).
- 1.3. The Parties desire to enter into this Agreement to govern such Reimbursement.
- 1.4. In consideration of the promises and covenants set out in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by each Party, the Parties agree as provided herein.

2. County Obligations

- 2.1. County represents that:
 - 2.1.1. It has all authority, power, and jurisdiction (or has secured the same) to enter into this Agreement; and
 - 2.1.2. There is no existing law, rule, or regulation that would prohibit or prevent provision of the County Obligation for reimbursement in accordance with the Agreement.
- 2.2. County shall reimburse Developer for the following Reimbursable Costs. The Reimbursements shall be provided to Developer in increments of up to \$2,000,000 per County fiscal year, starting with the first fiscal year after Development completion (currently projected to be County FY 2027) and continuing thereafter each County fiscal year until all Developer Reimbursable Costs not to exceed \$4,100,000.00 have been provided.
 - 2.2.1. “Reimbursable Costs” include any costs directly or indirectly incurred by Developer in relation to the Development, including without limitation design, planning, engineering, construction (labor, materials, equipment, contractor profit, etc.), inspection, supervision, and pre-dedication maintenance.
- 2.3. To the fullest extent permitted by law, County shall cooperate with and assist Developer to implement this Agreement.

3. Developer Obligations

- 3.1. Developer shall work with NDOT to complete the Development.
- 3.2. Developer shall comply with applicable laws regarding worker pay (e.g., Nevada Revised Statutes Chapter 338) for the Development.
- 3.3. Developer shall verify Development completion with NDOT (i.e., Development turned over to NDOT) before seeking reimbursement from County.
- 3.4. Developer shall keep reasonable supporting documentation (e.g., contractor invoices) for Reimbursable Costs.

4. **Changes**

4.1. The Parties agree to amend this Agreement as necessary to account for any conflicting law, rule, or regulation (“Conflicting Law”) which is enacted or enforced that prevents or precludes either Party’s compliance with this Agreement.

4.1.1. Upon learning of Conflicting Law, the applicable Party will provide the other Party with written notice thereof, including a description of the Conflicting Law and supporting documentation.

4.1.2. Within thirty (30) calendar days of such notice, the Parties shall meet and confer in good faith and attempt to modify this Agreement to the minimum extent necessary to make it comply with such Conflicting Law, while remaining within the intent of this Agreement. In the meantime, the Parties shall take reasonable actions to comply with any governing Conflicting Law.

5. **Termination**

5.1. Either Party may terminate this Agreement for cause if the other Party materially breaches this Agreement and such breach is not cured within thirty (30) calendar days after the non-breaching Party gives notice and a written demand for cure, provided that the Agreement will not terminate for as long as the breaching Party continues to diligently pursue cure to completion if cure is not possible within thirty (30) calendar days after notice.

6. **Notices**

6.1. All notices required to be given by a Party to the other Party under this Agreement shall be given to the individuals below. Either Party may change its contacts or noticing address at any time by advanced written notice to the other Party.

6.2. Any formal notice, demand or request required to be given in this Agreement must be in writing and shall be deemed properly served, given, or made if (i) delivered in-person, (ii) delivered by either registered or certified mail, postage prepaid, or overnight mail, or (iii) sent via e-mail (with confirmation of receipt), to the applicable address below:

County: C/O: _Storey County _____ Attn: __ County Manager _____ _____ _____ Email: _countymanager@storeycounty.org With copies to Storey County District Attorney’s Office Email: scda@storeycounty.org	Developer: C/O: Tesla, Inc. Attn: Brian Bolz 1 Electric Ave McCarran, NV 89437 Email: bbolz@tesla.com With copies to: Tesla, Inc. 1 Tesla Road Austin, TX 78725 Attn: General Counsel/Legal Email: legal@tesla.com

7. **Miscellaneous**

- 7.1. This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada. Any dispute arising from rights or obligations of this Agreement shall be submitted to arbitration pursuant to the Commercial Rules of the American Arbitration Association or the Uniform Arbitration Act, including any disputes regarding consents or approvals to be given by a Party, prior to seeking judicial relief or remedy, except under circumstances in which injunctive relief will lie pending arbitration of a dispute. The decision of the arbitrator shall be final and binding on both Parties. In the event of any judicial enforcement or confirmation proceeding relating to an arbitration award, the prevailing party shall be entitled to all reasonable costs and attorneys' fees. In addition, the arbitrator shall be authorized to award, and shall award, attorneys' fees and costs to the prevailing party.
- 7.2. IN NO EVENT WILL EITHER PARTY BE LIABLE UNDER ANY PROVISION OF THIS AGREEMENT FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFIT OR REVENUE, LOSS OF THE USE OF EQUIPMENT, COST OF CAPITAL, COST OF TEMPORARY EQUIPMENT OR SERVICES, OR DAMAGES ARISING OUT OF DELAY, WHETHER BASED IN WHOLE OR IN PART IN CONTRACT, TORT (INCLUDING WITHOUT LIMITATION NEGLIGENCE), STRICT LIABILITY, OR ANY OTHER THEORY OF LIABILITY.
- 7.3. The burdens of this Agreement shall be binding upon, and the benefits of this Agreement shall inure to, all successors in interest to the Parties to this Agreement. All provisions of this Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land.
- 7.4. The relationship between the Parties is that of independent contractors. Nothing contained in this Agreement is intended or may be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the Parties, and neither Party has authority to contract for or bind the other Party in any manner whatsoever.
- 7.5. Except as expressly set out in this Agreement, the Parties' respective remedies are cumulative, provided that neither Party may recover more than once for the same damages.
- 7.6. This Agreement and all rights set out in this Agreement are intended for the sole benefit of the Parties and do not imply or create any rights on the part of, or obligations to, any other person.
- 7.7. Provisions of this Agreement that by their nature contemplate or govern performance or observance subsequent to the termination or expiration of this Agreement or any transactions contemplated herein shall survive such termination or expiration.
- 7.8. Any information shared between the Parties in relation to this Agreement will only be used by the Parties for purposes of performing their obligations under this Agreement and will not be disseminated to any third party, except as required by applicable law.
- 7.9. This Agreement may be executed in several counterparts, all of which are identical. All such counterparts together will constitute one and the same instrument.
- 7.10. This Agreement constitutes the complete agreement between the Parties with regard to the subject matter of this Agreement, and supersedes any and all prior agreements and proposals, oral or written, to the extent related to the subject matter of this Agreement.

[Signature Page Follows]

The Parties, by the signatures of their respective authorized representatives below, have entered into this Agreement to be effective on the Effective Date.

COUNTY

Storey County, Nevada

By: _____

Name: _____

Title: _____

Date: _____

DEVELOPER

Tesla, Inc.

By: _____

Name: _____

Title: _____

Date: _____

	Board of Storey County Commissioners Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 10 min	
Agenda Item Type: Discussion/Possible Action		

- Title:** Public Hearing for the Second Reading of Bill No. 149, Ordinance No. 26-337, amending Storey County Code Chapter 5.16, Brothels, Section 5.16.130, License Fees, to update certain language, remove the monthly licensing requirement, and provide that each licensed operator shall pay an annual business license fee of twenty-five dollars (\$25.00), in addition to any fees set forth in Section 5.16.050; increase the loan reporting requirement to the Sheriff's Office from twenty-five thousand dollars (\$25,000) to two hundred thousand dollars (\$200,000); and change the method by which fees are established from resolution to ordinance.
- Recommended motion:** I (commissioner), move to close the Public Hearing for the Second Reading of Bill No. 149, Ordinance No. 26-337, amending Storey County Code Chapter 5.16, Brothels, Section 5.16.130, License Fees, to update certain language, remove the monthly licensing requirement, and provide that each licensed operator shall pay an annual business license fee of twenty-five dollars (\$25.00), in addition to any fees set forth in Section 5.16.050; increase the loan reporting requirement to the Sheriff's Office from twenty-five thousand dollars (\$25,000) to two hundred thousand dollars (\$200,000); and change the method by which fees are established from resolution to ordinance.
- Prepared by:** Lara Mather

Department: Business Development

Contact Number: 7754324081

- Staff Summary:** This is the public hearing for the second reading for Bill No. 149, Ordinance No. 26-337, amending Storey County Code Chapter 5.16, Brothels, Section 5.16.130, License Fees, to update certain language, remove the monthly licensing requirement, and provide that each licensed operator shall pay an annual business license fee of twenty-five dollars (\$25.00), in addition to any fees set forth in Section 5.16.050; increase the loan reporting requirement to the Sheriff's Office from twenty-five thousand dollars (\$25,000) to two hundred thousand dollars (\$200,000); and change the method by which fees are established from resolution to ordinance.
- Supporting Materials:** See Attachments
- Fiscal Impact:**

- **Legal review required:** False

- **Reviewed by:**

_____ Department Head

Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved	☐ Approved with Modification
☐ Denied	☐ Continued

Bill No. 149

Ordinance No. 26-337

Summary

An ordinance amending Storey County Code Chapter 5.16 Brothels, Section 5.16.130 License Fees, Penalties for Non-Payment, by removing an identified sentence error.

Title

An ordinance amending Storey County Code Chapter 5.16 Brothels, Section 5.16.130 License Fees, Penalties for Non-Payment, by removing an identified sentence error.

Chapter 5.16 BROTHELS¹

5.16.010 Declaration of public policy on privilege permit business.

- A. The board of county commissioners finds and declares that the public health, safety, morals and welfare of the inhabitants of the county require the regulation and control of each brothel, as a privilege permit business, the licensing of which is granted in the sole discretion of the board and the regulation and control of each person with an ownership interest in, who is engaged in, who is associated with or who is in control of the business, including the local general manager.
- B. It is unlawful to practice prostitution, to allow acts of prostitution or sex-for-hire services, to solicit business for a prostitute or to procure any person for the purpose of prostitution, except as permitted by this chapter.
- C. Any license issued under the provisions of this chapter is a revocable privilege and the holder does not acquire any vested rights to the permit.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.020 Definitions.

When used in this chapter, the following words and terms are defined as follows:

"Applicant" means any person, including a trustee of an inter vivos trust, a director, officer or shareholder of a corporation, or a member or manager and owner of a limited liability company applying to the board for a license under the provisions of this chapter.

"Board" means the Brothel Licensing Board of Storey County consisting of the board of county commissioners and the sheriff of Storey County.

¹Editor's note(s)—Ord. No. 14-261, § I, adopted March 17, 2015, amended Chapter 5.16 in its entirety to read as herein set out. Former Chapter 5.16, §§ 5.16.010—5.16.240, pertained to prostitution, and derived from Ord. No. 09-227, § 1, 12-15-2009; Ord. No. 13-249, § I, 10-1-2013.

"Brothel" means a business engaged in prostitution, sex-for-hire services, and all associated activities allowed and approved under this chapter.

"Escort" means any person who, for a compensation of any type, accompanies any other person to or about social affairs, places of entertainment or amusement, or who consorts with others about any place of public resort or within any private quarters outside of a brothel.

"Escort service" includes any person, business or agency which, for compensation of any type, furnishes or offers to furnish escorts, also known as "outdating."

"Licensed operation" means a brothel duly licensed and operated in accordance with the provisions of this chapter.

"Operational control" means the control of or the ability to control any substantial business decision involving a brothel.

"Premises" means the brothel building, accessory buildings used by customers, and area within the fenced enclosure, if any, of the building.

"Work card" means the card issued by the sheriff to each employee and to each prostitute authorizing them to work at a licensed operation.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.030 Prostitution permitted.

The operation of a licensed brothel within the county in accordance with the provisions of this chapter does not constitute a public nuisance or an offense to public decency.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.040 Powers of the licensing board.

- A. The board has the sole authority to grant a permit to operate a brothel, and the sole authority to make, alter and rescind all necessary regulations setting forth the terms and conditions under which permits may be applied for, the terms and conditions under which permits may be granted, transferred, revoked or canceled, where brothels may be located within the county, and any and all other regulations necessary regarding the conditions under which the brothels may be allowed to operate.
- B. It is the duty of the board to carry out terms of the provisions of this chapter, and to see that this chapter is enforced.
- C. Powers of the board include, but are not limited to, the power to:
 - 1. Receive all license and general manager applications.
 - 2. Investigate all applicants.
 - 3. Grant or refuse to grant the license.
 - 4. Approve or disapprove a general manager for a licensed operation.
 - 5. Receive complaints concerning alleged violations of this chapter.
 - 6. Restrict, revoke or suspend licenses for cause after a hearing. In an emergency the board may issue an order for immediate suspension or limitation of a license, but the order must state the reason for suspension or limitation and afford the licensee a hearing.

7. Exercise the power and authority necessary to perform the duties assigned it.
8. Hear appeals from enforcement actions of the sheriff.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.050 License application—Filing and investigation.

- A. All license applications for a brothel must be filed with the sheriff's office along with a nonrefundable investigation fee, set by resolution of the board of county commissioners, for each applicant. If the actual total cost of investigating any license application exceeds the fee, the applicant will be responsible for and pay to the county the amount in excess before the license may be approved. At time of application, the first three month's license fee must be deposited with the sheriffs office. If the application is denied, the license fee deposit must be refunded.
- B. Any applicant whose place of business will be conducted by a general manager, and any brothel licensee who changes a general manager, is required to submit an application for the general manager and is required to report the change of a general manager, and must pay an additional nonrefundable investigation fee for each designated general manager.
- C. Any person, director, officer or shareholder of a corporation, member or manager of a limited liability company, or the principal of any firm or association having any financial interest, including revenue or income participation, operational control, or ownership interest in the brothel must submit an application as a co-licensee pursuant to Section 5.16.090 and pay an additional nonrefundable investigation fee.
- D. Banking and financial institutions that lend to a brothel operator, owner or landlord are not required to submit a license application unless the lending instruments include revenue or income participation, or operational control of the brothel business. For the purposes of this section "banking and financial institutions" mean any bank, savings and loan association, savings bank, thrift company, credit union, or other financial institution that is licensed, registered or otherwise authorized to do business in Nevada.
- E. A loan related to the brothel equal to or greater than ~~twenty-five~~ **two hundred** thousand dollars must be reported to the sheriff and loan documents must be provided within thirty days.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.060 License applications—Contents.

Any person desiring to own or operate a brothel within the county must apply to the board for a license. The application for the licensee must be filed at the sheriff's office. An applicant must be a natural person applying as an owner, co-owner, or general manager of the brothel, or as a trustee on behalf of an inter vivos trust, or as director, officer or shareholder on behalf of a corporation, or as member or manager and owner on behalf of a limited liability company that owns or will own the brothel. Applicants must be a resident of the State of Nevada.

- A. The application must set forth:
 1. The applicant for the license, including:
 - a. Names, ages, and addresses of all persons who have or will have a financial or ownership interest in the operation, including the owner of the real property;
 - b. Names, ages, and addresses of persons who are or will be personally responsible for the conduct and management of the operation;

- c. Names, ages, and addresses of all persons designated as trustees of an inter vivos trust, directors, officers or shareholders of a corporation, or members or managers of a limited liability company;
2. A recent photograph and complete set of fingerprints of all persons listed in subsection 1;
3. Names and addresses of any other businesses an applicant has a financial or ownership interest in and the type of business and the nature of the applicant's interest;
4. Names and addresses of each of the applicant's current and former employers for the preceding ten years;
5. The applicant's current address and all former addresses in the preceding ten years;
6. A list of all prior convictions of the applicant for any crime, excluding minor traffic violations; the list must include a statement of the offense, the place of its occurrence, the date of its occurrence, and the disposition of the case;
7. A complete and accurate financial statement of the applicant prepared by a licensed certified public accountant;
8. Complete federal income tax returns for the applicant for the preceding five years;
9. The street address and legal description of the property upon which the proposed brothel is to be located, together with copies of all deeds, mortgages, deeds of trust, liens or other encumbrances, leasehold interests, or other interests relating to the property;
10. A complete list of any children the applicant has under the age of 18, including names, addresses, phone numbers, any court orders for child support and an affidavit that all child support payments are current;
11. A court certified copy of the inter vivos trust if applicant is designated trustee, the bylaws of a corporation, or the operating agreement of a limited liability company;
12. An executed comprehensive release authorizing the investigating authority to obtain any and all information deemed pertinent to the granting of a license;
13. A list consisting of a minimum of three verifiable personal references with addresses and telephone numbers; and
14. Any other information reasonably deemed necessary or useful by the board.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.070 Restrictions on licensing.

- A. The board must apply the following restrictions to every licensed operation:
 1. Signs. Each licensed operation may have up to three signs. All off-premises signs must be placed in a location off the right-of-way and in a manner so as not to constitute a hazard. The community development department must approve all signs.
 2. Fences. All licensed operations, individual or resort property oriented, must include designated perimeter barriers (fences, berms or other approved forms of separation) and a resort-style entrance gate that will restrict access to the brothel property. No prostitution related activities may be conducted outside of the designated perimeter.
- B. Topless shows or other exhibitions involving the exposure of human genitals, pubic region, or buttocks, or any adult movies whose program during a substantial part of the time, contains one or more motion pictures

which are rated "X" by the Code Rating Administration of the Motion Picture Association of America, or which is not rated, but whose program is intended to appeal to the prurient interests of the client are allowed in a licensed brothel and may not be permitted or licensed by the board outside of a licensed brothel.

- C. The board may, to promote the health, safety and welfare of the people of the county, or to promote the orderly conduct of the operation, impose additional restrictions, including, but not limited to, the following:
 - 1. Limit the hours per day or per week that a licensed operation may be conducted; and
 - 2. Limit the type, signing and size of building in which a licensed operation may be conducted.
 - 3. Limit the number of prostitutes that work in an operation.
- D. The board may impose restrictions pursuant to this section prior, during, or after issuance of license.
- E. Subject to Nevada State Law, gaming may be permitted in the premises.
- F. In the interests of the public health, safety, morals, and general welfare, the number of licenses issued under this chapter is limited to five.
- G. Escort services may only be allowed in association with a licensed operation and may be allowed only under an additional and separate specific escort license, subject to a written agreement for each transaction for escort services acknowledging:
 - 1. The brothel is not licensed outside of Storey County.
 - 2. Prostitution is not allowed in Washoe County, Reno, Sparks, Carson City or the Nevada areas of Lake Tahoe.
 - 3. Escort services are for purposes of entertainment, dining, gaming (casino gambling), dancing, shopping, sight seeing or other similar activity.
 - 4. Escort and client may not leave the State of Nevada.
 - 5. Prostitution or solicitation of sexual activity away from the licensed operation is prohibited.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.080 Unsuitable locations and buildings.

- A. The board may deny any application if the board finds that the place or location for which the license is sought is unsuitable for the conduct of a brothel. The following places or locations may be deemed unsuitable:
 - 1. Premises located within one mile of a church, hospital, school, military or naval reservation, children's public playground or residential area;
 - 2. Premises difficult to police or difficult to access by police and emergency services;
 - 3. Premises adjoining a gambling house, motel, hotel, licensed cocktail lounge not part of the brothel, or another brothel;
 - 4. Premises located within the historic districts as defined by NRS 384.100 and other sites of historical or public interest, as may be designated by the board;
 - 5. All properties located within the former McCarran Ranch, including all contiguous property, excluding currently licensed brothels; and

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6. Properties requiring primary ingress or egress across BLM controlled property, previously known as the Mustang Ranch, require written approval of easement access from the United States Department of Treasury, the United States Department of the Interior acting through the Bureau of Land Management (BLM) and the United States Attorney's Office prior to acceptance of application.
- B. The board may deny any application if the board finds that the building for which the license is sought is unsuitable for the conduct of a brothel. Without limiting the foregoing, the following may be deemed unsuitable:
1. A building that is or is proposed to be located in a mobile home, which will not be converted to real property.
 2. A factory-built housing building, which will not be permanently affixed to the land.
 3. A manufactured home, which will not be permanently affixed to the land.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.090 Investigation of applicant—Board action.

- A. Sheriff's investigation. Upon presentation of a completed license application and payment of all fees, the sheriff must conduct a full investigation of all information contained in the license application and submitted with the application. The investigation must include, but is not limited to, the following:
1. A complete check of all records of the Federal Bureau of Investigation and any other similar organization concerning the criminal record of the applicant;
 2. A personal interview with the applicant;
 3. An interview with selected employers of the applicant and business associates of the applicant, as shown in the license application;
 4. Examination of the financial statement, records, and financial background of the applicant; and
 5. An interview with any other person or source discovered during the investigation that may have information bearing upon applicant's suitability as a license holder.
- B. Investigation report. As soon as practicable or within forty-five days after an application is received by the sheriff, the sheriff must report the results of the investigation in writing to the board. The report must include, but is not be limited to, the following:
1. A complete statement of the results of all investigations undertaken;
 2. A list of any errors or omissions found to exist in the application; and
 3. An evaluation of the personal and financial status and background of the applicant.
- C. Board response. Within thirty days after receiving the sheriff's report, the board must place the application on the board's agenda for a hearing and may:
1. Refer the application back to the sheriff for additional investigation.
 2. Require a personal interview with the applicant.
 3. Require the applicant to submit additional information related to his application.

If no further investigation is needed, the board may decide whether to grant or deny a license or to approve a general manger.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.100 Issuance of license and automatic renewal.

- A. Upon approval of an application for a licensee or all co-licensees connected with a brothel, the board may issue a license for the brothel. The license must state:
 - 1. The name and address or location of the brothel.
 - 2. The names of all licensees connected with the brothel.
 - 3. Any restrictions or limitations imposed by the board under this chapter.
 - 4. The date of issuance of the license.
 - 5. The date of expiration of the license, which is June 30, the end of each fiscal year.
 - 6. All licenses are issued on a yearly basis and will renew automatically provided that licensee is in substantial compliance with this chapter.
- B. The board may issue a temporary license to an applicant for a specific period of time in the case of a licensee's death, disability or insolvency when there is no remaining licensee to operate the brothel. The temporary license entitles the person named in the application to take part in the operation of the brothel and receive profits

(Ord. No. 14-261, § I, 3-17-2015)

5.16.110 License denial.

The board may deny a license to any applicant or may disapprove of a general manager in its discretion, based on, but not limited to, the following circumstances:

- A. The applicant, or the applicant's spouse or any other individual listed on the application who may have an interest in the brothel, has been convicted of a felony;
- B. The applicant is financially insolvent;
- C. The applicant has a history of financial instability;
- D. The applicant's stated financial condition is inadequate, insufficient, or cannot be verified as sufficient to operate a brothel;
- E. The applicant makes any false statement of a material fact or omits any material fact in any application, notice, statement, or report filed with the board;
- F. The applicant has any financial interest in, or connection with, any business or other organization, that is illegal where the entity is located;
- G. The applicant's license location under the provisions of this chapter would be contrary to the health, safety, morals or welfare of the county's residents;
- H. The applicant is under the age of twenty-one years;
- I. The applicant has been convicted of a crime involving moral turpitude, unless the board finds, upon examination of the circumstances of the crime and the applicant's criminal history, that the applicant does not present, and is not likely to present in the future, a threat to the health, safety, morals, or welfare of the residents of Storey County, and will likely operate a lawful establishment in full compliance with the Storey County Code, and the laws of the State of Nevada;
- J. The applicant has past due child support;

- K. The applicant's license issued under this chapter has been revoked for cause;
- L. The applicant is a corporation, unless it is incorporated in Nevada, or unless it is a foreign corporation which is qualified under Nevada law to transact business in Nevada;
- M. The applicant is a person whose place of business is conducted by a general manager, unless the general manager possesses the same general qualifications required of an individual licensee; and
- N. A person who is unqualified or disqualified to hold a license owns any interest whatsoever in the premises, regardless of the qualifications of the applicant himself.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.120 License nontransferable—Death, disability or insolvency of licensee.

A license granted under this chapter is for operations conducted on the property described in the application only, by the licensee or co-licensees only, and no licensed operation may be added to or moved without a new license application and approval.

- A. A brothel license may not be transferred, unless the license is transferred under an inter vivos trust where the licensee is the grantor or settler of the trust and is also the trustee of the trust and the license is in good standing and has not been suspended or revoked.
- B. In the event of the death or judicially established disability of a licensee, the spouse, next of kin, personal representative or guardian of the deceased or disabled person, or any other co-licensee, must notify the board and the sheriff immediately of the death or disability.
- C. In the event of death or judicially established disability of a sole licensee who holds the sole interest in a licensed operation and whose interest would pass by operation of law to the licensee's estate or to any other person other than a co-licensee, the board may authorize the spouse, next of kin, personal representative, executor, or guardian of the person to continue the operation of the brothel under a temporary permit, as a successor in interest, pending action on an application. The application for a temporary license must be filed within thirty days of the date of death or disability.
- D. In the event of the death of a licensee holding a license under an inter vivos trust, or whose ownership of a brothel passes by way of a trust on the licensee's death, the succeeding trustee or trustees must be licensed. If the succeeding trustee or trustees are not licensed at the time of the licensee's death, the board may authorize the succeeding trustee or trustees to continue operation of the brothel under a temporary license while the succeeding trustee or trustees prepare and submit an application for a license.
- E. Where the licensed operation is owned or operated by more than one licensee, the remaining co-licensees may continue to operate the business in the event of the death or disability of a co-licensee. The remaining co licensees may not permit any spouse, heir, next of kin, personal representative or guardian of the deceased or disabled licensee to take part in operation of the brothel unless or until the person is approved for a temporary license or is approved as a co-licensee. If a co-licensee no longer has an interest in the operation of a brothel and is no longer required to be licensed, the remaining licensees must notify the board and sheriff immediately that the person is no longer a licensee. The change in status of the co-licensee is effective on receipt of the notice by the sheriff or the board.
- F. The board may, if satisfied the action is necessary, issue a temporary license to an applicant for a specific period of time. The temporary license entitles the person named in the application to take part in the operation of the brothel and receive profits. A temporary license is not transferable.

- G. A temporary licensee may be summarily withdrawn at any time in the discretion of two board members without the necessity of a hearing or proceedings for revocation or suspension.
- H. In the event a licensee files any petition with the bankruptcy court for relief as a debtor or has a petition filed against it, or a receiver is appointed for a licensed operation or an assignment of a business is made for the benefit of creditors, the licensee, trustee, receiver or assignee, as the case may be, must immediately notify the board of the change in writing. The written notice must have attached a copy of the assignment or the petition filed with the court, and any relevant court orders including orders appointing trustees, receivers, or assignees.
- I. A trustee, receiver, or assignee desiring to continue operation of the licensed establishment must immediately make application for a temporary license.
- J. A brothel may not be operated by a bankruptcy trustee, receiver, or assignee for the benefit of creditors until the board has either licensed or temporarily licensed the trustee, receiver, or assignee.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.130 License fees, penalties for non-payment.

- A. ~~Every licensed operation must pay monthly licensing fee, set by resolution of the board of county commissioners, in advance of the first calendar day of each month for the privilege of county commissioners, in advance of the first calendar day of each month for the privilege of operating a brothel in the county. The fees must be considered at two board of county commissioners' meetings before becoming effective.~~ Every licensed operator must pay an annual business license fee of \$25.00 in addition to any fees set forth in Section 5.16.050.
- B. Any license fees paid are nonrefundable except as provided in Section 5.16.050.
- C. All license fees must be paid to the sheriff. The sheriff must deposit all fees in the general fund.
- D. Delinquent brothel fees, including all accrued penalties, as set forth by ordinance of ~~by resolution of~~ the board of county commissioners, may be grounds for suspension or revocation of the brothel license by action of the board.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.140 Compliance inspections for brothels—Implied consent.

- A. Licensees or management of licensed operations must provide the sheriff access, upon demand at any time, for purposes of inspection to ensure compliance with this chapter.
- B. Anyone obtaining or renewing a license pursuant to this chapter consents to and acknowledges the power and authority of the sheriff's office to enter the licensed operation's premises and principal office at any time for the purposes of examining the premises, the brothel's books of account, medical records or work cards, to ascertain the truth or veracity of statements made on the brothel license application and to determine compliance with the Storey County Code and Nevada state law.
- C. Refusal by a licensee, or his or her agent or employee, to permit a lawful inspection of a licensed operation in accordance with this chapter constitutes a violation.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.170 License renewal with taxes in arrears.

A business license may not be issued or renewed when, at the time of application or renewal, the applicant or the licensee is indebted to the county for any unpaid obligation, including real property taxes, personal property taxes, room taxes or business licenses, including those not used in conjunction with brothel operations. The tax receiver may enter into an agreement with any person so indebted to the county to establish a schedule for the payment of the indebtedness and any delinquencies and interest. In the agreement, the debtor must acknowledge the debt to the county and must agree that if any default occurs in the payment of any installment agreed to be paid under an agreement, the entire amount to be paid becomes immediately due and payable.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.180 License revocation or suspension.

The board may revoke, temporarily suspend, or place on probation with or without conditions any brothel license for cause after a hearing for any of the following causes:

- A. Any cause that would constitute grounds for denial of a license under this chapter;
- B. Violation of any provision of this chapter by the licensee or any employee of the licensee or any working prostitute at a licensed operation;
- C. Willful refusal of the licensee to comply with any reasonable order of the board or of the sheriff's office;
- D. The licensee knowingly permitting the existence of any health hazard on the premises occupied by the licensed operation or employing any prostitute when the person does not have a valid health certificate;
- E. Change in ownership or the leasing of the premises to an unlicensed person, or the addition of any persons with any financial interest, including revenue or income participation, operational control, or ownership interest in a brothel who is not a co-licensee will automatically revoke a license;
- F. Any attempt by a licensee to permit an unlicensed person to operate a brothel under the existing license is grounds for automatic and immediate revocation;
 - 1. It is not a violation for a licensee to employ a board-approved general manager to supervise day-to-day operations;
 - 2. Any prospective general manager must be an employee of the licensed operation, and be subject to investigation and board approval.
- G. Any other cause which the board may determine, in its sound discretion, to be deleterious to the health, welfare, and safety of the general public; and
- H. If any written complaint regarding the licensed operation is received during the current license period, the sheriff may cause the complaint to be placed on the agenda of the next board meeting, at which meeting the board may review the complaint and the license. The board may conduct a hearing, summon witnesses, interview the licensee, interview any complainant, require additional investigation by the sheriff, or do any and all other acts which may be necessary or appropriate for the board's determination.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.190 License revocation procedure—Hearing—Notice.

- A. Before revoking a brothel license the board must:
 - 1. Conduct a hearing to determine the existence of the cause or causes of revocation Notice of the hearing with written specifications of the violations must be served upon the licensee or posted upon the premises where the licensed operation is located at least three days before the hearing;
 - 2. Permit the licensee to submit evidence and testimony in opposition to the revocation;
 - 3. Consider all evidence and testimony in support of and in opposition to the revocation;
 - 4. Enter in the minutes of the board the findings of the board, and stating with specificity the cause of revocation; and
 - 5. Enter in the minutes of the board an order revoking or refusing to revoke the license.
- B. Notice of revocation must be served upon the licensee or posted upon the premises occupied by the licensed operation. Revocation is effective upon service of the notice on the licensee or posting of the notice on the premises.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.200 Exception to hearing procedure (emergency suspension of license).

A brothel license may be immediately suspended or limited without a hearing by a written emergency suspension order signed by two members of the board, if in their opinion, there exists an emergency or other immediate and present danger to public health and safety which necessitates the immediate closure of the brothel. The order must state the reason for the suspension or limitation and advise the licensee of the right to a hearing. Upon the issuance and service of an emergency suspension order, all brothel activity must immediately cease and the brothel licensee may request a public hearing before the board within three business days. The hearing must be held in accordance with Section 5.16.190 of this chapter.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.210 Health examinations.

The licensed operation must comply with all State of Nevada Division of Health requirements and Nevada Revised Statutes with regard to medical and health examinations for prostitutes.

- A. Exams required. Every prostitute working at a licensed operation is required to have a weekly medical examination by a medical doctor licensed to practice medicine in the State of Nevada or the doctor's duly qualified and supervised employee. Each medical examination must include testing to be submitted to a state licensed medical laboratory and must include:
 - 1. Once each week, a culture to confirm the presence or absence of gonorrhea and testing to screen for the presence or absence of chlamydia;
 - 2. Once every week, a licensed medical professional must perform an examination on each prostitute for lesions. If lesions are present on the individual, the health care professional must excuse the prostitute from work until the lesions have resolved and are no longer infectious with herpes simplex II virus;
 - 3. Other medically required or approved tests deemed advisable by the examiner for determining whether the prostitute is afflicted with any infectious or contagious disease;

4. All medical examinations, pre-employment and post-employment, and tests must conform to the requirements of the State of Nevada, Division of Health, the NRS and the Nevada Administrative Code;
 5. After performing an examination on a prostitute, the examining doctor may not issue a certificate if the person is found to be or suspected to be afflicted with a sexually transmitted infection or other contagious or infectious sexually transmitted disease ("STD"). The sheriff must be notified by the licensee of ineligibility of a prostitute to work; and
 6. The cost of the required medical examination and tests must be paid by the prostitute directly to the medical providers.
- B. When a prostitute has completed the medical examination and tests required, the results of the tests must be forwarded to a state approved medical lab for review and approval.
- C. Certification of work eligibility—Approval and denial.
1. After the state medical lab completes the required review of the medical examination and tests, and forwards the certificate of clearance to the brothel's license holder, the brothel must retain those results for review by the sheriff and must certify to the sheriff that the prostitute is eligible for a work card. The sheriff must be notified by the licensee if the state medical lab does not issue a certificate of clearance. Each medical certificate of clearance must specify the date of the examination and may be valid for seven days from the date of the certificate. The cost of this review and certification must be paid by the prostitute.
 2. A person who has ever been denied a certificate by the state health department, may not work as a prostitute in any licensed operation until that person has received and presented to the brothel a certificate of clearance from the state stating that the cause or causes which resulted in the denial of the certificate have been cured and that the person is now free of a sexually transmitted infection or other contagious or infectious sexually transmitted disease ("STD").
- D. Seizure of work card. Upon receiving information that a prostitute is afflicted with an infectious or contagious STD or has not obtained a current medical examination, or is no longer entitled to a work card, the sheriff must immediately seize any work card previously issued.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.220 Work card registration required.

- A. It is unlawful for any person to work as an independent contractor or be employed or for a licensee to employ or allow a person on the premises of a licensed operation, unless the person is the holder of a valid current work card issued by the sheriff. Customers of the brothel are exempt from this requirement.

A prostitute who has submitted an application to the sheriff's office but who has not yet received a medical clearance may remain on the premises of the brothel, segregated from any customer contact areas, for up to forty-eight hours as they complete the medical clearance and work card application process. It is the sole responsibility of the owner or general manager to ensure that all the prostitutes awaiting results and residing at the brothel do not engage in any type of sexual activity until the sheriff issues a work card.

- B. A work card application must include:
1. The applicants' name, all current and former names and aliases, age, address, social security number, physical description, and current picture identification. Forms of acceptable identification are a state issued Real ID or an ID that meets I-9 requirements;
 2. A full set of fingerprints of the worker;

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3. Complete employment record of the worker for the preceding three years;
 4. All addresses of the worker for the preceding three years;
 5. A complete criminal record of the worker, including all convictions, except minor traffic violations, such list to include a statement of each offense, the place of its occurrence, and the date of its occurrence;
 6. A complete sheriffs routine child support information form;
 7. A waiver of release of medical information allowing the medical facilities and doctors to provide to the county the results of the referred medical examination and tests of prostitutes; and
 8. An authorization to conduct an investigation into the worker's criminal history.
- C. The sheriff must investigate, through all available means, the accuracy of all information supplied by any applicant on the registration form.
 - D. The sheriff may issue a work permit after an investigation and the determination that the applicant meets the work permit requirements.
 - E. The sheriff may issue a revocable temporary work permit for up to one hundred twenty days after the applicant has submitted an application with proof of medical clearance and paid all required application fees.
 - F. The sheriff may deny a work card to any person who is under the age of eighteen or has ever been convicted of a felony offense, irrespective of jurisdiction, or for lesser crimes involving:
 1. A misdemeanor possession or use of a controlled substance within the last three years;
 2. Theft, embezzlement, or misappropriation of funds;
 3. Violence or the use of any deadly or dangerous weapon;
 4. Any crime involving the illegal use of firearms;
 5. Petty theft or shoplifting within the last year; or
 6. Willfully making any false statement or omission in the registration form required by subsection A of this section.
 - G. The sheriff or his designee will have the authority to deny or revoke the work card of a prostitute or any other employee who does not qualify under this chapter or who is found to be otherwise violating the Storey County Code or Nevada state law. The person whose work card has been denied or revoked may file an appeal with the board within thirty calendar days from the date in which the work card was denied or revoked.
 - H. The work card may be issued for not more than twelve months and must be renewed annually.
 - I. Except as provided in subsection 5.16.220(J), all work cards are site specific, and must be renewed each time an employee changes places of work.
 - J. All employees must maintain a current work card with the operator of a licensed brothel and the licensee is required to maintain a work card for each employee. The work card must be kept on premises and available for inspection at all times. A prostitute may change place of work between two licensed operations under the same ownership by having brothel management notify the sheriff of the proposed change.
 - K. A prostitute or bartender of a licensed operation may not possess more than one work card at any given time.
 - L. A bartender, general manager, maid, or maintenance employee may not engage in acts of prostitution.
 - M. Tradesmen or vendors who service the property or facilities periodically are not required to obtain work cards, as long as they are not employees of the brothel.
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(Ord. No. 14-261, § I, 3-17-2015)

5.16.230 Violations by employee—Effect on registration and work card.

- A. In addition to criminal penalties provided in this chapter, any employee of any licensed operator convicted of violating any section of this chapter or any regulation promulgated by the board or sheriff's office will have his or her work card immediately revoked by the sheriff. Upon revocation the person holding the work card must return it to the sheriff.
- B. Unauthorized persons. It is unlawful for any licensed operation to allow persons on the premises except for the owners, licensed employees, working prostitutes, potential customers, authorized emergency, medical, county agents, employees or others with legitimate reason to be on the premises for nonprostitution-related matters. No business or social organization may conduct official business meetings in a brothel.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.240 Violations—Criminal penalty.

In addition to penalties provided regarding revocation of licenses and work cards, any person violating any provision of this chapter is guilty of a misdemeanor.

(Ord. No. 14-261, § I, 3-17-2015)

Bill No. 149

Ordinance No. 26-337

Summary

An ordinance amending Storey County Code Chapter 5.16 Brothels, Section 5.16.130 License Fees, Penalties for Non-Payment, by removing an identified sentence error.

Title

An ordinance amending Storey County Code Chapter 5.16 Brothels, Section 5.16.130 License Fees, Penalties for Non-Payment, by removing an identified sentence error.

Chapter 5.16 BROTHELS¹

5.16.010 Declaration of public policy on privilege permit business.

- A. The board of county commissioners finds and declares that the public health, safety, morals and welfare of the inhabitants of the county require the regulation and control of each brothel, as a privilege permit business, the licensing of which is granted in the sole discretion of the board and the regulation and control of each person with an ownership interest in, who is engaged in, who is associated with or who is in control of the business, including the local general manager.
- B. It is unlawful to practice prostitution, to allow acts of prostitution or sex-for-hire services, to solicit business for a prostitute or to procure any person for the purpose of prostitution, except as permitted by this chapter.
- C. Any license issued under the provisions of this chapter is a revocable privilege and the holder does not acquire any vested rights to the permit.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.020 Definitions.

When used in this chapter, the following words and terms are defined as follows:

"Applicant" means any person, including a trustee of an inter vivos trust, a director, officer or shareholder of a corporation, or a member or manager and owner of a limited liability company applying to the board for a license under the provisions of this chapter.

"Board" means the Brothel Licensing Board of Storey County consisting of the board of county commissioners and the sheriff of Storey County.

¹Editor's note(s)—Ord. No. 14-261, § I, adopted March 17, 2015, amended Chapter 5.16 in its entirety to read as herein set out. Former Chapter 5.16, §§ 5.16.010—5.16.240, pertained to prostitution, and derived from Ord. No. 09-227, § 1, 12-15-2009; Ord. No. 13-249, § I, 10-1-2013.

"Brothel" means a business engaged in prostitution, sex-for-hire services, and all associated activities allowed and approved under this chapter.

"Escort" means any person who, for a compensation of any type, accompanies any other person to or about social affairs, places of entertainment or amusement, or who consorts with others about any place of public resort or within any private quarters outside of a brothel.

"Escort service" includes any person, business or agency which, for compensation of any type, furnishes or offers to furnish escorts, also known as "outdating."

"Licensed operation" means a brothel duly licensed and operated in accordance with the provisions of this chapter.

"Operational control" means the control of or the ability to control any substantial business decision involving a brothel.

"Premises" means the brothel building, accessory buildings used by customers, and area within the fenced enclosure, if any, of the building.

"Work card" means the card issued by the sheriff to each employee and to each prostitute authorizing them to work at a licensed operation.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.030 Prostitution permitted.

The operation of a licensed brothel within the county in accordance with the provisions of this chapter does not constitute a public nuisance or an offense to public decency.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.040 Powers of the licensing board.

- A. The board has the sole authority to grant a permit to operate a brothel, and the sole authority to make, alter and rescind all necessary regulations setting forth the terms and conditions under which permits may be applied for, the terms and conditions under which permits may be granted, transferred, revoked or canceled, where brothels may be located within the county, and any and all other regulations necessary regarding the conditions under which the brothels may be allowed to operate.
- B. It is the duty of the board to carry out terms of the provisions of this chapter, and to see that this chapter is enforced.
- C. Powers of the board include, but are not limited to, the power to:
 - 1. Receive all license and general manager applications.
 - 2. Investigate all applicants.
 - 3. Grant or refuse to grant the license.
 - 4. Approve or disapprove a general manager for a licensed operation.
 - 5. Receive complaints concerning alleged violations of this chapter.
 - 6. Restrict, revoke or suspend licenses for cause after a hearing. In an emergency the board may issue an order for immediate suspension or limitation of a license, but the order must state the reason for suspension or limitation and afford the licensee a hearing.

7. Exercise the power and authority necessary to perform the duties assigned it.
8. Hear appeals from enforcement actions of the sheriff.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.050 License application—Filing and investigation.

- A. All license applications for a brothel must be filed with the sheriff's office along with a nonrefundable investigation fee, set by resolution of the board of county commissioners, for each applicant. If the actual total cost of investigating any license application exceeds the fee, the applicant will be responsible for and pay to the county the amount in excess before the license may be approved. At time of application, the first three month's license fee must be deposited with the sheriffs office. If the application is denied, the license fee deposit must be refunded.
- B. Any applicant whose place of business will be conducted by a general manager, and any brothel licensee who changes a general manager, is required to submit an application for the general manager and is required to report the change of a general manager, and must pay an additional nonrefundable investigation fee for each designated general manager.
- C. Any person, director, officer or shareholder of a corporation, member or manager of a limited liability company, or the principal of any firm or association having any financial interest, including revenue or income participation, operational control, or ownership interest in the brothel must submit an application as a co-licensee pursuant to Section 5.16.090 and pay an additional nonrefundable investigation fee.
- D. Banking and financial institutions that lend to a brothel operator, owner or landlord are not required to submit a license application unless the lending instruments include revenue or income participation, or operational control of the brothel business. For the purposes of this section "banking and financial institutions" mean any bank, savings and loan association, savings bank, thrift company, credit union, or other financial institution that is licensed, registered or otherwise authorized to do business in Nevada.
- E. A loan related to the brothel equal to or greater than two hundred thousand dollars must be reported to the sheriff and loan documents must be provided within thirty days.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.060 License applications—Contents.

Any person desiring to own or operate a brothel within the county must apply to the board for a license. The application for the licensee must be filed at the sheriff's office. An applicant must be a natural person applying as an owner, co-owner, or general manager of the brothel, or as a trustee on behalf of an inter vivos trust, or as director, officer or shareholder on behalf of a corporation, or as member or manager and owner on behalf of a limited liability company that owns or will own the brothel. Applicants must be a resident of the State of Nevada.

- A. The application must set forth:
 1. The applicant for the license, including:
 - a. Names, ages, and addresses of all persons who have or will have a financial or ownership interest in the operation, including the owner of the real property;
 - b. Names, ages, and addresses of persons who are or will be personally responsible for the conduct and management of the operation;

- c. Names, ages, and addresses of all persons designated as trustees of an inter vivos trust, directors, officers or shareholders of a corporation, or members or managers of a limited liability company;
2. A recent photograph and complete set of fingerprints of all persons listed in subsection 1;
3. Names and addresses of any other businesses an applicant has a financial or ownership interest in and the type of business and the nature of the applicant's interest;
4. Names and addresses of each of the applicant's current and former employers for the preceding ten years;
5. The applicant's current address and all former addresses in the preceding ten years;
6. A list of all prior convictions of the applicant for any crime, excluding minor traffic violations; the list must include a statement of the offense, the place of its occurrence, the date of its occurrence, and the disposition of the case;
7. A complete and accurate financial statement of the applicant prepared by a licensed certified public accountant;
8. Complete federal income tax returns for the applicant for the preceding five years;
9. The street address and legal description of the property upon which the proposed brothel is to be located, together with copies of all deeds, mortgages, deeds of trust, liens or other encumbrances, leasehold interests, or other interests relating to the property;
10. A complete list of any children the applicant has under the age of 18, including names, addresses, phone numbers, any court orders for child support and an affidavit that all child support payments are current;
11. A court certified copy of the inter vivos trust if applicant is designated trustee, the bylaws of a corporation, or the operating agreement of a limited liability company;
12. An executed comprehensive release authorizing the investigating authority to obtain any and all information deemed pertinent to the granting of a license;
13. A list consisting of a minimum of three verifiable personal references with addresses and telephone numbers; and
14. Any other information reasonably deemed necessary or useful by the board.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.070 Restrictions on licensing.

- A. The board must apply the following restrictions to every licensed operation:
 1. Signs. Each licensed operation may have up to three signs. All off-premises signs must be placed in a location off the right-of-way and in a manner so as not to constitute a hazard. The community development department must approve all signs.
 2. Fences. All licensed operations, individual or resort property oriented, must include designated perimeter barriers (fences, berms or other approved forms of separation) and a resort-style entrance gate that will restrict access to the brothel property. No prostitution related activities may be conducted outside of the designated perimeter.
- B. Topless shows or other exhibitions involving the exposure of human genitals, pubic region, or buttocks, or any adult movies whose program during a substantial part of the time, contains one or more motion pictures

which are rated "X" by the Code Rating Administration of the Motion Picture Association of America, or which is not rated, but whose program is intended to appeal to the prurient interests of the client are allowed in a licensed brothel and may not be permitted or licensed by the board outside of a licensed brothel.

- C. The board may, to promote the health, safety and welfare of the people of the county, or to promote the orderly conduct of the operation, impose additional restrictions, including, but not limited to, the following:
 - 1. Limit the hours per day or per week that a licensed operation may be conducted; and
 - 2. Limit the type, signing and size of building in which a licensed operation may be conducted.
 - 3. Limit the number of prostitutes that work in an operation.
- D. The board may impose restrictions pursuant to this section prior, during, or after issuance of license.
- E. Subject to Nevada State Law, gaming may be permitted in the premises.
- F. In the interests of the public health, safety, morals, and general welfare, the number of licenses issued under this chapter is limited to five.
- G. Escort services may only be allowed in association with a licensed operation and may be allowed only under an additional and separate specific escort license, subject to a written agreement for each transaction for escort services acknowledging:
 - 1. The brothel is not licensed outside of Storey County.
 - 2. Prostitution is not allowed in Washoe County, Reno, Sparks, Carson City or the Nevada areas of Lake Tahoe.
 - 3. Escort services are for purposes of entertainment, dining, gaming (casino gambling), dancing, shopping, sight seeing or other similar activity.
 - 4. Escort and client may not leave the State of Nevada.
 - 5. Prostitution or solicitation of sexual activity away from the licensed operation is prohibited.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.080 Unsuitable locations and buildings.

- A. The board may deny any application if the board finds that the place or location for which the license is sought is unsuitable for the conduct of a brothel. The following places or locations may be deemed unsuitable:
 - 1. Premises located within one mile of a church, hospital, school, military or naval reservation, children's public playground or residential area;
 - 2. Premises difficult to police or difficult to access by police and emergency services;
 - 3. Premises adjoining a gambling house, motel, hotel, licensed cocktail lounge not part of the brothel, or another brothel;
 - 4. Premises located within the historic districts as defined by NRS 384.100 and other sites of historical or public interest, as may be designated by the board;
 - 5. All properties located within the former McCarran Ranch, including all contiguous property, excluding currently licensed brothels; and

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6. Properties requiring primary ingress or egress across BLM controlled property, previously known as the Mustang Ranch, require written approval of easement access from the United States Department of Treasury, the United States Department of the Interior acting through the Bureau of Land Management (BLM) and the United States Attorney's Office prior to acceptance of application.
- B. The board may deny any application if the board finds that the building for which the license is sought is unsuitable for the conduct of a brothel. Without limiting the foregoing, the following may be deemed unsuitable:
1. A building that is or is proposed to be located in a mobile home, which will not be converted to real property.
 2. A factory-built housing building, which will not be permanently affixed to the land.
 3. A manufactured home, which will not be permanently affixed to the land.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.090 Investigation of applicant—Board action.

- A. Sheriff's investigation. Upon presentation of a completed license application and payment of all fees, the sheriff must conduct a full investigation of all information contained in the license application and submitted with the application. The investigation must include, but is not limited to, the following:
1. A complete check of all records of the Federal Bureau of Investigation and any other similar organization concerning the criminal record of the applicant;
 2. A personal interview with the applicant;
 3. An interview with selected employers of the applicant and business associates of the applicant, as shown in the license application;
 4. Examination of the financial statement, records, and financial background of the applicant; and
 5. An interview with any other person or source discovered during the investigation that may have information bearing upon applicant's suitability as a license holder.
- B. Investigation report. As soon as practicable or within forty-five days after an application is received by the sheriff, the sheriff must report the results of the investigation in writing to the board. The report must include, but is not be limited to, the following:
1. A complete statement of the results of all investigations undertaken;
 2. A list of any errors or omissions found to exist in the application; and
 3. An evaluation of the personal and financial status and background of the applicant.
- C. Board response. Within thirty days after receiving the sheriff's report, the board must place the application on the board's agenda for a hearing and may:
1. Refer the application back to the sheriff for additional investigation.
 2. Require a personal interview with the applicant.
 3. Require the applicant to submit additional information related to his application.

If no further investigation is needed, the board may decide whether to grant or deny a license or to approve a general manger.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.100 Issuance of license and automatic renewal.

- A. Upon approval of an application for a licensee or all co-licensees connected with a brothel, the board may issue a license for the brothel. The license must state:
 - 1. The name and address or location of the brothel.
 - 2. The names of all licensees connected with the brothel.
 - 3. Any restrictions or limitations imposed by the board under this chapter.
 - 4. The date of issuance of the license.
 - 5. The date of expiration of the license, which is June 30, the end of each fiscal year.
 - 6. All licenses are issued on a yearly basis and will renew automatically provided that licensee is in substantial compliance with this chapter.
- B. The board may issue a temporary license to an applicant for a specific period of time in the case of a licensee's death, disability or insolvency when there is no remaining licensee to operate the brothel. The temporary license entitles the person named in the application to take part in the operation of the brothel and receive profits

(Ord. No. 14-261, § I, 3-17-2015)

5.16.110 License denial.

The board may deny a license to any applicant or may disapprove of a general manager in its discretion, based on, but not limited to, the following circumstances:

- A. The applicant, or the applicant's spouse or any other individual listed on the application who may have an interest in the brothel, has been convicted of a felony;
- B. The applicant is financially insolvent;
- C. The applicant has a history of financial instability;
- D. The applicant's stated financial condition is inadequate, insufficient, or cannot be verified as sufficient to operate a brothel;
- E. The applicant makes any false statement of a material fact or omits any material fact in any application, notice, statement, or report filed with the board;
- F. The applicant has any financial interest in, or connection with, any business or other organization, that is illegal where the entity is located;
- G. The applicant's license location under the provisions of this chapter would be contrary to the health, safety, morals or welfare of the county's residents;
- H. The applicant is under the age of twenty-one years;
- I. The applicant has been convicted of a crime involving moral turpitude, unless the board finds, upon examination of the circumstances of the crime and the applicant's criminal history, that the applicant does not present, and is not likely to present in the future, a threat to the health, safety, morals, or welfare of the residents of Storey County, and will likely operate a lawful establishment in full compliance with the Storey County Code, and the laws of the State of Nevada;
- J. The applicant has past due child support;

- K. The applicant's license issued under this chapter has been revoked for cause;
- L. The applicant is a corporation, unless it is incorporated in Nevada, or unless it is a foreign corporation which is qualified under Nevada law to transact business in Nevada;
- M. The applicant is a person whose place of business is conducted by a general manager, unless the general manager possesses the same general qualifications required of an individual licensee; and
- N. A person who is unqualified or disqualified to hold a license owns any interest whatsoever in the premises, regardless of the qualifications of the applicant himself.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.120 License nontransferable—Death, disability or insolvency of licensee.

A license granted under this chapter is for operations conducted on the property described in the application only, by the licensee or co-licensees only, and no licensed operation may be added to or moved without a new license application and approval.

- A. A brothel license may not be transferred, unless the license is transferred under an inter vivos trust where the licensee is the grantor or settler of the trust and is also the trustee of the trust and the license is in good standing and has not been suspended or revoked.
- B. In the event of the death or judicially established disability of a licensee, the spouse, next of kin, personal representative or guardian of the deceased or disabled person, or any other co-licensee, must notify the board and the sheriff immediately of the death or disability.
- C. In the event of death or judicially established disability of a sole licensee who holds the sole interest in a licensed operation and whose interest would pass by operation of law to the licensee's estate or to any other person other than a co-licensee, the board may authorize the spouse, next of kin, personal representative, executor, or guardian of the person to continue the operation of the brothel under a temporary permit, as a successor in interest, pending action on an application. The application for a temporary license must be filed within thirty days of the date of death or disability.
- D. In the event of the death of a licensee holding a license under an inter vivos trust, or whose ownership of a brothel passes by way of a trust on the licensee's death, the succeeding trustee or trustees must be licensed. If the succeeding trustee or trustees are not licensed at the time of the licensee's death, the board may authorize the succeeding trustee or trustees to continue operation of the brothel under a temporary license while the succeeding trustee or trustees prepare and submit an application for a license.
- E. Where the licensed operation is owned or operated by more than one licensee, the remaining co-licensees may continue to operate the business in the event of the death or disability of a co-licensee. The remaining co licensees may not permit any spouse, heir, next of kin, personal representative or guardian of the deceased or disabled licensee to take part in operation of the brothel unless or until the person is approved for a temporary license or is approved as a co-licensee. If a co-licensee no longer has an interest in the operation of a brothel and is no longer required to be licensed, the remaining licensees must notify the board and sheriff immediately that the person is no longer a licensee. The change in status of the co-licensee is effective on receipt of the notice by the sheriff or the board.
- F. The board may, if satisfied the action is necessary, issue a temporary license to an applicant for a specific period of time. The temporary license entitles the person named in the application to take part in the operation of the brothel and receive profits. A temporary license is not transferable.

- G. A temporary licensee may be summarily withdrawn at any time in the discretion of two board members without the necessity of a hearing or proceedings for revocation or suspension.
- H. In the event a licensee files any petition with the bankruptcy court for relief as a debtor or has a petition filed against it, or a receiver is appointed for a licensed operation or an assignment of a business is made for the benefit of creditors, the licensee, trustee, receiver or assignee, as the case may be, must immediately notify the board of the change in writing. The written notice must have attached a copy of the assignment or the petition filed with the court, and any relevant court orders including orders appointing trustees, receivers, or assignees.
- I. A trustee, receiver, or assignee desiring to continue operation of the licensed establishment must immediately make application for a temporary license.
- J. A brothel may not be operated by a bankruptcy trustee, receiver, or assignee for the benefit of creditors until the board has either licensed or temporarily licensed the trustee, receiver, or assignee.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.130 License fees, penalties for non-payment.

- A. Every licensed operator must pay an annual business license fee of \$25.00 in addition to any fees set forth in Section 5.16.050.
- B. Any license fees paid are nonrefundable except as provided in Section 5.16.050.
- C. All license fees must be paid to the sheriff. The sheriff must deposit all fees in the general fund.
- D. Delinquent brothel fees, including all accrued penalties, as set forth by ordinance of the board of county commissioners, may be grounds for suspension or revocation of the brothel license by action of the board.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.140 Compliance inspections for brothels—Implied consent.

- A. Licensees or management of licensed operations must provide the sheriff access, upon demand at any time, for purposes of inspection to ensure compliance with this chapter.
- B. Anyone obtaining or renewing a license pursuant to this chapter consents to and acknowledges the power and authority of the sheriff's office to enter the licensed operation's premises and principal office at any time for the purposes of examining the premises, the brothel's books of account, medical records or work cards, to ascertain the truth or veracity of statements made on the brothel license application and to determine compliance with the Storey County Code and Nevada state law.
- C. Refusal by a licensee, or his or her agent or employee, to permit a lawful inspection of a licensed operation in accordance with this chapter constitutes a violation.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.170 License renewal with taxes in arrears.

A business license may not be issued or renewed when, at the time of application or renewal, the applicant or the licensee is indebted to the county for any unpaid obligation, including real property taxes, personal property taxes, room taxes or business licenses, including those not used in conjunction with brothel operations. The tax receiver may enter into an agreement with any person so indebted to the county to establish a schedule for the

payment of the indebtedness and any delinquencies and interest. In the agreement, the debtor must acknowledge the debt to the county and must agree that if any default occurs in the payment of any installment agreed to be paid under an agreement, the entire amount to be paid becomes immediately due and payable.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.180 License revocation or suspension.

The board may revoke, temporarily suspend, or place on probation with or without conditions any brothel license for cause after a hearing for any of the following causes:

- A. Any cause that would constitute grounds for denial of a license under this chapter;
- B. Violation of any provision of this chapter by the licensee or any employee of the licensee or any working prostitute at a licensed operation;
- C. Willful refusal of the licensee to comply with any reasonable order of the board or of the sheriff's office;
- D. The licensee knowingly permitting the existence of any health hazard on the premises occupied by the licensed operation or employing any prostitute when the person does not have a valid health certificate;
- E. Change in ownership or the leasing of the premises to an unlicensed person, or the addition of any persons with any financial interest, including revenue or income participation, operational control, or ownership interest in a brothel who is not a co-licensee will automatically revoke a license;
- F. Any attempt by a licensee to permit an unlicensed person to operate a brothel under the existing license is grounds for automatic and immediate revocation;
 - 1. It is not a violation for a licensee to employ a board-approved general manager to supervise day-to-day operations;
 - 2. Any prospective general manager must be an employee of the licensed operation, and be subject to investigation and board approval.
- G. Any other cause which the board may determine, in its sound discretion, to be deleterious to the health, welfare, and safety of the general public; and
- H. If any written complaint regarding the licensed operation is received during the current license period, the sheriff may cause the complaint to be placed on the agenda of the next board meeting, at which meeting the board may review the complaint and the license. The board may conduct a hearing, summon witnesses, interview the licensee, interview any complainant, require additional investigation by the sheriff, or do any and all other acts which may be necessary or appropriate for the board's determination.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.190 License revocation procedure—Hearing—Notice.

- A. Before revoking a brothel license the board must:
 - 1. Conduct a hearing to determine the existence of the cause or causes of revocation Notice of the hearing with written specifications of the violations must be served upon the licensee or posted upon the premises where the licensed operation is located at least three days before the hearing;

2. Permit the licensee to submit evidence and testimony in opposition to the revocation;
 3. Consider all evidence and testimony in support of and in opposition to the revocation;
 4. Enter in the minutes of the board the findings of the board, and stating with specificity the cause of revocation; and
 5. Enter in the minutes of the board an order revoking or refusing to revoke the license.
- B. Notice of revocation must be served upon the licensee or posted upon the premises occupied by the licensed operation. Revocation is effective upon service of the notice on the licensee or posting of the notice on the premises.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.200 Exception to hearing procedure (emergency suspension of license).

A brothel license may be immediately suspended or limited without a hearing by a written emergency suspension order signed by two members of the board, if in their opinion, there exists an emergency or other immediate and present danger to public health and safety which necessitates the immediate closure of the brothel. The order must state the reason for the suspension or limitation and advise the licensee of the right to a hearing. Upon the issuance and service of an emergency suspension order, all brothel activity must immediately cease and the brothel licensee may request a public hearing before the board within three business days. The hearing must be held in accordance with Section 5.16.190 of this chapter.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.210 Health examinations.

The licensed operation must comply with all State of Nevada Division of Health requirements and Nevada Revised Statutes with regard to medical and health examinations for prostitutes.

- A. Exams required. Every prostitute working at a licensed operation is required to have a weekly medical examination by a medical doctor licensed to practice medicine in the State of Nevada or the doctor's duly qualified and supervised employee. Each medical examination must include testing to be submitted to a state licensed medical laboratory and must include:
1. Once each week, a culture to confirm the presence or absence of gonorrhea and testing to screen for the presence or absence of chlamydia;
 2. Once every week, a licensed medical professional must perform an examination on each prostitute for lesions. If lesions are present on the individual, the health care professional must excuse the prostitute from work until the lesions have resolved and are no longer infectious with herpes simplex II virus;
 3. Other medically required or approved tests deemed advisable by the examiner for determining whether the prostitute is afflicted with any infectious or contagious disease;
 4. All medical examinations, pre-employment and post-employment, and tests must conform to the requirements of the State of Nevada, Division of Health, the NRS and the Nevada Administrative Code;
 5. After performing an examination on a prostitute, the examining doctor may not issue a certificate if the person is found to be or suspected to be afflicted with a sexually transmitted infection or

other contagious or infectious sexually transmitted disease ("STD"). The sheriff must be notified by the licensee of ineligibility of a prostitute to work; and

6. The cost of the required medical examination and tests must be paid by the prostitute directly to the medical providers.
- B. When a prostitute has completed the medical examination and tests required, the results of the tests must be forwarded to a state approved medical lab for review and approval.
 - C. Certification of work eligibility—Approval and denial.
 1. After the state medical lab completes the required review of the medical examination and tests, and forwards the certificate of clearance to the brothel's license holder, the brothel must retain those results for review by the sheriff and must certify to the sheriff that the prostitute is eligible for a work card. The sheriff must be notified by the licensee if the state medical lab does not issue a certificate of clearance. Each medical certificate of clearance must specify the date of the examination and may be valid for seven days from the date of the certificate. The cost of this review and certification must be paid by the prostitute.
 2. A person who has ever been denied a certificate by the state health department, may not work as a prostitute in any licensed operation until that person has received and presented to the brothel a certificate of clearance from the state stating that the cause or causes which resulted in the denial of the certificate have been cured and that the person is now free of a sexually transmitted infection or other contagious or infectious sexually transmitted disease ("STD").
 - D. Seizure of work card. Upon receiving information that a prostitute is afflicted with an infectious or contagious STD or has not obtained a current medical examination, or is no longer entitled to a work card, the sheriff must immediately seize any work card previously issued.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.220 Work card registration required.

- A. It is unlawful for any person to work as an independent contractor or be employed or for a licensee to employ or allow a person on the premises of a licensed operation, unless the person is the holder of a valid current work card issued by the sheriff. Customers of the brothel are exempt from this requirement.

A prostitute who has submitted an application to the sheriff's office but who has not yet received a medical clearance may remain on the premises of the brothel, segregated from any customer contact areas, for up to forty-eight hours as they complete the medical clearance and work card application process. It is the sole responsibility of the owner or general manager to ensure that all the prostitutes awaiting results and residing at the brothel do not engage in any type of sexual activity until the sheriff issues a work card.

- B. A work card application must include:
 1. The applicants' name, all current and former names and aliases, age, address, social security number, physical description, and current picture identification. Forms of acceptable identification are a state issued Real ID or an ID that meets I-9 requirements;
 2. A full set of fingerprints of the worker;
 3. Complete employment record of the worker for the preceding three years;
 4. All addresses of the worker for the preceding three years;
 5. A complete criminal record of the worker, including all convictions, except minor traffic violations, such list to include a statement of each offense, the place of its occurrence, and the date of its occurrence;

-
6. A complete sheriffs routine child support information form;
 7. A waiver of release of medical information allowing the medical facilities and doctors to provide to the county the results of the referred medical examination and tests of prostitutes; and
 8. An authorization to conduct an investigation into the worker's criminal history.
- C. The sheriff must investigate, through all available means, the accuracy of all information supplied by any applicant on the registration form.
 - D. The sheriff may issue a work permit after an investigation and the determination that the applicant meets the work permit requirements.
 - E. The sheriff may issue a revocable temporary work permit for up to one hundred twenty days after the applicant has submitted an application with proof of medical clearance and paid all required application fees.
 - F. The sheriff may deny a work card to any person who is under the age of eighteen or has ever been convicted of a felony offense, irrespective of jurisdiction, or for lesser crimes involving:
 1. A misdemeanor possession or use of a controlled substance within the last three years;
 2. Theft, embezzlement, or misappropriation of funds;
 3. Violence or the use of any deadly or dangerous weapon;
 4. Any crime involving the illegal use of firearms;
 5. Petty theft or shoplifting within the last year; or
 6. Willfully making any false statement or omission in the registration form required by subsection A of this section.
 - G. The sheriff or his designee will have the authority to deny or revoke the work card of a prostitute or any other employee who does not qualify under this chapter or who is found to be otherwise violating the Storey County Code or Nevada state law. The person whose work card has been denied or revoked may file an appeal with the board within thirty calendar days from the date in which the work card was denied or revoked.
 - H. The work card may be issued for not more than twelve months and must be renewed annually.
 - I. Except as provided in subsection 5.16.220(J), all work cards are site specific, and must be renewed each time an employee changes places of work.
 - J. All employees must maintain a current work card with the operator of a licensed brothel and the licensee is required to maintain a work card for each employee. The work card must be kept on premises and available for inspection at all times. A prostitute may change place of work between two licensed operations under the same ownership by having brothel management notify the sheriff of the proposed change.
 - K. A prostitute or bartender of a licensed operation may not possess more than one work card at any given time.
 - L. A bartender, general manager, maid, or maintenance employee may not engage in acts of prostitution.
 - M. Tradesmen or vendors who service the property or facilities periodically are not required to obtain work cards, as long as they are not employees of the brothel.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.230 Violations by employee—Effect on registration and work card.

- A. In addition to criminal penalties provided in this chapter, any employee of any licensed operator convicted of violating any section of this chapter or any regulation promulgated by the board or sheriff's office will have his or her work card immediately revoked by the sheriff. Upon revocation the person holding the work card must return it to the sheriff.
- B. Unauthorized persons. It is unlawful for any licensed operation to allow persons on the premises except for the owners, licensed employees, working prostitutes, potential customers, authorized emergency, medical, county agents, employees or others with legitimate reason to be on the premises for nonprostitution-related matters. No business or social organization may conduct official business meetings in a brothel.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.240 Violations—Criminal penalty.

In addition to penalties provided regarding revocation of licenses and work cards, any person violating any provision of this chapter is guilty of a misdemeanor.

(Ord. No. 14-261, § I, 3-17-2015)

	Board of Storey County Commissioners Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 10 min	
Agenda Item Type: Discussion/Possible Action		

- Title:** Consideration and possible action on second reading of Bill No. 149, Ordinance No. 26-337, amending Storey County Code Chapter 5.16, Brothels, Section 5.16.130, License Fees, to update certain language, remove the monthly licensing requirement, and provide that each licensed operator shall pay an annual business license fee of twenty-five dollars (\$25.00), in addition to any fees set forth in Section 5.16.050; increase the loan reporting requirement to the Sheriff's Office from twenty-five thousand dollars (\$25,000) to two hundred thousand dollars (\$200,000); and change the method by which fees are established from resolution to ordinance.
- Recommended motion:** I _ (commissioner), move to adopt the second reading of Bill No. 149, Ordinance No. 26-337, amending Storey County Code Chapter 5.16, Brothels, Section 5.16.130, License Fees, to update certain language, remove the monthly licensing requirement, and provide that each licensed operator shall pay an annual business license fee of twenty-five dollars (\$25.00), in addition to any fees set forth in Section 5.16.050; increase the loan reporting requirement to the Sheriff's Office from twenty-five thousand dollars (\$25,000) to two hundred thousand dollars (\$200,000); and change the method by which fees are established from resolution to ordinance.
- Prepared by:** Lara Mather

Department: Business Development

Contact Number: 7754324081

- Staff Summary:** The proposed amendment to Storey County Code Chapter 5.16 (Brothels), Section 5.16.130 (License Fees), updates the current licensing fee structure. Presently, brothel licensees are required to pay monthly license fees as outlined in the code. This amendment removes the monthly licensing requirement and establishes an annual business license fee of \$25.00 for each licensed operator, in addition to any fees required under Section 5.16.050.
-
- The change simplifies the licensing process by aligning brothel business license fees with the County's standard business license practices, reducing administrative workload for both licensees and County staff while maintaining compliance with existing regulatory provisions.
-
- In addition, the loan amount related to a brothel that must be reported to the Sheriff's Office is increased from twenty-five thousand dollars to two-hundred thousand dollars

and changes brothel fees being set for by resolution to by ordinance.

- **Supporting Materials:** See Attachments

- **Fiscal Impact:**

- **Legal review required:** False

- **Reviewed by:**

_____ Department Head

Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved	☐ Approved with Modification
☐ Denied	☐ Continued

Bill No. 149

Ordinance No. 26-337

Summary

An ordinance amending Storey County Code Chapter 5.16 Brothels, Section 5.16.130 License Fees, Penalties for Non-Payment, by removing an identified sentence error.

Title

An ordinance amending Storey County Code Chapter 5.16 Brothels, Section 5.16.130 License Fees, Penalties for Non-Payment, by removing an identified sentence error.

Chapter 5.16 BROTHELS¹

5.16.010 Declaration of public policy on privilege permit business.

- A. The board of county commissioners finds and declares that the public health, safety, morals and welfare of the inhabitants of the county require the regulation and control of each brothel, as a privilege permit business, the licensing of which is granted in the sole discretion of the board and the regulation and control of each person with an ownership interest in, who is engaged in, who is associated with or who is in control of the business, including the local general manager.
- B. It is unlawful to practice prostitution, to allow acts of prostitution or sex-for-hire services, to solicit business for a prostitute or to procure any person for the purpose of prostitution, except as permitted by this chapter.
- C. Any license issued under the provisions of this chapter is a revocable privilege and the holder does not acquire any vested rights to the permit.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.020 Definitions.

When used in this chapter, the following words and terms are defined as follows:

"Applicant" means any person, including a trustee of an inter vivos trust, a director, officer or shareholder of a corporation, or a member or manager and owner of a limited liability company applying to the board for a license under the provisions of this chapter.

"Board" means the Brothel Licensing Board of Storey County consisting of the board of county commissioners and the sheriff of Storey County.

¹Editor's note(s)—Ord. No. 14-261, § I, adopted March 17, 2015, amended Chapter 5.16 in its entirety to read as herein set out. Former Chapter 5.16, §§ 5.16.010—5.16.240, pertained to prostitution, and derived from Ord. No. 09-227, § 1, 12-15-2009; Ord. No. 13-249, § I, 10-1-2013.

"Brothel" means a business engaged in prostitution, sex-for-hire services, and all associated activities allowed and approved under this chapter.

"Escort" means any person who, for a compensation of any type, accompanies any other person to or about social affairs, places of entertainment or amusement, or who consorts with others about any place of public resort or within any private quarters outside of a brothel.

"Escort service" includes any person, business or agency which, for compensation of any type, furnishes or offers to furnish escorts, also known as "outdating."

"Licensed operation" means a brothel duly licensed and operated in accordance with the provisions of this chapter.

"Operational control" means the control of or the ability to control any substantial business decision involving a brothel.

"Premises" means the brothel building, accessory buildings used by customers, and area within the fenced enclosure, if any, of the building.

"Work card" means the card issued by the sheriff to each employee and to each prostitute authorizing them to work at a licensed operation.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.030 Prostitution permitted.

The operation of a licensed brothel within the county in accordance with the provisions of this chapter does not constitute a public nuisance or an offense to public decency.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.040 Powers of the licensing board.

- A. The board has the sole authority to grant a permit to operate a brothel, and the sole authority to make, alter and rescind all necessary regulations setting forth the terms and conditions under which permits may be applied for, the terms and conditions under which permits may be granted, transferred, revoked or canceled, where brothels may be located within the county, and any and all other regulations necessary regarding the conditions under which the brothels may be allowed to operate.
- B. It is the duty of the board to carry out terms of the provisions of this chapter, and to see that this chapter is enforced.
- C. Powers of the board include, but are not limited to, the power to:
 - 1. Receive all license and general manager applications.
 - 2. Investigate all applicants.
 - 3. Grant or refuse to grant the license.
 - 4. Approve or disapprove a general manager for a licensed operation.
 - 5. Receive complaints concerning alleged violations of this chapter.
 - 6. Restrict, revoke or suspend licenses for cause after a hearing. In an emergency the board may issue an order for immediate suspension or limitation of a license, but the order must state the reason for suspension or limitation and afford the licensee a hearing.

7. Exercise the power and authority necessary to perform the duties assigned it.
8. Hear appeals from enforcement actions of the sheriff.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.050 License application—Filing and investigation.

- A. All license applications for a brothel must be filed with the sheriff's office along with a nonrefundable investigation fee, set by resolution of the board of county commissioners, for each applicant. If the actual total cost of investigating any license application exceeds the fee, the applicant will be responsible for and pay to the county the amount in excess before the license may be approved. At time of application, the first three month's license fee must be deposited with the sheriffs office. If the application is denied, the license fee deposit must be refunded.
- B. Any applicant whose place of business will be conducted by a general manager, and any brothel licensee who changes a general manager, is required to submit an application for the general manager and is required to report the change of a general manager, and must pay an additional nonrefundable investigation fee for each designated general manager.
- C. Any person, director, officer or shareholder of a corporation, member or manager of a limited liability company, or the principal of any firm or association having any financial interest, including revenue or income participation, operational control, or ownership interest in the brothel must submit an application as a co-licensee pursuant to Section 5.16.090 and pay an additional nonrefundable investigation fee.
- D. Banking and financial institutions that lend to a brothel operator, owner or landlord are not required to submit a license application unless the lending instruments include revenue or income participation, or operational control of the brothel business. For the purposes of this section "banking and financial institutions" mean any bank, savings and loan association, savings bank, thrift company, credit union, or other financial institution that is licensed, registered or otherwise authorized to do business in Nevada.
- E. A loan related to the brothel equal to or greater than ~~twenty-five~~ **two hundred** thousand dollars must be reported to the sheriff and loan documents must be provided within thirty days.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.060 License applications—Contents.

Any person desiring to own or operate a brothel within the county must apply to the board for a license. The application for the licensee must be filed at the sheriff's office. An applicant must be a natural person applying as an owner, co-owner, or general manager of the brothel, or as a trustee on behalf of an inter vivos trust, or as director, officer or shareholder on behalf of a corporation, or as member or manager and owner on behalf of a limited liability company that owns or will own the brothel. Applicants must be a resident of the State of Nevada.

- A. The application must set forth:
 1. The applicant for the license, including:
 - a. Names, ages, and addresses of all persons who have or will have a financial or ownership interest in the operation, including the owner of the real property;
 - b. Names, ages, and addresses of persons who are or will be personally responsible for the conduct and management of the operation;

- c. Names, ages, and addresses of all persons designated as trustees of an inter vivos trust, directors, officers or shareholders of a corporation, or members or managers of a limited liability company;
2. A recent photograph and complete set of fingerprints of all persons listed in subsection 1;
3. Names and addresses of any other businesses an applicant has a financial or ownership interest in and the type of business and the nature of the applicant's interest;
4. Names and addresses of each of the applicant's current and former employers for the preceding ten years;
5. The applicant's current address and all former addresses in the preceding ten years;
6. A list of all prior convictions of the applicant for any crime, excluding minor traffic violations; the list must include a statement of the offense, the place of its occurrence, the date of its occurrence, and the disposition of the case;
7. A complete and accurate financial statement of the applicant prepared by a licensed certified public accountant;
8. Complete federal income tax returns for the applicant for the preceding five years;
9. The street address and legal description of the property upon which the proposed brothel is to be located, together with copies of all deeds, mortgages, deeds of trust, liens or other encumbrances, leasehold interests, or other interests relating to the property;
10. A complete list of any children the applicant has under the age of 18, including names, addresses, phone numbers, any court orders for child support and an affidavit that all child support payments are current;
11. A court certified copy of the inter vivos trust if applicant is designated trustee, the bylaws of a corporation, or the operating agreement of a limited liability company;
12. An executed comprehensive release authorizing the investigating authority to obtain any and all information deemed pertinent to the granting of a license;
13. A list consisting of a minimum of three verifiable personal references with addresses and telephone numbers; and
14. Any other information reasonably deemed necessary or useful by the board.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.070 Restrictions on licensing.

- A. The board must apply the following restrictions to every licensed operation:
 1. Signs. Each licensed operation may have up to three signs. All off-premises signs must be placed in a location off the right-of-way and in a manner so as not to constitute a hazard. The community development department must approve all signs.
 2. Fences. All licensed operations, individual or resort property oriented, must include designated perimeter barriers (fences, berms or other approved forms of separation) and a resort-style entrance gate that will restrict access to the brothel property. No prostitution related activities may be conducted outside of the designated perimeter.
- B. Topless shows or other exhibitions involving the exposure of human genitals, pubic region, or buttocks, or any adult movies whose program during a substantial part of the time, contains one or more motion pictures

which are rated "X" by the Code Rating Administration of the Motion Picture Association of America, or which is not rated, but whose program is intended to appeal to the prurient interests of the client are allowed in a licensed brothel and may not be permitted or licensed by the board outside of a licensed brothel.

- C. The board may, to promote the health, safety and welfare of the people of the county, or to promote the orderly conduct of the operation, impose additional restrictions, including, but not limited to, the following:
 - 1. Limit the hours per day or per week that a licensed operation may be conducted; and
 - 2. Limit the type, signing and size of building in which a licensed operation may be conducted.
 - 3. Limit the number of prostitutes that work in an operation.
- D. The board may impose restrictions pursuant to this section prior, during, or after issuance of license.
- E. Subject to Nevada State Law, gaming may be permitted in the premises.
- F. In the interests of the public health, safety, morals, and general welfare, the number of licenses issued under this chapter is limited to five.
- G. Escort services may only be allowed in association with a licensed operation and may be allowed only under an additional and separate specific escort license, subject to a written agreement for each transaction for escort services acknowledging:
 - 1. The brothel is not licensed outside of Storey County.
 - 2. Prostitution is not allowed in Washoe County, Reno, Sparks, Carson City or the Nevada areas of Lake Tahoe.
 - 3. Escort services are for purposes of entertainment, dining, gaming (casino gambling), dancing, shopping, sight seeing or other similar activity.
 - 4. Escort and client may not leave the State of Nevada.
 - 5. Prostitution or solicitation of sexual activity away from the licensed operation is prohibited.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.080 Unsuitable locations and buildings.

- A. The board may deny any application if the board finds that the place or location for which the license is sought is unsuitable for the conduct of a brothel. The following places or locations may be deemed unsuitable:
 - 1. Premises located within one mile of a church, hospital, school, military or naval reservation, children's public playground or residential area;
 - 2. Premises difficult to police or difficult to access by police and emergency services;
 - 3. Premises adjoining a gambling house, motel, hotel, licensed cocktail lounge not part of the brothel, or another brothel;
 - 4. Premises located within the historic districts as defined by NRS 384.100 and other sites of historical or public interest, as may be designated by the board;
 - 5. All properties located within the former McCarran Ranch, including all contiguous property, excluding currently licensed brothels; and

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6. Properties requiring primary ingress or egress across BLM controlled property, previously known as the Mustang Ranch, require written approval of easement access from the United States Department of Treasury, the United States Department of the Interior acting through the Bureau of Land Management (BLM) and the United States Attorney's Office prior to acceptance of application.
- B. The board may deny any application if the board finds that the building for which the license is sought is unsuitable for the conduct of a brothel. Without limiting the foregoing, the following may be deemed unsuitable:
1. A building that is or is proposed to be located in a mobile home, which will not be converted to real property.
 2. A factory-built housing building, which will not be permanently affixed to the land.
 3. A manufactured home, which will not be permanently affixed to the land.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.090 Investigation of applicant—Board action.

- A. Sheriff's investigation. Upon presentation of a completed license application and payment of all fees, the sheriff must conduct a full investigation of all information contained in the license application and submitted with the application. The investigation must include, but is not limited to, the following:
1. A complete check of all records of the Federal Bureau of Investigation and any other similar organization concerning the criminal record of the applicant;
 2. A personal interview with the applicant;
 3. An interview with selected employers of the applicant and business associates of the applicant, as shown in the license application;
 4. Examination of the financial statement, records, and financial background of the applicant; and
 5. An interview with any other person or source discovered during the investigation that may have information bearing upon applicant's suitability as a license holder.
- B. Investigation report. As soon as practicable or within forty-five days after an application is received by the sheriff, the sheriff must report the results of the investigation in writing to the board. The report must include, but is not be limited to, the following:
1. A complete statement of the results of all investigations undertaken;
 2. A list of any errors or omissions found to exist in the application; and
 3. An evaluation of the personal and financial status and background of the applicant.
- C. Board response. Within thirty days after receiving the sheriff's report, the board must place the application on the board's agenda for a hearing and may:
1. Refer the application back to the sheriff for additional investigation.
 2. Require a personal interview with the applicant.
 3. Require the applicant to submit additional information related to his application.

If no further investigation is needed, the board may decide whether to grant or deny a license or to approve a general manger.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.100 Issuance of license and automatic renewal.

- A. Upon approval of an application for a licensee or all co-licensees connected with a brothel, the board may issue a license for the brothel. The license must state:
 - 1. The name and address or location of the brothel.
 - 2. The names of all licensees connected with the brothel.
 - 3. Any restrictions or limitations imposed by the board under this chapter.
 - 4. The date of issuance of the license.
 - 5. The date of expiration of the license, which is June 30, the end of each fiscal year.
 - 6. All licenses are issued on a yearly basis and will renew automatically provided that licensee is in substantial compliance with this chapter.
- B. The board may issue a temporary license to an applicant for a specific period of time in the case of a licensee's death, disability or insolvency when there is no remaining licensee to operate the brothel. The temporary license entitles the person named in the application to take part in the operation of the brothel and receive profits

(Ord. No. 14-261, § I, 3-17-2015)

5.16.110 License denial.

The board may deny a license to any applicant or may disapprove of a general manager in its discretion, based on, but not limited to, the following circumstances:

- A. The applicant, or the applicant's spouse or any other individual listed on the application who may have an interest in the brothel, has been convicted of a felony;
- B. The applicant is financially insolvent;
- C. The applicant has a history of financial instability;
- D. The applicant's stated financial condition is inadequate, insufficient, or cannot be verified as sufficient to operate a brothel;
- E. The applicant makes any false statement of a material fact or omits any material fact in any application, notice, statement, or report filed with the board;
- F. The applicant has any financial interest in, or connection with, any business or other organization, that is illegal where the entity is located;
- G. The applicant's license location under the provisions of this chapter would be contrary to the health, safety, morals or welfare of the county's residents;
- H. The applicant is under the age of twenty-one years;
- I. The applicant has been convicted of a crime involving moral turpitude, unless the board finds, upon examination of the circumstances of the crime and the applicant's criminal history, that the applicant does not present, and is not likely to present in the future, a threat to the health, safety, morals, or welfare of the residents of Storey County, and will likely operate a lawful establishment in full compliance with the Storey County Code, and the laws of the State of Nevada;
- J. The applicant has past due child support;

- K. The applicant's license issued under this chapter has been revoked for cause;
- L. The applicant is a corporation, unless it is incorporated in Nevada, or unless it is a foreign corporation which is qualified under Nevada law to transact business in Nevada;
- M. The applicant is a person whose place of business is conducted by a general manager, unless the general manager possesses the same general qualifications required of an individual licensee; and
- N. A person who is unqualified or disqualified to hold a license owns any interest whatsoever in the premises, regardless of the qualifications of the applicant himself.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.120 License nontransferable—Death, disability or insolvency of licensee.

A license granted under this chapter is for operations conducted on the property described in the application only, by the licensee or co-licensees only, and no licensed operation may be added to or moved without a new license application and approval.

- A. A brothel license may not be transferred, unless the license is transferred under an inter vivos trust where the licensee is the grantor or settler of the trust and is also the trustee of the trust and the license is in good standing and has not been suspended or revoked.
- B. In the event of the death or judicially established disability of a licensee, the spouse, next of kin, personal representative or guardian of the deceased or disabled person, or any other co-licensee, must notify the board and the sheriff immediately of the death or disability.
- C. In the event of death or judicially established disability of a sole licensee who holds the sole interest in a licensed operation and whose interest would pass by operation of law to the licensee's estate or to any other person other than a co-licensee, the board may authorize the spouse, next of kin, personal representative, executor, or guardian of the person to continue the operation of the brothel under a temporary permit, as a successor in interest, pending action on an application. The application for a temporary license must be filed within thirty days of the date of death or disability.
- D. In the event of the death of a licensee holding a license under an inter vivos trust, or whose ownership of a brothel passes by way of a trust on the licensee's death, the succeeding trustee or trustees must be licensed. If the succeeding trustee or trustees are not licensed at the time of the licensee's death, the board may authorize the succeeding trustee or trustees to continue operation of the brothel under a temporary license while the succeeding trustee or trustees prepare and submit an application for a license.
- E. Where the licensed operation is owned or operated by more than one licensee, the remaining co-licensees may continue to operate the business in the event of the death or disability of a co-licensee. The remaining co licensees may not permit any spouse, heir, next of kin, personal representative or guardian of the deceased or disabled licensee to take part in operation of the brothel unless or until the person is approved for a temporary license or is approved as a co-licensee. If a co-licensee no longer has an interest in the operation of a brothel and is no longer required to be licensed, the remaining licensees must notify the board and sheriff immediately that the person is no longer a licensee. The change in status of the co-licensee is effective on receipt of the notice by the sheriff or the board.
- F. The board may, if satisfied the action is necessary, issue a temporary license to an applicant for a specific period of time. The temporary license entitles the person named in the application to take part in the operation of the brothel and receive profits. A temporary license is not transferable.

- G. A temporary licensee may be summarily withdrawn at any time in the discretion of two board members without the necessity of a hearing or proceedings for revocation or suspension.
- H. In the event a licensee files any petition with the bankruptcy court for relief as a debtor or has a petition filed against it, or a receiver is appointed for a licensed operation or an assignment of a business is made for the benefit of creditors, the licensee, trustee, receiver or assignee, as the case may be, must immediately notify the board of the change in writing. The written notice must have attached a copy of the assignment or the petition filed with the court, and any relevant court orders including orders appointing trustees, receivers, or assignees.
- I. A trustee, receiver, or assignee desiring to continue operation of the licensed establishment must immediately make application for a temporary license.
- J. A brothel may not be operated by a bankruptcy trustee, receiver, or assignee for the benefit of creditors until the board has either licensed or temporarily licensed the trustee, receiver, or assignee.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.130 License fees, penalties for non-payment.

- A. ~~Every licensed operation must pay monthly licensing fee, set by resolution of the board of county commissioners, in advance of the first calendar day of each month for the privilege of county commissioners, in advance of the first calendar day of each month for the privilege of operating a brothel in the county. The fees must be considered at two board of county commissioners' meetings before becoming effective.~~ Every licensed operator must pay an annual business license fee of \$25.00 in addition to any fees set forth in Section 5.16.050.
- B. Any license fees paid are nonrefundable except as provided in Section 5.16.050.
- C. All license fees must be paid to the sheriff. The sheriff must deposit all fees in the general fund.
- D. Delinquent brothel fees, including all accrued penalties, as set forth by ordinance of ~~by resolution of~~ the board of county commissioners, may be grounds for suspension or revocation of the brothel license by action of the board.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.140 Compliance inspections for brothels—Implied consent.

- A. Licensees or management of licensed operations must provide the sheriff access, upon demand at any time, for purposes of inspection to ensure compliance with this chapter.
- B. Anyone obtaining or renewing a license pursuant to this chapter consents to and acknowledges the power and authority of the sheriff's office to enter the licensed operation's premises and principal office at any time for the purposes of examining the premises, the brothel's books of account, medical records or work cards, to ascertain the truth or veracity of statements made on the brothel license application and to determine compliance with the Storey County Code and Nevada state law.
- C. Refusal by a licensee, or his or her agent or employee, to permit a lawful inspection of a licensed operation in accordance with this chapter constitutes a violation.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.170 License renewal with taxes in arrears.

A business license may not be issued or renewed when, at the time of application or renewal, the applicant or the licensee is indebted to the county for any unpaid obligation, including real property taxes, personal property taxes, room taxes or business licenses, including those not used in conjunction with brothel operations. The tax receiver may enter into an agreement with any person so indebted to the county to establish a schedule for the payment of the indebtedness and any delinquencies and interest. In the agreement, the debtor must acknowledge the debt to the county and must agree that if any default occurs in the payment of any installment agreed to be paid under an agreement, the entire amount to be paid becomes immediately due and payable.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.180 License revocation or suspension.

The board may revoke, temporarily suspend, or place on probation with or without conditions any brothel license for cause after a hearing for any of the following causes:

- A. Any cause that would constitute grounds for denial of a license under this chapter;
- B. Violation of any provision of this chapter by the licensee or any employee of the licensee or any working prostitute at a licensed operation;
- C. Willful refusal of the licensee to comply with any reasonable order of the board or of the sheriff's office;
- D. The licensee knowingly permitting the existence of any health hazard on the premises occupied by the licensed operation or employing any prostitute when the person does not have a valid health certificate;
- E. Change in ownership or the leasing of the premises to an unlicensed person, or the addition of any persons with any financial interest, including revenue or income participation, operational control, or ownership interest in a brothel who is not a co-licensee will automatically revoke a license;
- F. Any attempt by a licensee to permit an unlicensed person to operate a brothel under the existing license is grounds for automatic and immediate revocation;
 - 1. It is not a violation for a licensee to employ a board-approved general manager to supervise day-to-day operations;
 - 2. Any prospective general manager must be an employee of the licensed operation, and be subject to investigation and board approval.
- G. Any other cause which the board may determine, in its sound discretion, to be deleterious to the health, welfare, and safety of the general public; and
- H. If any written complaint regarding the licensed operation is received during the current license period, the sheriff may cause the complaint to be placed on the agenda of the next board meeting, at which meeting the board may review the complaint and the license. The board may conduct a hearing, summon witnesses, interview the licensee, interview any complainant, require additional investigation by the sheriff, or do any and all other acts which may be necessary or appropriate for the board's determination.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.190 License revocation procedure—Hearing—Notice.

- A. Before revoking a brothel license the board must:
 - 1. Conduct a hearing to determine the existence of the cause or causes of revocation Notice of the hearing with written specifications of the violations must be served upon the licensee or posted upon the premises where the licensed operation is located at least three days before the hearing;
 - 2. Permit the licensee to submit evidence and testimony in opposition to the revocation;
 - 3. Consider all evidence and testimony in support of and in opposition to the revocation;
 - 4. Enter in the minutes of the board the findings of the board, and stating with specificity the cause of revocation; and
 - 5. Enter in the minutes of the board an order revoking or refusing to revoke the license.
- B. Notice of revocation must be served upon the licensee or posted upon the premises occupied by the licensed operation. Revocation is effective upon service of the notice on the licensee or posting of the notice on the premises.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.200 Exception to hearing procedure (emergency suspension of license).

A brothel license may be immediately suspended or limited without a hearing by a written emergency suspension order signed by two members of the board, if in their opinion, there exists an emergency or other immediate and present danger to public health and safety which necessitates the immediate closure of the brothel. The order must state the reason for the suspension or limitation and advise the licensee of the right to a hearing. Upon the issuance and service of an emergency suspension order, all brothel activity must immediately cease and the brothel licensee may request a public hearing before the board within three business days. The hearing must be held in accordance with Section 5.16.190 of this chapter.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.210 Health examinations.

The licensed operation must comply with all State of Nevada Division of Health requirements and Nevada Revised Statutes with regard to medical and health examinations for prostitutes.

- A. Exams required. Every prostitute working at a licensed operation is required to have a weekly medical examination by a medical doctor licensed to practice medicine in the State of Nevada or the doctor's duly qualified and supervised employee. Each medical examination must include testing to be submitted to a state licensed medical laboratory and must include:
 - 1. Once each week, a culture to confirm the presence or absence of gonorrhea and testing to screen for the presence or absence of chlamydia;
 - 2. Once every week, a licensed medical professional must perform an examination on each prostitute for lesions. If lesions are present on the individual, the health care professional must excuse the prostitute from work until the lesions have resolved and are no longer infectious with herpes simplex II virus;
 - 3. Other medically required or approved tests deemed advisable by the examiner for determining whether the prostitute is afflicted with any infectious or contagious disease;

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4. All medical examinations, pre-employment and post-employment, and tests must conform to the requirements of the State of Nevada, Division of Health, the NRS and the Nevada Administrative Code;
 5. After performing an examination on a prostitute, the examining doctor may not issue a certificate if the person is found to be or suspected to be afflicted with a sexually transmitted infection or other contagious or infectious sexually transmitted disease ("STD"). The sheriff must be notified by the licensee of ineligibility of a prostitute to work; and
 6. The cost of the required medical examination and tests must be paid by the prostitute directly to the medical providers.
- B. When a prostitute has completed the medical examination and tests required, the results of the tests must be forwarded to a state approved medical lab for review and approval.
 - C. Certification of work eligibility—Approval and denial.
 1. After the state medical lab completes the required review of the medical examination and tests, and forwards the certificate of clearance to the brothel's license holder, the brothel must retain those results for review by the sheriff and must certify to the sheriff that the prostitute is eligible for a work card. The sheriff must be notified by the licensee if the state medical lab does not issue a certificate of clearance. Each medical certificate of clearance must specify the date of the examination and may be valid for seven days from the date of the certificate. The cost of this review and certification must be paid by the prostitute.
 2. A person who has ever been denied a certificate by the state health department, may not work as a prostitute in any licensed operation until that person has received and presented to the brothel a certificate of clearance from the state stating that the cause or causes which resulted in the denial of the certificate have been cured and that the person is now free of a sexually transmitted infection or other contagious or infectious sexually transmitted disease ("STD").
 - D. Seizure of work card. Upon receiving information that a prostitute is afflicted with an infectious or contagious STD or has not obtained a current medical examination, or is no longer entitled to a work card, the sheriff must immediately seize any work card previously issued.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.220 Work card registration required.

- A. It is unlawful for any person to work as an independent contractor or be employed or for a licensee to employ or allow a person on the premises of a licensed operation, unless the person is the holder of a valid current work card issued by the sheriff. Customers of the brothel are exempt from this requirement.

A prostitute who has submitted an application to the sheriff's office but who has not yet received a medical clearance may remain on the premises of the brothel, segregated from any customer contact areas, for up to forty-eight hours as they complete the medical clearance and work card application process. It is the sole responsibility of the owner or general manager to ensure that all the prostitutes awaiting results and residing at the brothel do not engage in any type of sexual activity until the sheriff issues a work card.

- B. A work card application must include:
 1. The applicants' name, all current and former names and aliases, age, address, social security number, physical description, and current picture identification. Forms of acceptable identification are a state issued Real ID or an ID that meets I-9 requirements;
 2. A full set of fingerprints of the worker;

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3. Complete employment record of the worker for the preceding three years;
 4. All addresses of the worker for the preceding three years;
 5. A complete criminal record of the worker, including all convictions, except minor traffic violations, such list to include a statement of each offense, the place of its occurrence, and the date of its occurrence;
 6. A complete sheriffs routine child support information form;
 7. A waiver of release of medical information allowing the medical facilities and doctors to provide to the county the results of the referred medical examination and tests of prostitutes; and
 8. An authorization to conduct an investigation into the worker's criminal history.
- C. The sheriff must investigate, through all available means, the accuracy of all information supplied by any applicant on the registration form.
 - D. The sheriff may issue a work permit after an investigation and the determination that the applicant meets the work permit requirements.
 - E. The sheriff may issue a revocable temporary work permit for up to one hundred twenty days after the applicant has submitted an application with proof of medical clearance and paid all required application fees.
 - F. The sheriff may deny a work card to any person who is under the age of eighteen or has ever been convicted of a felony offense, irrespective of jurisdiction, or for lesser crimes involving:
 1. A misdemeanor possession or use of a controlled substance within the last three years;
 2. Theft, embezzlement, or misappropriation of funds;
 3. Violence or the use of any deadly or dangerous weapon;
 4. Any crime involving the illegal use of firearms;
 5. Petty theft or shoplifting within the last year; or
 6. Willfully making any false statement or omission in the registration form required by subsection A of this section.
 - G. The sheriff or his designee will have the authority to deny or revoke the work card of a prostitute or any other employee who does not qualify under this chapter or who is found to be otherwise violating the Storey County Code or Nevada state law. The person whose work card has been denied or revoked may file an appeal with the board within thirty calendar days from the date in which the work card was denied or revoked.
 - H. The work card may be issued for not more than twelve months and must be renewed annually.
 - I. Except as provided in subsection 5.16.220(J), all work cards are site specific, and must be renewed each time an employee changes places of work.
 - J. All employees must maintain a current work card with the operator of a licensed brothel and the licensee is required to maintain a work card for each employee. The work card must be kept on premises and available for inspection at all times. A prostitute may change place of work between two licensed operations under the same ownership by having brothel management notify the sheriff of the proposed change.
 - K. A prostitute or bartender of a licensed operation may not possess more than one work card at any given time.
 - L. A bartender, general manager, maid, or maintenance employee may not engage in acts of prostitution.
 - M. Tradesmen or vendors who service the property or facilities periodically are not required to obtain work cards, as long as they are not employees of the brothel.
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(Ord. No. 14-261, § I, 3-17-2015)

5.16.230 Violations by employee—Effect on registration and work card.

- A. In addition to criminal penalties provided in this chapter, any employee of any licensed operator convicted of violating any section of this chapter or any regulation promulgated by the board or sheriff's office will have his or her work card immediately revoked by the sheriff. Upon revocation the person holding the work card must return it to the sheriff.
- B. Unauthorized persons. It is unlawful for any licensed operation to allow persons on the premises except for the owners, licensed employees, working prostitutes, potential customers, authorized emergency, medical, county agents, employees or others with legitimate reason to be on the premises for nonprostitution-related matters. No business or social organization may conduct official business meetings in a brothel.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.240 Violations—Criminal penalty.

In addition to penalties provided regarding revocation of licenses and work cards, any person violating any provision of this chapter is guilty of a misdemeanor.

(Ord. No. 14-261, § I, 3-17-2015)

Bill No. 149

Ordinance No. 26-337

Summary

An ordinance amending Storey County Code Chapter 5.16 Brothels, Section 5.16.130 License Fees, Penalties for Non-Payment, by removing an identified sentence error.

Title

An ordinance amending Storey County Code Chapter 5.16 Brothels, Section 5.16.130 License Fees, Penalties for Non-Payment, by removing an identified sentence error.

Chapter 5.16 BROTHELS¹

5.16.010 Declaration of public policy on privilege permit business.

- A. The board of county commissioners finds and declares that the public health, safety, morals and welfare of the inhabitants of the county require the regulation and control of each brothel, as a privilege permit business, the licensing of which is granted in the sole discretion of the board and the regulation and control of each person with an ownership interest in, who is engaged in, who is associated with or who is in control of the business, including the local general manager.
- B. It is unlawful to practice prostitution, to allow acts of prostitution or sex-for-hire services, to solicit business for a prostitute or to procure any person for the purpose of prostitution, except as permitted by this chapter.
- C. Any license issued under the provisions of this chapter is a revocable privilege and the holder does not acquire any vested rights to the permit.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.020 Definitions.

When used in this chapter, the following words and terms are defined as follows:

"Applicant" means any person, including a trustee of an inter vivos trust, a director, officer or shareholder of a corporation, or a member or manager and owner of a limited liability company applying to the board for a license under the provisions of this chapter.

"Board" means the Brothel Licensing Board of Storey County consisting of the board of county commissioners and the sheriff of Storey County.

¹Editor's note(s)—Ord. No. 14-261, § I, adopted March 17, 2015, amended Chapter 5.16 in its entirety to read as herein set out. Former Chapter 5.16, §§ 5.16.010—5.16.240, pertained to prostitution, and derived from Ord. No. 09-227, § 1, 12-15-2009; Ord. No. 13-249, § I, 10-1-2013.

"Brothel" means a business engaged in prostitution, sex-for-hire services, and all associated activities allowed and approved under this chapter.

"Escort" means any person who, for a compensation of any type, accompanies any other person to or about social affairs, places of entertainment or amusement, or who consorts with others about any place of public resort or within any private quarters outside of a brothel.

"Escort service" includes any person, business or agency which, for compensation of any type, furnishes or offers to furnish escorts, also known as "outdating."

"Licensed operation" means a brothel duly licensed and operated in accordance with the provisions of this chapter.

"Operational control" means the control of or the ability to control any substantial business decision involving a brothel.

"Premises" means the brothel building, accessory buildings used by customers, and area within the fenced enclosure, if any, of the building.

"Work card" means the card issued by the sheriff to each employee and to each prostitute authorizing them to work at a licensed operation.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.030 Prostitution permitted.

The operation of a licensed brothel within the county in accordance with the provisions of this chapter does not constitute a public nuisance or an offense to public decency.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.040 Powers of the licensing board.

- A. The board has the sole authority to grant a permit to operate a brothel, and the sole authority to make, alter and rescind all necessary regulations setting forth the terms and conditions under which permits may be applied for, the terms and conditions under which permits may be granted, transferred, revoked or canceled, where brothels may be located within the county, and any and all other regulations necessary regarding the conditions under which the brothels may be allowed to operate.
- B. It is the duty of the board to carry out terms of the provisions of this chapter, and to see that this chapter is enforced.
- C. Powers of the board include, but are not limited to, the power to:
 - 1. Receive all license and general manager applications.
 - 2. Investigate all applicants.
 - 3. Grant or refuse to grant the license.
 - 4. Approve or disapprove a general manager for a licensed operation.
 - 5. Receive complaints concerning alleged violations of this chapter.
 - 6. Restrict, revoke or suspend licenses for cause after a hearing. In an emergency the board may issue an order for immediate suspension or limitation of a license, but the order must state the reason for suspension or limitation and afford the licensee a hearing.

7. Exercise the power and authority necessary to perform the duties assigned it.
8. Hear appeals from enforcement actions of the sheriff.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.050 License application—Filing and investigation.

- A. All license applications for a brothel must be filed with the sheriff's office along with a nonrefundable investigation fee, set by resolution of the board of county commissioners, for each applicant. If the actual total cost of investigating any license application exceeds the fee, the applicant will be responsible for and pay to the county the amount in excess before the license may be approved. At time of application, the first three month's license fee must be deposited with the sheriffs office. If the application is denied, the license fee deposit must be refunded.
- B. Any applicant whose place of business will be conducted by a general manager, and any brothel licensee who changes a general manager, is required to submit an application for the general manager and is required to report the change of a general manager, and must pay an additional nonrefundable investigation fee for each designated general manager.
- C. Any person, director, officer or shareholder of a corporation, member or manager of a limited liability company, or the principal of any firm or association having any financial interest, including revenue or income participation, operational control, or ownership interest in the brothel must submit an application as a co-licensee pursuant to Section 5.16.090 and pay an additional nonrefundable investigation fee.
- D. Banking and financial institutions that lend to a brothel operator, owner or landlord are not required to submit a license application unless the lending instruments include revenue or income participation, or operational control of the brothel business. For the purposes of this section "banking and financial institutions" mean any bank, savings and loan association, savings bank, thrift company, credit union, or other financial institution that is licensed, registered or otherwise authorized to do business in Nevada.
- E. A loan related to the brothel equal to or greater than two hundred thousand dollars must be reported to the sheriff and loan documents must be provided within thirty days.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.060 License applications—Contents.

Any person desiring to own or operate a brothel within the county must apply to the board for a license. The application for the licensee must be filed at the sheriff's office. An applicant must be a natural person applying as an owner, co-owner, or general manager of the brothel, or as a trustee on behalf of an inter vivos trust, or as director, officer or shareholder on behalf of a corporation, or as member or manager and owner on behalf of a limited liability company that owns or will own the brothel. Applicants must be a resident of the State of Nevada.

- A. The application must set forth:
 1. The applicant for the license, including:
 - a. Names, ages, and addresses of all persons who have or will have a financial or ownership interest in the operation, including the owner of the real property;
 - b. Names, ages, and addresses of persons who are or will be personally responsible for the conduct and management of the operation;

- c. Names, ages, and addresses of all persons designated as trustees of an inter vivos trust, directors, officers or shareholders of a corporation, or members or managers of a limited liability company;
2. A recent photograph and complete set of fingerprints of all persons listed in subsection 1;
3. Names and addresses of any other businesses an applicant has a financial or ownership interest in and the type of business and the nature of the applicant's interest;
4. Names and addresses of each of the applicant's current and former employers for the preceding ten years;
5. The applicant's current address and all former addresses in the preceding ten years;
6. A list of all prior convictions of the applicant for any crime, excluding minor traffic violations; the list must include a statement of the offense, the place of its occurrence, the date of its occurrence, and the disposition of the case;
7. A complete and accurate financial statement of the applicant prepared by a licensed certified public accountant;
8. Complete federal income tax returns for the applicant for the preceding five years;
9. The street address and legal description of the property upon which the proposed brothel is to be located, together with copies of all deeds, mortgages, deeds of trust, liens or other encumbrances, leasehold interests, or other interests relating to the property;
10. A complete list of any children the applicant has under the age of 18, including names, addresses, phone numbers, any court orders for child support and an affidavit that all child support payments are current;
11. A court certified copy of the inter vivos trust if applicant is designated trustee, the bylaws of a corporation, or the operating agreement of a limited liability company;
12. An executed comprehensive release authorizing the investigating authority to obtain any and all information deemed pertinent to the granting of a license;
13. A list consisting of a minimum of three verifiable personal references with addresses and telephone numbers; and
14. Any other information reasonably deemed necessary or useful by the board.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.070 Restrictions on licensing.

- A. The board must apply the following restrictions to every licensed operation:
 1. Signs. Each licensed operation may have up to three signs. All off-premises signs must be placed in a location off the right-of-way and in a manner so as not to constitute a hazard. The community development department must approve all signs.
 2. Fences. All licensed operations, individual or resort property oriented, must include designated perimeter barriers (fences, berms or other approved forms of separation) and a resort-style entrance gate that will restrict access to the brothel property. No prostitution related activities may be conducted outside of the designated perimeter.
- B. Topless shows or other exhibitions involving the exposure of human genitals, pubic region, or buttocks, or any adult movies whose program during a substantial part of the time, contains one or more motion pictures

which are rated "X" by the Code Rating Administration of the Motion Picture Association of America, or which is not rated, but whose program is intended to appeal to the prurient interests of the client are allowed in a licensed brothel and may not be permitted or licensed by the board outside of a licensed brothel.

- C. The board may, to promote the health, safety and welfare of the people of the county, or to promote the orderly conduct of the operation, impose additional restrictions, including, but not limited to, the following:
 - 1. Limit the hours per day or per week that a licensed operation may be conducted; and
 - 2. Limit the type, signing and size of building in which a licensed operation may be conducted.
 - 3. Limit the number of prostitutes that work in an operation.
- D. The board may impose restrictions pursuant to this section prior, during, or after issuance of license.
- E. Subject to Nevada State Law, gaming may be permitted in the premises.
- F. In the interests of the public health, safety, morals, and general welfare, the number of licenses issued under this chapter is limited to five.
- G. Escort services may only be allowed in association with a licensed operation and may be allowed only under an additional and separate specific escort license, subject to a written agreement for each transaction for escort services acknowledging:
 - 1. The brothel is not licensed outside of Storey County.
 - 2. Prostitution is not allowed in Washoe County, Reno, Sparks, Carson City or the Nevada areas of Lake Tahoe.
 - 3. Escort services are for purposes of entertainment, dining, gaming (casino gambling), dancing, shopping, sight seeing or other similar activity.
 - 4. Escort and client may not leave the State of Nevada.
 - 5. Prostitution or solicitation of sexual activity away from the licensed operation is prohibited.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.080 Unsuitable locations and buildings.

- A. The board may deny any application if the board finds that the place or location for which the license is sought is unsuitable for the conduct of a brothel. The following places or locations may be deemed unsuitable:
 - 1. Premises located within one mile of a church, hospital, school, military or naval reservation, children's public playground or residential area;
 - 2. Premises difficult to police or difficult to access by police and emergency services;
 - 3. Premises adjoining a gambling house, motel, hotel, licensed cocktail lounge not part of the brothel, or another brothel;
 - 4. Premises located within the historic districts as defined by NRS 384.100 and other sites of historical or public interest, as may be designated by the board;
 - 5. All properties located within the former McCarran Ranch, including all contiguous property, excluding currently licensed brothels; and

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6. Properties requiring primary ingress or egress across BLM controlled property, previously known as the Mustang Ranch, require written approval of easement access from the United States Department of Treasury, the United States Department of the Interior acting through the Bureau of Land Management (BLM) and the United States Attorney's Office prior to acceptance of application.
- B. The board may deny any application if the board finds that the building for which the license is sought is unsuitable for the conduct of a brothel. Without limiting the foregoing, the following may be deemed unsuitable:
1. A building that is or is proposed to be located in a mobile home, which will not be converted to real property.
 2. A factory-built housing building, which will not be permanently affixed to the land.
 3. A manufactured home, which will not be permanently affixed to the land.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.090 Investigation of applicant—Board action.

- A. Sheriff's investigation. Upon presentation of a completed license application and payment of all fees, the sheriff must conduct a full investigation of all information contained in the license application and submitted with the application. The investigation must include, but is not limited to, the following:
1. A complete check of all records of the Federal Bureau of Investigation and any other similar organization concerning the criminal record of the applicant;
 2. A personal interview with the applicant;
 3. An interview with selected employers of the applicant and business associates of the applicant, as shown in the license application;
 4. Examination of the financial statement, records, and financial background of the applicant; and
 5. An interview with any other person or source discovered during the investigation that may have information bearing upon applicant's suitability as a license holder.
- B. Investigation report. As soon as practicable or within forty-five days after an application is received by the sheriff, the sheriff must report the results of the investigation in writing to the board. The report must include, but is not be limited to, the following:
1. A complete statement of the results of all investigations undertaken;
 2. A list of any errors or omissions found to exist in the application; and
 3. An evaluation of the personal and financial status and background of the applicant.
- C. Board response. Within thirty days after receiving the sheriff's report, the board must place the application on the board's agenda for a hearing and may:
1. Refer the application back to the sheriff for additional investigation.
 2. Require a personal interview with the applicant.
 3. Require the applicant to submit additional information related to his application.

If no further investigation is needed, the board may decide whether to grant or deny a license or to approve a general manger.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.100 Issuance of license and automatic renewal.

- A. Upon approval of an application for a licensee or all co-licensees connected with a brothel, the board may issue a license for the brothel. The license must state:
 - 1. The name and address or location of the brothel.
 - 2. The names of all licensees connected with the brothel.
 - 3. Any restrictions or limitations imposed by the board under this chapter.
 - 4. The date of issuance of the license.
 - 5. The date of expiration of the license, which is June 30, the end of each fiscal year.
 - 6. All licenses are issued on a yearly basis and will renew automatically provided that licensee is in substantial compliance with this chapter.
- B. The board may issue a temporary license to an applicant for a specific period of time in the case of a licensee's death, disability or insolvency when there is no remaining licensee to operate the brothel. The temporary license entitles the person named in the application to take part in the operation of the brothel and receive profits

(Ord. No. 14-261, § I, 3-17-2015)

5.16.110 License denial.

The board may deny a license to any applicant or may disapprove of a general manager in its discretion, based on, but not limited to, the following circumstances:

- A. The applicant, or the applicant's spouse or any other individual listed on the application who may have an interest in the brothel, has been convicted of a felony;
- B. The applicant is financially insolvent;
- C. The applicant has a history of financial instability;
- D. The applicant's stated financial condition is inadequate, insufficient, or cannot be verified as sufficient to operate a brothel;
- E. The applicant makes any false statement of a material fact or omits any material fact in any application, notice, statement, or report filed with the board;
- F. The applicant has any financial interest in, or connection with, any business or other organization, that is illegal where the entity is located;
- G. The applicant's license location under the provisions of this chapter would be contrary to the health, safety, morals or welfare of the county's residents;
- H. The applicant is under the age of twenty-one years;
- I. The applicant has been convicted of a crime involving moral turpitude, unless the board finds, upon examination of the circumstances of the crime and the applicant's criminal history, that the applicant does not present, and is not likely to present in the future, a threat to the health, safety, morals, or welfare of the residents of Storey County, and will likely operate a lawful establishment in full compliance with the Storey County Code, and the laws of the State of Nevada;
- J. The applicant has past due child support;

- K. The applicant's license issued under this chapter has been revoked for cause;
- L. The applicant is a corporation, unless it is incorporated in Nevada, or unless it is a foreign corporation which is qualified under Nevada law to transact business in Nevada;
- M. The applicant is a person whose place of business is conducted by a general manager, unless the general manager possesses the same general qualifications required of an individual licensee; and
- N. A person who is unqualified or disqualified to hold a license owns any interest whatsoever in the premises, regardless of the qualifications of the applicant himself.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.120 License nontransferable—Death, disability or insolvency of licensee.

A license granted under this chapter is for operations conducted on the property described in the application only, by the licensee or co-licensees only, and no licensed operation may be added to or moved without a new license application and approval.

- A. A brothel license may not be transferred, unless the license is transferred under an inter vivos trust where the licensee is the grantor or settler of the trust and is also the trustee of the trust and the license is in good standing and has not been suspended or revoked.
- B. In the event of the death or judicially established disability of a licensee, the spouse, next of kin, personal representative or guardian of the deceased or disabled person, or any other co-licensee, must notify the board and the sheriff immediately of the death or disability.
- C. In the event of death or judicially established disability of a sole licensee who holds the sole interest in a licensed operation and whose interest would pass by operation of law to the licensee's estate or to any other person other than a co-licensee, the board may authorize the spouse, next of kin, personal representative, executor, or guardian of the person to continue the operation of the brothel under a temporary permit, as a successor in interest, pending action on an application. The application for a temporary license must be filed within thirty days of the date of death or disability.
- D. In the event of the death of a licensee holding a license under an inter vivos trust, or whose ownership of a brothel passes by way of a trust on the licensee's death, the succeeding trustee or trustees must be licensed. If the succeeding trustee or trustees are not licensed at the time of the licensee's death, the board may authorize the succeeding trustee or trustees to continue operation of the brothel under a temporary license while the succeeding trustee or trustees prepare and submit an application for a license.
- E. Where the licensed operation is owned or operated by more than one licensee, the remaining co-licensees may continue to operate the business in the event of the death or disability of a co-licensee. The remaining co licensees may not permit any spouse, heir, next of kin, personal representative or guardian of the deceased or disabled licensee to take part in operation of the brothel unless or until the person is approved for a temporary license or is approved as a co-licensee. If a co-licensee no longer has an interest in the operation of a brothel and is no longer required to be licensed, the remaining licensees must notify the board and sheriff immediately that the person is no longer a licensee. The change in status of the co-licensee is effective on receipt of the notice by the sheriff or the board.
- F. The board may, if satisfied the action is necessary, issue a temporary license to an applicant for a specific period of time. The temporary license entitles the person named in the application to take part in the operation of the brothel and receive profits. A temporary license is not transferable.

- G. A temporary licensee may be summarily withdrawn at any time in the discretion of two board members without the necessity of a hearing or proceedings for revocation or suspension.
- H. In the event a licensee files any petition with the bankruptcy court for relief as a debtor or has a petition filed against it, or a receiver is appointed for a licensed operation or an assignment of a business is made for the benefit of creditors, the licensee, trustee, receiver or assignee, as the case may be, must immediately notify the board of the change in writing. The written notice must have attached a copy of the assignment or the petition filed with the court, and any relevant court orders including orders appointing trustees, receivers, or assignees.
- I. A trustee, receiver, or assignee desiring to continue operation of the licensed establishment must immediately make application for a temporary license.
- J. A brothel may not be operated by a bankruptcy trustee, receiver, or assignee for the benefit of creditors until the board has either licensed or temporarily licensed the trustee, receiver, or assignee.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.130 License fees, penalties for non-payment.

- A. Every licensed operator must pay an annual business license fee of \$25.00 in addition to any fees set forth in Section 5.16.050.
- B. Any license fees paid are nonrefundable except as provided in Section 5.16.050.
- C. All license fees must be paid to the sheriff. The sheriff must deposit all fees in the general fund.
- D. Delinquent brothel fees, including all accrued penalties, as set forth by ordinance of the board of county commissioners, may be grounds for suspension or revocation of the brothel license by action of the board.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.140 Compliance inspections for brothels—Implied consent.

- A. Licensees or management of licensed operations must provide the sheriff access, upon demand at any time, for purposes of inspection to ensure compliance with this chapter.
- B. Anyone obtaining or renewing a license pursuant to this chapter consents to and acknowledges the power and authority of the sheriff's office to enter the licensed operation's premises and principal office at any time for the purposes of examining the premises, the brothel's books of account, medical records or work cards, to ascertain the truth or veracity of statements made on the brothel license application and to determine compliance with the Storey County Code and Nevada state law.
- C. Refusal by a licensee, or his or her agent or employee, to permit a lawful inspection of a licensed operation in accordance with this chapter constitutes a violation.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.170 License renewal with taxes in arrears.

A business license may not be issued or renewed when, at the time of application or renewal, the applicant or the licensee is indebted to the county for any unpaid obligation, including real property taxes, personal property taxes, room taxes or business licenses, including those not used in conjunction with brothel operations. The tax receiver may enter into an agreement with any person so indebted to the county to establish a schedule for the

payment of the indebtedness and any delinquencies and interest. In the agreement, the debtor must acknowledge the debt to the county and must agree that if any default occurs in the payment of any installment agreed to be paid under an agreement, the entire amount to be paid becomes immediately due and payable.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.180 License revocation or suspension.

The board may revoke, temporarily suspend, or place on probation with or without conditions any brothel license for cause after a hearing for any of the following causes:

- A. Any cause that would constitute grounds for denial of a license under this chapter;
- B. Violation of any provision of this chapter by the licensee or any employee of the licensee or any working prostitute at a licensed operation;
- C. Willful refusal of the licensee to comply with any reasonable order of the board or of the sheriff's office;
- D. The licensee knowingly permitting the existence of any health hazard on the premises occupied by the licensed operation or employing any prostitute when the person does not have a valid health certificate;
- E. Change in ownership or the leasing of the premises to an unlicensed person, or the addition of any persons with any financial interest, including revenue or income participation, operational control, or ownership interest in a brothel who is not a co-licensee will automatically revoke a license;
- F. Any attempt by a licensee to permit an unlicensed person to operate a brothel under the existing license is grounds for automatic and immediate revocation;
 - 1. It is not a violation for a licensee to employ a board-approved general manager to supervise day-to-day operations;
 - 2. Any prospective general manager must be an employee of the licensed operation, and be subject to investigation and board approval.
- G. Any other cause which the board may determine, in its sound discretion, to be deleterious to the health, welfare, and safety of the general public; and
- H. If any written complaint regarding the licensed operation is received during the current license period, the sheriff may cause the complaint to be placed on the agenda of the next board meeting, at which meeting the board may review the complaint and the license. The board may conduct a hearing, summon witnesses, interview the licensee, interview any complainant, require additional investigation by the sheriff, or do any and all other acts which may be necessary or appropriate for the board's determination.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.190 License revocation procedure—Hearing—Notice.

- A. Before revoking a brothel license the board must:
 - 1. Conduct a hearing to determine the existence of the cause or causes of revocation Notice of the hearing with written specifications of the violations must be served upon the licensee or posted upon the premises where the licensed operation is located at least three days before the hearing;

2. Permit the licensee to submit evidence and testimony in opposition to the revocation;
 3. Consider all evidence and testimony in support of and in opposition to the revocation;
 4. Enter in the minutes of the board the findings of the board, and stating with specificity the cause of revocation; and
 5. Enter in the minutes of the board an order revoking or refusing to revoke the license.
- B. Notice of revocation must be served upon the licensee or posted upon the premises occupied by the licensed operation. Revocation is effective upon service of the notice on the licensee or posting of the notice on the premises.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.200 Exception to hearing procedure (emergency suspension of license).

A brothel license may be immediately suspended or limited without a hearing by a written emergency suspension order signed by two members of the board, if in their opinion, there exists an emergency or other immediate and present danger to public health and safety which necessitates the immediate closure of the brothel. The order must state the reason for the suspension or limitation and advise the licensee of the right to a hearing. Upon the issuance and service of an emergency suspension order, all brothel activity must immediately cease and the brothel licensee may request a public hearing before the board within three business days. The hearing must be held in accordance with Section 5.16.190 of this chapter.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.210 Health examinations.

The licensed operation must comply with all State of Nevada Division of Health requirements and Nevada Revised Statutes with regard to medical and health examinations for prostitutes.

- A. Exams required. Every prostitute working at a licensed operation is required to have a weekly medical examination by a medical doctor licensed to practice medicine in the State of Nevada or the doctor's duly qualified and supervised employee. Each medical examination must include testing to be submitted to a state licensed medical laboratory and must include:
1. Once each week, a culture to confirm the presence or absence of gonorrhea and testing to screen for the presence or absence of chlamydia;
 2. Once every week, a licensed medical professional must perform an examination on each prostitute for lesions. If lesions are present on the individual, the health care professional must excuse the prostitute from work until the lesions have resolved and are no longer infectious with herpes simplex II virus;
 3. Other medically required or approved tests deemed advisable by the examiner for determining whether the prostitute is afflicted with any infectious or contagious disease;
 4. All medical examinations, pre-employment and post-employment, and tests must conform to the requirements of the State of Nevada, Division of Health, the NRS and the Nevada Administrative Code;
 5. After performing an examination on a prostitute, the examining doctor may not issue a certificate if the person is found to be or suspected to be afflicted with a sexually transmitted infection or

other contagious or infectious sexually transmitted disease ("STD"). The sheriff must be notified by the licensee of ineligibility of a prostitute to work; and

6. The cost of the required medical examination and tests must be paid by the prostitute directly to the medical providers.
- B. When a prostitute has completed the medical examination and tests required, the results of the tests must be forwarded to a state approved medical lab for review and approval.
 - C. Certification of work eligibility—Approval and denial.
 1. After the state medical lab completes the required review of the medical examination and tests, and forwards the certificate of clearance to the brothel's license holder, the brothel must retain those results for review by the sheriff and must certify to the sheriff that the prostitute is eligible for a work card. The sheriff must be notified by the licensee if the state medical lab does not issue a certificate of clearance. Each medical certificate of clearance must specify the date of the examination and may be valid for seven days from the date of the certificate. The cost of this review and certification must be paid by the prostitute.
 2. A person who has ever been denied a certificate by the state health department, may not work as a prostitute in any licensed operation until that person has received and presented to the brothel a certificate of clearance from the state stating that the cause or causes which resulted in the denial of the certificate have been cured and that the person is now free of a sexually transmitted infection or other contagious or infectious sexually transmitted disease ("STD").
 - D. Seizure of work card. Upon receiving information that a prostitute is afflicted with an infectious or contagious STD or has not obtained a current medical examination, or is no longer entitled to a work card, the sheriff must immediately seize any work card previously issued.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.220 Work card registration required.

- A. It is unlawful for any person to work as an independent contractor or be employed or for a licensee to employ or allow a person on the premises of a licensed operation, unless the person is the holder of a valid current work card issued by the sheriff. Customers of the brothel are exempt from this requirement.

A prostitute who has submitted an application to the sheriff's office but who has not yet received a medical clearance may remain on the premises of the brothel, segregated from any customer contact areas, for up to forty-eight hours as they complete the medical clearance and work card application process. It is the sole responsibility of the owner or general manager to ensure that all the prostitutes awaiting results and residing at the brothel do not engage in any type of sexual activity until the sheriff issues a work card.

- B. A work card application must include:
 1. The applicants' name, all current and former names and aliases, age, address, social security number, physical description, and current picture identification. Forms of acceptable identification are a state issued Real ID or an ID that meets I-9 requirements;
 2. A full set of fingerprints of the worker;
 3. Complete employment record of the worker for the preceding three years;
 4. All addresses of the worker for the preceding three years;
 5. A complete criminal record of the worker, including all convictions, except minor traffic violations, such list to include a statement of each offense, the place of its occurrence, and the date of its occurrence;

-
6. A complete sheriffs routine child support information form;
 7. A waiver of release of medical information allowing the medical facilities and doctors to provide to the county the results of the referred medical examination and tests of prostitutes; and
 8. An authorization to conduct an investigation into the worker's criminal history.
- C. The sheriff must investigate, through all available means, the accuracy of all information supplied by any applicant on the registration form.
 - D. The sheriff may issue a work permit after an investigation and the determination that the applicant meets the work permit requirements.
 - E. The sheriff may issue a revocable temporary work permit for up to one hundred twenty days after the applicant has submitted an application with proof of medical clearance and paid all required application fees.
 - F. The sheriff may deny a work card to any person who is under the age of eighteen or has ever been convicted of a felony offense, irrespective of jurisdiction, or for lesser crimes involving:
 1. A misdemeanor possession or use of a controlled substance within the last three years;
 2. Theft, embezzlement, or misappropriation of funds;
 3. Violence or the use of any deadly or dangerous weapon;
 4. Any crime involving the illegal use of firearms;
 5. Petty theft or shoplifting within the last year; or
 6. Willfully making any false statement or omission in the registration form required by subsection A of this section.
 - G. The sheriff or his designee will have the authority to deny or revoke the work card of a prostitute or any other employee who does not qualify under this chapter or who is found to be otherwise violating the Storey County Code or Nevada state law. The person whose work card has been denied or revoked may file an appeal with the board within thirty calendar days from the date in which the work card was denied or revoked.
 - H. The work card may be issued for not more than twelve months and must be renewed annually.
 - I. Except as provided in subsection 5.16.220(J), all work cards are site specific, and must be renewed each time an employee changes places of work.
 - J. All employees must maintain a current work card with the operator of a licensed brothel and the licensee is required to maintain a work card for each employee. The work card must be kept on premises and available for inspection at all times. A prostitute may change place of work between two licensed operations under the same ownership by having brothel management notify the sheriff of the proposed change.
 - K. A prostitute or bartender of a licensed operation may not possess more than one work card at any given time.
 - L. A bartender, general manager, maid, or maintenance employee may not engage in acts of prostitution.
 - M. Tradesmen or vendors who service the property or facilities periodically are not required to obtain work cards, as long as they are not employees of the brothel.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.230 Violations by employee—Effect on registration and work card.

- A. In addition to criminal penalties provided in this chapter, any employee of any licensed operator convicted of violating any section of this chapter or any regulation promulgated by the board or sheriff's office will have his or her work card immediately revoked by the sheriff. Upon revocation the person holding the work card must return it to the sheriff.
- B. Unauthorized persons. It is unlawful for any licensed operation to allow persons on the premises except for the owners, licensed employees, working prostitutes, potential customers, authorized emergency, medical, county agents, employees or others with legitimate reason to be on the premises for nonprostitution-related matters. No business or social organization may conduct official business meetings in a brothel.

(Ord. No. 14-261, § I, 3-17-2015)

5.16.240 Violations—Criminal penalty.

In addition to penalties provided regarding revocation of licenses and work cards, any person violating any provision of this chapter is guilty of a misdemeanor.

(Ord. No. 14-261, § I, 3-17-2015)

	Board of Storey County Commissioners Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 10 min	
Agenda Item Type: Discussion/Possible Action		

- **Title:** Discussion/Possible Action: Consideration and possible approval of a request from the Virginia City Main Street Program for restricted funding in the amount of \$50,000 for Fiscal Year 2026/2027, to be used solely for the salary of a part-time (20 hours per week) Executive Director position.
- **Recommended motion:** I _ (commissioner), move to approve the request from the Virginia City Main Street Program for restricted funding in the amount of \$50,000 for Fiscal Year 2026/2027, to be used solely for the salary of a part-time (20 hours per week) Executive Director position.
- **Prepared by:** Lara Mather

Department: Business Development

Contact Number: 7754324081

- **Staff Summary:** The Virginia City Main Street Program has submitted a request for County support in the amount of \$50,000 for Fiscal Year 2026/2027 to fund a part-time (20 hours per week) Executive Director position. The requested funding is intended to support the implementation of the Main Street Program, including organizational development, stakeholder coordination, and advancement of revitalization efforts consistent with the submitted five-year plan.
-
- If approved, the funding would be provided as restricted funding, to be used solely for the salary and associated costs of the Executive Director position. The terms, conditions, and performance expectations of the funding would be formalized through a Memorandum of Understanding (MOU) between Storey County and the Virginia City Main Street Program, including provisions related to reporting, accountability, and use of funds.
- **Supporting Materials:** See Attachments
- **Fiscal Impact:**
- **Legal review required:** False
- **Reviewed by:**

____ Department Head

Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved	☐ Approved with Modification
☐ Denied	☐ Continued



VIRGINIA CITY MAIN STREET

Five Year Plan: 2027-2032

Statement to the County

Investment in the Virginia City Main Street program supports economic infrastructure that sustains the community's commercial and historic core. Stabilizing and coordinating the corridor strengthens preservation, merchant viability, volunteer engagement, and long-term tax base stability.

This five-year plan reflects disciplined financial management, conservative growth assumptions, and measurable performance standards aligned with national Main Street benchmarks. Unrestricted revenue supports administrative continuity, while restricted funding and coordinated activation generate additional economic activity within the corridor.

The program requires no paid membership, ensuring broad community participation and eliminating barriers to engagement. Through transparent reporting and accountable governance, the program advances measurable economic vitality and long-term corridor sustainability.

Alexia Sober

President and Founder



Virginia City Main Street America

Five Year Strategic Business Plan

2027 to 2032

Goal

Ensure the long-term economic vitality, historic integrity, and organizational sustainability of the Virginia City Main Street corridor.

Executive Summary

Virginia City Main Street America is a Nevada 501(c)(3) nonprofit organization operating under the Main Street America framework. The program coordinates historic preservation, corridor activation, economic vitality, and organizational leadership within the defined Main Street corridor of Virginia City and Gold Hill.

This five-year strategic plan establishes administrative stability, structured annual programming, preservation alignment, and phased economic diversification between 2027 and 2032. Beginning in 2027, the program transitions to a stable executive leadership model while maintaining open participation without paid membership barriers.

The plan is structured to ensure disciplined financial management, measurable corridor outcomes, and long-term sustainability.

Vision and Strategic Direction

The Main Street corridor represents the economic and historic core of Virginia City. The built environment, local businesses, and cultural heritage embodied in its architecture form the foundation of the community's identity and economic value.

Virginia City Main Street America exists to steward this corridor in a manner that balances authenticity, economic activity, preservation standards, and long-term resilience.

The program aligns with the Main Street America Four Point Approach: Organization, Promotion, Design, and Economic Vitality (Main Street America, 2023).

Organization ensures governance continuity.

Promotion sustains activation.

Design protects historic integrity.

Economic Vitality strengthens business resilience.



By 2032 the program will demonstrate stable leadership, predictable annual programming, documented preservation outcomes, measured participation growth, financial transparency, and progress toward Accredited Main Street status.

Strategic Logic Framework

The 2027 to 2032 plan is structured around a dual requirement. The program must strengthen internal administrative stability while achieving sustained external alignment within the Main Street ecosystem. If either dimension develops without the other, long term corridor coordination becomes fragile.

Economic development literature describes two structural risks. The first is the Valley of Death, which occurs when early activation is not supported by sufficient internal capacity. The second is the Adoption Chasm, which occurs when internal structure exists but ecosystem participation has not matured (Moore, 2014).

Internal stability without external alignment produces administrative strength but limited corridor impact. Rapid external expansion without administrative stability increases financial exposure and organizational risk.

The plan resolves this tension through sequenced development.

Core Strategic Tension

Element	Statement
Goal	Achieve long term economic vitality, historic integrity, and sustainable corridor coordination.
Internal Priority	Maintain administrative discipline and financial stability.
External Priority	Expand corridor activation, preservation coordination, and ecosystem participation.
Internal Need	Ensure organizational sustainability and reserve protection.
External Need	Achieve broad based adoption and corridor alignment.

Strategic Injections

Injection	Internal Effect	External Effect
Establish Executive Director in 2027	Administrative continuity	Consistent merchant coordination
Separate restricted and unrestricted funds	Financial clarity	Increased funding credibility



Injection	Internal Effect	External Effect
Build six month operating reserve	Risk mitigation	Reduced volatility during growth
Maintain two percent annual participation growth	Disciplined forecasting	Sustainable ecosystem engagement
Sequence annual facade cycles	Manageable workload	Visible preservation progress
Phase diversification initiatives	Controlled expansion	Gradual ecosystem integration
Pursue Accredited status	Governance discipline	External legitimacy (Main Street America, 2023)

Strategic Sequence

Internal Development

1. Stabilize leadership and governance.
2. Formalize financial reporting and fund separation.
3. Build a six-month operating reserve.

External Development

4. Deliver predictable annual programming.
5. Demonstrate preservation outcomes.
6. Increase merchant participation incrementally.
7. Strengthen corridor coordination.

Bridging Adoption

8. Establish credibility through consistent delivery.
9. Introduce phased diversification tools.
10. Expand ecosystem alignment beyond tourism dependency.

This sequencing avoids the Valley of Death and the Adoption Chasm while aligning with Main Street America Standards of Performance (Main Street America, 2023).

Organizational Structure and Governance

Beginning in 2027, the organization establishes a 20 hour per week Executive Director position responsible for corridor coordination, grant administration, preservation alignment, financial oversight, and reporting.

Governance commitments include:



- Annual public reporting
- Separation of restricted and unrestricted funds
- Timely Form 990 filings
- Development of a six-month operating reserve
- Committee based engagement structure

The six-month reserve target equals 26,500 based on projected operating costs. Reserve guidance aligns with nonprofit financial management best practices (National Council of Nonprofits, 2021).

Corridor Context and Economic Conditions

The defined Main Street corridor includes:

- North B Street to Cabin in the Sky
- Blocks A through F
- Main Street in Gold Hill
- Approximately two miles north to south

The corridor is preservation regulated and tourism dependent. Rural tourism markets typically experience moderate and cyclical growth rather than sustained high growth (U.S. Travel Association, 2023). Regional economic data reflect similar modest trends (U.S. Bureau of Economic Analysis, 2023).

For this reason, participation growth is projected conservatively at two percent annually.

Core Program Commitments 2027 to 2032

Program	Annual Commitment	Five Year Total
Cinema on the Comstock	12	60
Merchant Mix and Mingle	12	60
Mother's Day Flower Crawl	1	5
Sazerac Lying Club	1	5
Egg Tato	1	5
Gingerbread Contest	1	5
Father's Day Scavenger Hunt	1	5
Facade Improvement Cycle	1	5

Participation and volunteer engagement are projected to increase at two percent annually.



Historic Preservation Strategy

The program will complete five structured facade improvement cycles between 2027 and 2032, document improvements, coordinate with preservation standards, and integrate heritage interpretation through Street Scene programming.

Preservation based revitalization supports economic vitality and property value stability (National Trust for Historic Preservation, 2022).

Infrastructure and Diversification Strategy

Beginning in 2027, the program will:

- Conduct a corridor accessibility inventory
- Evaluate feasibility of a revolving loan or micro grant fund
- Develop a corridor asset inventory
- Establish a recruitment framework for non-tourism businesses
- Support one to two diversified enterprises by 2032

Diversification and local capital access are identified as resilience strategies in federal economic development guidance (U.S. Economic Development Administration, 2022).

Financial Model and Sustainability

All grant funds are assumed restricted and applied exclusively to project work.

Unrestricted Revenue Annual Projection

Source	Annual Amount
County Support	50,000
Flower Crawl	9,000
Other Events	2,500
Vendor Fees	1,200
Sponsorships	8,000
Donations	4,500
Total Unrestricted	75,200



Operating Expenses Annual Projection

Expense	Annual Amount
Executive Director	50,000
Insurance	1,500
Printing	500
Program Supplies	1,000
Total Operating	53,000

Annual Surplus equals 22,200.

Five year surplus equals 111,000.

Grant revenue assumptions range from 20,000 to 50,000 annually, with a mid-case projection of 30,000 annually, totaling 150,000 over five years.

Secondary Economic Impact

Source	Five Year Total
Flower Crawl Spending	30,000
Seasonal Event Spending	15,000
Cinema Vendor Sales	10,500
Total Secondary Spending	55,500

Estimated sales tax contribution at 7.6 percent equals 4,218.

Performance Measurement Scorecard

Performance will be evaluated annually consistent with Main Street America Standards of Performance (Main Street America, 2023).

Organizational Stability

- Affiliate status maintained
- Accreditation progress documented
- Executive leadership retained
- Six month operating reserve achieved



Corridor Activation

- Ninety five percent delivery rate of scheduled programs
- Two percent annual participation growth

Preservation and Reinvestment

- Five facade cycles completed
- Documentation of improvements

Economic Diversification

- Revolving fund feasibility completed
- Asset inventory completed
- One to two non tourism businesses supported

Financial Discipline

- Restricted and unrestricted funds separated
- Form 990 filed annually
- Annual financial report published

Five Year Economic Summary

Category	Five Year Total
Unrestricted Revenue	376,000
Restricted Grant Revenue Mid Case	150,000
Secondary Local Spending	55,500
Total Coordinated Economic Activity	581,500

Closing Statement

The 2027 to 2032 Strategic Business Plan establishes a disciplined, phased approach to strengthening the Virginia City Main Street corridor. The plan aligns preservation, economic vitality, governance stability, and community participation within a structured and measurable framework. It does not rely on accelerated expansion or speculative growth assumptions. Instead, it prioritizes administrative continuity, conservative forecasting, financial transparency, and phased diversification.

By sequencing internal stabilization with sustained external alignment, the program avoids volatility and positions the corridor for long term resilience. The measurable commitments outlined in this plan ensure accountability, while the Strategic Logic Framework demonstrates intentional design rather than reactive programming.



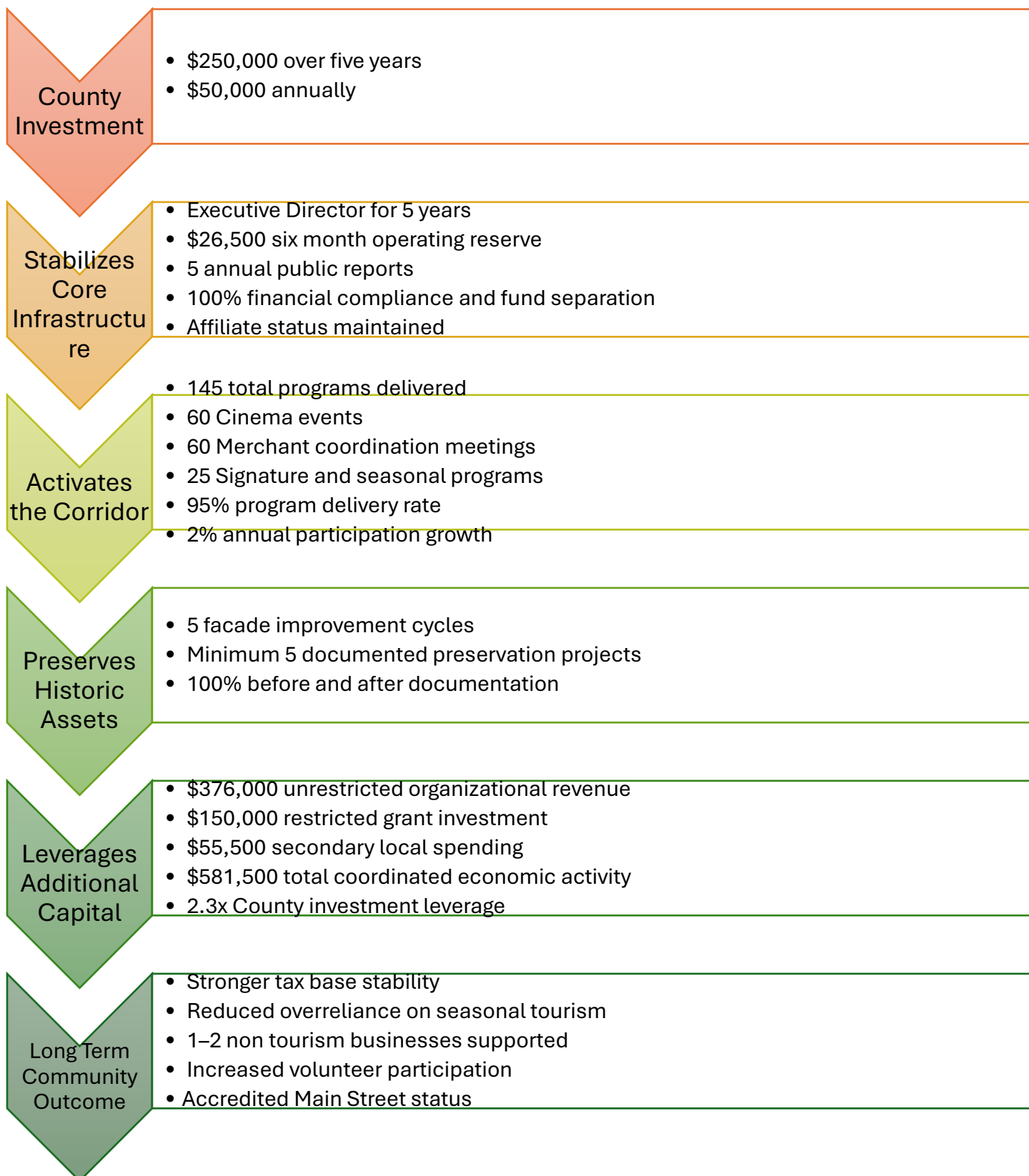
Through disciplined execution, the Virginia City Main Street program will maintain historic integrity, support merchant stability, strengthen community participation, and progress toward Accredited Main Street status. This plan provides a durable foundation for sustained corridor coordination beyond the five year horizon.

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COUNTY INVESTMENT IMPACT



	Board of Storey County Commissioners Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 5 min	
Agenda Item Type: Discussion/Possible Action		

- **Title:** Consideration and Possible Approval of a Grant Application to the Commission for Cultural Centers and Historic Preservation (CCCHP) for the rehabilitation of the southeast elevation door set and frame/transom, the east elevation carriage doors, and three north elevation windows at Piper's Opera House.
- **Recommended motion:** I (commissioner) move to approve the submission of a grant application to the Commission for Cultural Centers and Historic Preservation (CCCHP) for the rehabilitation of the southeast elevation door set and frame/transom, the east elevation carriage doors, and three north elevation windows at Piper's Opera House.
- **Prepared by:** Sara Sturtz

Department: Business Development

Contact Number: 7753509473

- **Staff Summary:** Staff is seeking Board approval to submit a grant application to the Commission for Cultural Centers and Historic Preservation (CCCHP) for rehabilitation work at Piper's Opera House. Established under NRS 383, the CCCHP program provides state-funded grants to support preservation of historic resources. The proposed project includes restoration of the southeast elevation door set and frame/transom, the carriage doors on the east elevation, and three windows on the north elevation. Approval of this item will allow staff to pursue grant funding to support ongoing preservation efforts at this historically significant County asset.
- **Supporting Materials:** No Attachments
- **Fiscal Impact:**
- **Legal review required:** False
- **Reviewed by:**

_____ Department Head

Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved	☐ Approved with Modification
☐ Denied	☐ Continued

	Board of Storey County Commissioners Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 15 minutes	
Agenda Item Type: Discussion Only		

- **Title:** Storey County Communications Update (January 2025-January 2026)
- **Recommended motion:** No motion required at this time. This is a discussion-only item to provide an update on Storey County's Public Relations and Social Media metrics from August 2024 through January 2025.
- **Prepared by:** Julia Moreno-Fritz

Department: County Manager

Contact Number: 7755463183

- **Staff Summary:** This agenda item provides a comprehensive update on Storey County's Public Relations and Social Media activities from January 2025 to January 2026. The report will cover several key areas such as our communications infrastructure, social media growth, our audience, and what's driving our engagement. Finally, we will discuss how we're applying all our findings moving forward, as well as professional development.
- **Supporting Materials:** See Attachments
- **Fiscal Impact:**
- **Legal review required:** False
- **Reviewed by:**

_____ Department Head

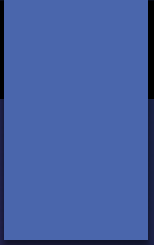
Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved	☐ Approved with Modification
☐ Denied	☐ Continued



Storey County Communications Update (2025–2026)

PREPARED BY: JULIA MORENO-FRITZ

Communications Infrastructure Supporting Storey County

**Public Safety &
Emergency Messaging**



**Government Transparency
& BOCC Communication**



**Regional &
Economic Visibility**



Social Media Growth & Performance Snapshot

1.6M
Facebook Views

+277%
Increase in
Facebook Interactions

+212%
Increase in
Instagram Views

+1,327
Total followers added in 2025

Who We're Reaching

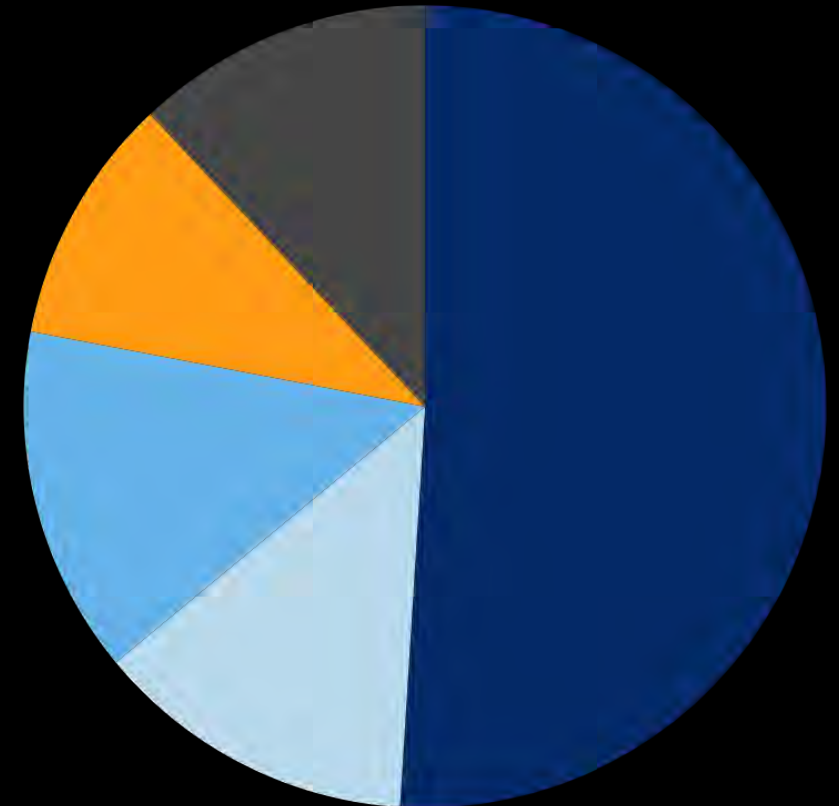
60%

Audience is 45+

64%

Audience is Female

9,736
Total Followers



■ Reno & Sparks (51%) ■ Carson City (13%) ■ Dayton (14%)
■ Virginia City (10%) ■ Other Areas (12%)

What's Driving Engagement



**Emergency &
Real-Time Updates**



**Community Stories
& Spotlights**



**Department
Highlights**

What We're Applying Moving Forward



**Prioritize Timely &
Service-Focused Content**

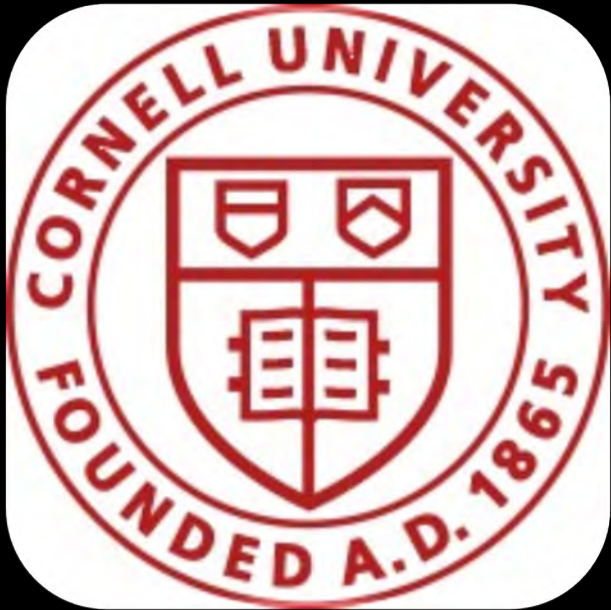


**Expand LinkedIn &
Regional Reach**



**Coordinate Messaging
Across All Channels**

Professional Development



Education



Conferences



Memberships



Thank You!

Email: jmorenofritz@storeycounty.org

Phone: 775-546-3183

	Board of Storey County Commissioners Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 10 min	
Agenda Item Type: Discussion/Possible Action		

- **Title:** Possible acceptance of the low bid for the Fairgrounds Improvements Project from KP Construction in an amount not to exceed \$1,129,888.00. This project is partially funded by USDA-RD in an amount of \$615,000.00.
- **Recommended motion:** I, [commissioner], move to accept the low bid for the Fairgrounds Improvements Project from KP Construction and authorize the County Manager to sign a contract for construction with KP Construction for an amount not to exceed \$1,129,888.00.

- **Prepared by:** Mike Northan

Department: Commissioners

Contact Number: 775-847-0968

- **Staff Summary:** Before we begin, in your packet, we are missing a couple of pages of the bid form. I have them here and at the back of the room. Pages 2 of 7 and 3 of 7 were missed when that document was scanned. On Friday, February 6, 2026, bids were opened for the Fairgrounds Improvements Project. There were four submitted bids and KP Construction was the apparent low bidder. DOWL vetted all submitted documents and has recommended award of the project to KP Construction for the bid amount.
- **Supporting Materials:** See Attachments
- **Fiscal Impact:** \$1,129,888.00
- **Legal review required:** False
- **Reviewed by:**

_____ Department Head

Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved

☐ Approved with Modification

☐ Denied	☐ Continued

SECTION 00410
BID FORM FOR CONSTRUCTION CONTRACTS
Virginia City Fairgrounds Improvements
PWP- ST-2024-431

The terms used in this Bid with initial capital letters have the meanings stated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

ARTICLE 1—OWNER AND BIDDER

- 1.01 This Bid is submitted to Owner address as identified in Section 00100 – Advertisement.
- 1.02 The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an Agreement with Owner in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices and within the times indicated in this Bid and in accordance with the other terms and conditions of the Bidding Documents.

ARTICLE 2—ATTACHMENTS TO THIS BID

- 2.01 The following documents are submitted with and made a condition of this Bid:
 - A. Required Bid security;
 - B. List of Proposed Subcontractors;
 - C. List of Proposed Suppliers;
 - D. Evidence of authority to do business in the state of the Project; or a written covenant to obtain such authority within the time for acceptance of Bids;
 - E. Contractor's license number as evidence of Bidder's State Contractor's License or a covenant by Bidder to obtain said license within the time for acceptance of Bids;
 - F. Required Bidder Qualification Statement with supporting data;
 - G. If Bid Amount exceeds \$10,000, signed Compliance Statement (RD 400-6). Refer to specific equal opportunity requirements set forth in the Supplementary Conditions of Construction Contract (EJCDC C-800);
 - H. If Bid amount exceeds \$25,000, signed Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions (AD-1048);
 - I. If Bid amount exceeds \$100,000, signed RD Instruction 1940-Q Exhibit A-1, Certification for Contracts, Grants, and Loans;
- 2.02 Each Bidder submitting a Bid on a public work project whose estimated cost exceeds \$250,000 is responsible for ascertaining whether the Bidder intends to utilize the referenced statute for five percent (5%) preference and is also eligible for the bidder preference and other matters relating thereto provided in NRS Chapter 338.0117 and 338.147.2(a). The Bidder claiming the bid preference shall:
 - A. Submit with his or her Bid a valid certificate of eligibility to receive a preference in bidding on public works issued to the Bidder by the State of Nevada Contractors' Board; and
 - B. Within 2 hours after the completion of the opening of bids, submit a signed affidavit (Section 00445).

- C. Failure to submit the Certificate of Eligibility and Affidavit shall result in a waiver of any Bidder preference.

ARTICLE 3—BASIS OF BID

3.01 Deleted.

3.02 *Unit Price Bids*

A. Bidder will perform the following Work at the indicated unit prices:

Bid Item	Description	Quantity	Unit	Unit Cost	Total Cost
1	Mobilization/Demobilization	1	LS	\$60,000.00	\$60,000.00
2	Traffic Control & Temporary Erosion Control	1	LS	\$50,000.00	\$50,000.00
3	8-Inch Diameter Water Main (PVC C-900), Incl. Fittings	915	LF	\$160.00	\$146,400.00
4	8-Inch Flush Valve Assembly	1	EA	\$10,576.00	\$10,576.00
5	6-Inch Fire Hydrant Assembly and Lateral To New Main	1	EA	\$20,648.00	\$20,648.00
6	2-Inch Water Service Lateral and Water Meter Connection	1	EA	\$20,788.00	\$20,788.00
7	2-Inch Water Service Line	401	LF	\$67.00	\$26,867.00
8	2-Inch Backflow Assembly w/ Hot Box	1	EA	\$15,000.00	\$15,000.00
9	2-Inch Frost Free Water Hydrant Assembly	1	EA	\$11,418.00	\$11,418.00
10	1-Inch Water Service Line	15	LF	\$330.00	\$4,950.00
11	1-Inch Air Release Assembly	1	EA	\$11,528.00	\$11,528.00
12	Connection to Existing Water Main (Hot tap & Expander)	1	EA	\$18,600.00	\$18,600.00
13	ADA Parking AC Paving	540	SF	\$24.00	\$12,960.00
14	Hand Railing	297	LF	\$292.00	\$86,724.00

15	Salvage and Relocate Existing Wood Entry Structure	1	LS	\$19,710.00	\$19,710.00
16	Concrete Staircase	360	SF	\$129.00	\$46,440.00
17	PCC ADA Path	1,189	SF	\$25.00	\$29,725.00
18	Rip Rap Drainage Ditch & Slope Protection	836	SF	\$14.00	\$11,704.00
19	Safety Bollards	12	EA	\$1,550.00	\$18,600.00
20	Electrical Equipment	1	LS	\$281,050.00	\$281,050.00
21	Geotechnical Testing and Inspection Services	1	LS	\$38,000.00	\$38,000.00
22	Contaminated Soil Sampling and Testing	1	LS	\$15,000.00	\$15,000.00
23	Contaminated Material Abatement (Contingent Item)	600	CY	\$122.00	\$73,200.00
24	Force Account	1	LS	\$100,000	\$100,000

TOTAL BASE BID (Items 1-24) PRICE – \$ 1,129,888.00 (no alternates)

\$

One Million One Hundred Twenty Nine Thousand Eight Hundred and Eighty Eight Dollars and 0/100

In Words

B. Bidder acknowledges that:

1. each Bid Unit Price includes an amount considered by Bidder to be adequate to cover Contractor's overhead and profit for each separately identified item, and
2. estimated quantities are not guaranteed, and are solely for the purpose of comparison of Bids, and final payment for all Unit Price Work will be based on actual quantities, determined as provided in the Contract Documents.

3.03 Deleted.

ARTICLE 4—DELETED

ARTICLE 5—DELETED

ARTICLE 6—TIME OF COMPLETION

6.01 Bidder agrees that the Work will be substantially complete and will be completed and ready for final payment in accordance with Paragraph 15.06 of the General Conditions on or before the dates or within the number of calendar days indicated in the Agreement.

6.02 Deleted.

6.03 Deleted.

6.04 Bidder accepts the provisions of the Agreement as to liquidated damages.

ARTICLE 7—BIDDER'S ACKNOWLEDGEMENTS: ACCEPTANCE PERIOD, INSTRUCTIONS, AND RECEIPT OF ADDENDA

7.01 *Bid Acceptance Period*

A. This Bid will remain subject to acceptance for 60 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of Owner.

7.02 *Instructions to Bidders*

A. Bidder accepts all of the terms and conditions of the Instructions to Bidders, including without limitation those dealing with the disposition of Bid security.

7.03 *Receipt of Addenda*

A. Bidder hereby acknowledges receipt of the following Addenda:

Addendum Number	Addendum Date
1	1/29/26
2	2/4/26

ARTICLE 8—BIDDER'S REPRESENTATIONS AND CERTIFICATIONS

8.01 *Bidder's Representations*

A. In submitting this Bid, Bidder represents the following:

1. Bidder has examined and carefully studied the Bidding Documents, including Addenda.
2. Bidder has visited the Site, conducted a thorough visual examination of the Site and adjacent areas, and become familiar with the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
3. Bidder is familiar with all Laws and Regulations that may affect cost, progress, and performance of the Work.
4. Bidder has carefully studied the reports of explorations and tests of subsurface conditions at or adjacent to the Site and the drawings of physical conditions relating to existing

surface or subsurface structures at the Site that have been identified in the Supplementary Conditions, with respect to the Technical Data in such reports and drawings.

5. Bidder has carefully studied the reports and drawings relating to Hazardous Environmental Conditions, if any, at or adjacent to the Site that have been identified in the Supplementary Conditions, with respect to Technical Data in such reports and drawings.
6. Bidder has considered the information known to Bidder itself; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Bidding Documents; and the Technical Data identified in the Supplementary Conditions or by definition, with respect to the effect of such information, observations, and Technical Data on (a) the cost, progress, and performance of the Work; (b) the means, methods, techniques, sequences, and procedures of construction to be employed by Bidder, if selected as Contractor; and (c) Bidder's (Contractor's) safety precautions and programs.
7. Based on the information and observations referred to in the preceding paragraph, Bidder agrees that no further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract.
8. Bidder is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Bidding Documents.
9. Bidder has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and of discrepancies between Site conditions and the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
10. The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
11. The submission of this Bid constitutes an incontrovertible representation by Bidder that without exception the Bid and all prices in the Bid are premised upon performing and furnishing the Work required by the Bidding Documents.
12. The requirements of Nevada Revised Statutes (NRS) shall apply to this project. The Bidder is responsible for compliance with all applicable statutes. These statutes include, but are not limited to:
 - a. NRS 338.020: Hourly and daily rate of wages must not be less than prevailing wage in County.
 - b. NRS 338.080: Exemptions
 - c. NRS 338.141: Bids to include certain information concerning subcontractors; when bids deemed not responsive with respect to subcontractors; requirements for substitution of named subcontracts.
 - d. NRS 338.147: Award of Contract to Contractor who submits best bid.

8.02 *Bidder's Certifications*

- A. The Bidder certifies the following:

1. This Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any collusive agreement or rules of any group, association, organization, or corporation.
2. Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid.
3. Bidder has not solicited or induced any individual or entity to refrain from bidding.
4. Bidder has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the Contract. For the purposes of this Paragraph 8.02.A:
 - a. Corrupt practice means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process.
 - b. Fraudulent practice means an intentional misrepresentation of facts made (a) to influence the bidding process to the detriment of Owner, (b) to establish bid prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition.
 - c. Collusive practice means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish bid prices at artificial, non-competitive levels.
 - d. Coercive practice means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

BIDDER hereby submits this Bid as set forth above:

Bidder:

KP Construction Inc

(typed or printed name of organization)

By:

Thomas Carey

(individual's signature)

Name:

Tom Carey

(typed or printed)

Title:

Estimator

(typed or printed)

Date:

2/5/24

(typed or printed)

If Bidder is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.

Attest:

Jennifer Croke

(individual's signature)

Name:

Jennifer Croke

(typed or printed)

Title:

Office Manager

(typed or printed)

Date:

2/5/24

(typed or printed)

Address for giving notices:

PO Box 19912
Reno, NV 89511

Bidder's Contact:

Name:

Tom Carey

(typed or printed)

Title:

Estimator

(typed or printed)

Phone:

775-379-2516

Email:

estimating@kpconstructionnv.com

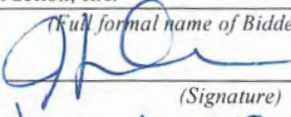
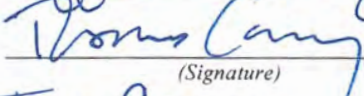
Address:

PO Box 19912
Reno, NV 89511
775-413-4034

Bidder's Contractor License No.: (if applicable)

0090605

BID BOND (PENAL SUM FORM)

Bidder Name: KP Construction, Inc. Address (principal place of business): PO Box 19912, Reno, NV 89511	Surety Name: Old Republic Surety Company Address (principal place of business): P.O. Box 1635, Milwaukee, WI 53201 - 1635
Owner Name: Storey County Public Works Address (principal place of business): 100 Toll Road, Virginia City, Nevada 89440	Bid Project (name and location): Virginia City Fairgrounds Improvements PWP-ST-2024-431 Bid Due Date: February 6, 2026
Bond Penal Sum: Five Percent of the Total Amount Bid (5% of the Total Amount Bid) Date of Bond: February 3, 2026	
Surety and Bidder, intending to be legally bound hereby, subject to the terms set forth in this Bid Bond, do each cause this Bid Bond to be duly executed by an authorized officer, agent, or representative.	
Bidder KP Construction, Inc. (Full formal name of Bidder) By:  (Signature) Name: Jennifer Crooke (Printed or typed) Title: Office Manager Attest:  (Signature) Name: Tom Carey (Printed or typed) Title: Estimator	Surety Old Republic Surety Company (Full formal name of Surety) (corporate seal) By:  (Signature) (Attach Power of Attorney) Name: Kathleen Le (Printed or typed) Title: Attorney-in-Fact Attest: _____ (Signature) Name: _____ (Printed or typed) Title: _____
Notes: (1) Note: Addresses are to be used for giving any required notice. (2) Provide execution by any additional parties, such as joint venturers, if necessary.	

1. Bidder and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to pay to Owner upon default of Bidder the penal sum set forth on the face of this Bond. Payment of the penal sum is the extent of Bidder's and Surety's liability. Recovery of such penal sum under the terms of this Bond will be Owner's sole and exclusive remedy upon default of Bidder.
2. Default of Bidder occurs upon the failure of Bidder to deliver within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents.
3. This obligation will be null and void if:
 - 3.1. Owner accepts Bidder's Bid and Bidder delivers within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents, or
 - 3.2. All Bids are rejected by Owner, or
 - 3.3. Owner fails to issue a Notice of Award to Bidder within the time specified in the Bidding Documents (or any extension thereof agreed to in writing by Bidder and, if applicable, consented to by Surety when required by Paragraph 5 hereof).
4. Payment under this Bond will be due and payable upon default of Bidder and within 30 calendar days after receipt by Bidder and Surety of written notice of default from Owner, which notice will be given with reasonable promptness, identifying this Bond and the Project and including a statement of the amount due.
5. Surety waives notice of any and all defenses based on or arising out of any time extension to issue Notice of Award agreed to in writing by Owner and Bidder, provided that the total time for issuing Notice of Award including extensions does not in the aggregate exceed 120 days from the Bid due date without Surety's written consent.
6. No suit or action will be commenced under this Bond prior to 30 calendar days after the notice of default required in Paragraph 4 above is received by Bidder and Surety, and in no case later than one year after the Bid due date.
7. Any suit or action under this Bond will be commenced only in a court of competent jurisdiction located in the state in which the Project is located.
8. Notices required hereunder must be in writing and sent to Bidder and Surety at their respective addresses shown on the face of this Bond. Such notices may be sent by personal delivery, commercial courier, or by United States Postal Service registered or certified mail, return receipt requested, postage pre-paid, and will be deemed to be effective upon receipt by the party concerned.
9. Surety shall cause to be attached to this Bond a current and effective Power of Attorney evidencing the authority of the officer, agent, or representative who executed this Bond on behalf of Surety to execute, seal, and deliver such Bond and bind the Surety thereby.
10. This Bond is intended to conform to all applicable statutory requirements. Any applicable requirement of any applicable statute that has been omitted from this Bond will be deemed to be included herein as if set forth at length. If any provision of this Bond conflicts with any applicable statute, then the provision of said statute governs and the remainder of this Bond that is not in conflict therewith continues in full force and effect.
11. The term "Bid" as used herein includes a Bid, offer, or proposal as applicable.

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Sacramento

On February 3, 2026 before me, S. Smith, Notary Public
(insert name and title of the officer)

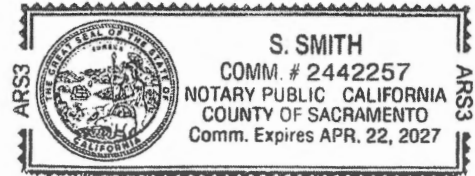
personally appeared Kathleen Le,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in
~~his~~/her/~~their~~ authorized capacity(ies), and that by ~~his~~/her/~~their~~ signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 

(Seal)





OLD REPUBLIC SURETY COMPANY

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That OLD REPUBLIC SURETY COMPANY, a Wisconsin stock insurance corporation, does make, constitute and appoint:

ELIZABETH COLLODI, JOHN WEBER, JESSICA MONLUX, JOHN HOPKINS, SARA WALLISER, BREANNA BOATRIGHT, DEANNA QUINTERO, BILL RAPP, TONY CLARK, MATTHEW FOSTER, JASON MARCH, SAMANTHA WATKINS, PAULA SENNA, JENNIFER LAKMANN, MINDY WHITEHOUSE, PHIL WATKINS, BRAD ESPINOSA, KATHLEEN LE, SHARON SMITH, CASSANDRA MEDINA, STEVEN WILLIAMS, R. KAILANY of CHICO, CA

its true and lawful Attorney(s)-in-Fact, with full power and authority for and on behalf of the company as surety, to execute and deliver and affix the seal of the company thereto (if a seal is required), bonds, undertakings, recognizances or other written obligations in the nature thereof, **(other than bail bonds, bank depository bonds, mortgage deficiency bonds, mortgage guaranty bonds, guarantees of installment paper and note guaranty bonds, self-insurance workers compensation bonds guaranteeing payment of benefits, or black lung bonds)**, as follows:

ALL WRITTEN INSTRUMENTS

and to bind OLD REPUBLIC SURETY COMPANY thereby, and all of the acts of said Attorneys-in-Fact, pursuant to these presents, are ratified and confirmed. This appointment is made under and by authority of the board of directors at a special meeting held on February 18, 1982.

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following resolutions adopted by the board of directors of the OLD REPUBLIC SURETY COMPANY on February 18, 1982.

RESOLVED that, the president, any vice-president or assistant vice president, in conjunction with the secretary or any assistant secretary, may appoint attorneys-in-fact or agents with authority as defined or limited in the instrument evidencing the appointment in each case, for and on behalf of the company to execute and deliver and affix the seal of the company to bonds, undertakings, recognizances, and suretyship obligations of all kinds; and said officers may remove any such attorney-in-fact or agent and revoke any Power of Attorney previously granted to such person.

RESOLVED FURTHER, that any bond, undertaking, recognizance, or suretyship obligation shall be valid and binding upon the Company

- (i) when signed by the president, any vice president or assistant vice president, and attested and sealed (if a seal be required) by any secretary or assistant secretary; or
- (ii) when signed by the president, any vice president or assistant vice president, secretary or assistant secretary, and countersigned and sealed (if a seal be required) by a duly authorized attorney-in-fact or agent; or
- (iii) when duly executed and sealed (if a seal be required) by one or more attorneys-in-fact or agents pursuant to and within the limits of the authority evidenced by the Power of Attorney issued by the company to such person or persons.

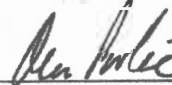
RESOLVED FURTHER that the signature of any authorized officer and the seal of the company may be affixed by facsimile to any Power of Attorney or certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the company; and such signature and seal when so used shall have the same force and effect as though manually affixed.

IN WITNESS WHEREOF, OLD REPUBLIC SURETY COMPANY has caused these presents to be signed by its proper officer, and its corporate seal to be affixed this 20th day of August, 2025.


Assistant Secretary



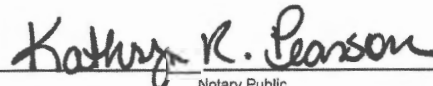
OLD REPUBLIC SURETY COMPANY


President

STATE OF WISCONSIN, COUNTY OF WAUKESHA - SS

On this 20th day of August, 2025, personally came before me, Alan Pavlic and Kevin J. Abitz, to me known to be the individuals and officers of the OLD REPUBLIC SURETY COMPANY who executed the above instrument, and they each acknowledged the execution of the same, and being by me duly sworn, did severally depose and say: that they are the said officers of the corporation aforesaid, and that the seal affixed to the above instrument is the seal of the corporation, and that said corporate seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority of the board of directors of said corporation.




Notary Public

My Commission Expires: September 28, 2026

(Expiration of notary's commission does not invalidate this instrument)

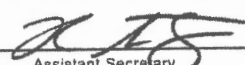
CERTIFICATE

I, the undersigned, assistant secretary of the OLD REPUBLIC SURETY COMPANY, a Wisconsin corporation, CERTIFY that the foregoing and attached Power of Attorney remains in full force and has not been revoked; and furthermore, that the Resolutions of the board of directors set forth in the Power of Attorney, are now in force.

31-2100



Signed and sealed at the City of Brookfield, WI this 3rd day of February, 2026.


Assistant Secretary

ORSC 22262 (3-06)

INTERWEST INSURANCE SERVICES

SECTION 00440

5% SUBCONTRACTOR LIST

Per NRS Chapter 338.141, each Bid submitted must include the name of the prime contractor and each first tier subcontractor who will provide labor or a portion of the work on the public work to the prime contractor for which the first tier subcontractor will be paid an amount exceeding five (5) percent of the prime contractor's total bid.

If a Bidder fails to provide a complete list, their Bid shall be deemed not responsive. Subcontractors must not be on a disqualified status with the State Public Works Board.

Complete the following table for the prime contractor and first tier subcontractors who will be employed and the segregation of the Work each will perform if the Contract is awarded to the party or parties listed herein.

First tier subcontractor is defined as a contractor who contracts directly with a prime contractor to provide labor, materials, or services for a construction project, as defined by NRS 338.141(8)(a).

Work to be Performed	Percentage of Total Contract	Subcontractor's Name, Address, and License Number
1. All other trades	66%	(Prime Contractor) KP Construction PO Box 19912 Reno NV 89511 0090605
2. concrete	5.4	(Subcontractor) Morgan Construction 80 Box 532 SPARKS NV 89432 0094819/0094818
3. Handrail	6.8%	(Subcontractor) Golden Bay Fence plus Ironworks 1711 S. Mojave RD Las Vegas NV 89102 209-944-9754 0083465
4. Electrical	22%	(Subcontractor) Titen Electrical 5458 Mill St. Ste 100 Reno NV 89502 69814
5.		(Subcontractor)
6.		(Subcontractor)

NOTE: Additional numbered pages may be attached if needed.

SECTION 00441
1% SUBCONTRACTOR LIST

Per NRS Chapter 338.141, within 2 hours after the completion of the opening of the bids, the prime contractors who submitted the three lowest bids must submit a list containing:

- (1) The name of each first tier subcontractor who will provide labor or a portion of the work on the public work to the prime contractor for which the first tier subcontractor will be paid an amount **exceeding** \$250,000.

OR

- (2) If any one of the prime contractors who submitted one of the three lowest bids will employ a first tier subcontractor who will provide labor or a portion of the work on the public work to the prime contractor for which the first tier subcontractor will **not** be paid an amount exceeding \$250,000, the name of each first tier subcontractor who will provide labor or a portion of the work on the public work to the prime contractor for which the first tier subcontractor will be paid 1 percent of the prime contractor's total bid or \$50,000, whichever is greater.

If a Bidder fails to provide a complete list with all requested information provided, their Bid shall be deemed not responsive. Subcontractors must not be on a disqualified status with the State Public Works Board.

Complete the following table for the prime contractor and first tier subcontractors who will be employed and the segregation of the Work each will perform if the Contract is awarded to the party or parties listed herein.

First tier subcontractor is defined as a contractor who contracts directly with a prime contractor to provide labor, materials, or services for a construction project, as defined by NRS 338.141(8)(a).

Work to be Performed	Percentage of Total Contract	Subcontractor's Name, Address, and License Number
1. All other trades	66	(Prime Contractor) KPC Construction PO Box 4912 Reno NV 89511 0090605
2. Concrete	5.4	(Subcontractor) Morgan Construction PO Box 532 Sparks NV 89432 0094819/0094818
3. Handrail	6.8	(Subcontractor) Golden Bay Fence Plus Ironworks 1711 S. Mojave RD Las Vegas NV 89104 0083465
4. SWPPP/BMP's	2.1	(Subcontractor) EPS PO Box 21025 CC, NV 89721 071500
5. Testing	4.3	(Subcontractor) Thorston Labs Engineers 776 Silver St. Elko, NV 89801

NOTE: Additional numbered pages may be attached if needed.

SECTION 00441

1% SUBCONTRACTOR LIST

Per NRS Chapter 338.141, within 2 hours after the completion of the opening of the bids, the prime contractors who submitted the three lowest bids must submit a list containing:

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If a Bidder fails to provide a complete list with all requested information provided, their Bid shall be deemed not responsive. Subcontractors must not be on a disqualified status with the State Public Works Board.

Complete the following table for the prime contractor and first tier subcontractors who will be employed and the segregation of the Work each will perform if the Contract is awarded to the party or parties listed herein.

First tier subcontractor is defined as a contractor who contracts directly with a prime contractor to provide labor, materials, or services for a construction project, as defined by NRS 338.141(8)(a).

Work to be Performed	Percentage of Total Contract	Subcontractor's Name, Address, and License Number
1. Electrical	22%	(Prime Contractor) T. Ken Electrical 5450 Mill St. Ste 100 Reno NV 89502 69814
2.		(Subcontractor)
3.		(Subcontractor)
4.		(Subcontractor)
5.		(Subcontractor)

NOTE: Additional numbered pages may be attached if needed.

SECTION 00445
PUBLIC WORKS BIDDER'S PREFERENCE AFFIDAVIT

I, **Jennifer Croke** (on behalf of) **Kp Construction Inc** ("Contractor"), hereby certify and affirm under penalty of perjury, for purposes of qualifying for a preference in bidding under Nevada Revised Statutes Chapter 338 on Project No. **ST-2024-431** Project Name **Virginia City Faorground Improvements** ("Project"), that the following requirements will be adhered to, documented and attained for the duration of the Project:

1. At least 100 percent (100%) of the workers employed on the Project (including Subcontractors) hold a valid driver's license or identification card issued by the Nevada Department of Motor Vehicles.
2. All vehicles used primarily for the Project will be (a) registered and (where applicable) partially apportioned to Nevada, or (b) registered in Nevada.
3. At least 100 percent (100%) of the design professionals who work on the Project (including subcontractors) hold a valid driver's license or identification card issued by the Nevada Department of Motor Vehicles.
4. The Contractor shall maintain and make available for inspection within Nevada all payroll records related to this Project.

Contractor recognizes and accepts that failure to comply with the requirements herein shall be a material breach of the contract and entitle the City of County Utilities ("Owner") to liquidated damages in the amount set by statute. In addition, the Contractor recognizes and accepts that failure to comply with any requirements herein may lose its certification for preference in bidding for five (5) years and/or the ability to bid on any contracts for public works for one (1) year pursuant to NRS Chapter 338.

Signature: Jennifer Croke

By: **Jennifer Croke**

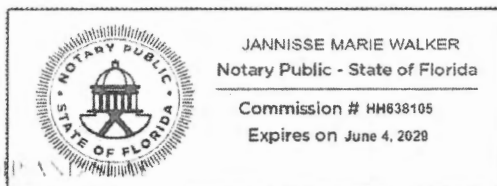
Title: **Office Manager**

Date: **02/05/2026**

State of **Florida**

County of **Pinellas**

Signed and sworn to (or affirmed) before me on this **5th** day of **February**, 20**26**,
 by: **Jennifer Croke** (name of person making statement).



Jannisse Walker

Notary Signature Online Notary

Type of Identification Produced DRIVER LICENSE

SECTION 00451
QUALIFICATIONS STATEMENT

ARTICLE 1—GENERAL INFORMATION

1.01 Provide contact information for the Business:

See attached detail

Legal Name of Business:			
Corporate Office			
Name:		Phone number:	
Title:		Email address:	
Business address of corporate office:			
Local Office			
Name:		Phone number:	
Title:		Email address:	
Business address of local office:			

1.02 Provide information on the Business's organizational structure:

Form of Business:	☐ Sole Proprietorship ☐ Partnership ☒ Corporation		
☐ Limited Liability Company ☐ Joint Venture comprised of the following companies:			
1.			
2.			
3.			
Provide a separate Qualification Statement for each Joint Venturer.			
Date Business was formed:	10/22	State in which Business was formed:	NV
Is this Business authorized to operate in the Project location?		☒ Yes ☐ No ☐ Pending	

1.03 Identify all businesses that own Business in whole or in part (25% or greater), or that are wholly or partly (25% or greater) owned by Business:

Name of business:	Sierra Mountain Builders	Affiliation:	Co-owner
Address:	PO Box 19912, Reno, NV 89511		
Name of business:		Affiliation:	
Address:			

Name of business:		Affiliation:	
Address:			

1.04 Provide information regarding the Business's officers, partners, and limits of authority.

Name:	Kate Perry	Title:	Pres
Authorized to sign contracts:	☒ Yes ☐ No	Limit of Authority:	\$ 5M
Name:		Title:	
Authorized to sign contracts:	☐ Yes ☐ No	Limit of Authority:	\$
Name:		Title:	
Authorized to sign contracts:	☐ Yes ☐ No	Limit of Authority:	\$
Name:		Title:	

ARTICLE 2—LICENSING

2.01 Provide information regarding licensure for Business:

Name of License:	NV Contractor license		
Licensing Agency:	NSCB		
License No:	0090605	Expiration Date:	5/31/27
Name of License:			
Licensing Agency:			
License No:		Expiration Date:	

ARTICLE 3—DIVERSE BUSINESS CERTIFICATIONS

3.01 Provide information regarding Business's Diverse Business Certification, if any. Provide evidence of current certification.

Certification	Certifying Agency	Certification Date
☐ Disadvantaged Business Enterprise		
☐ Minority Business Enterprise		
☐ Woman-Owned Business Enterprise		
☐ Small Business Enterprise		
☐ Disabled Business Enterprise		
☐ Veteran-Owned Business Enterprise		
☐ Service-Disabled Veteran-Owned Business		
☐ HUBZone Business (Historically Underutilized) Business		
☐ Other		

EJCDC C-451, Qualifications Statement.

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☐ None

ARTICLE 4—SAFETY

- 4.01 Provide information regarding Business's safety organization and safety performance.

Name of Business's Safety Officer:			Kate Peery
Safety Certifications			
Certification Name	Issuing Agency		Expiration
	Pro Group		N/A

- 4.02 Provide Worker's Compensation Insurance Experience Modification Rate (EMR), Total Recordable Frequency Rate (TRFR) for incidents, and Total Number of Recorded Manhours (MH) for the last 3 years and the EMR, TRFR, and MH history.

Year	2025			2024			2023		
Company	EMR	TRFR	MH	EMR	TRFR	MH	EMR	TRFR	MH
KP Construction	...	7.35	54,455	0	55,498	0	0	27,147	

ARTICLE 5—CONSTRUCTION EXPERIENCE

- 5.01 Provide information that will identify the overall size and capacity of the Business.

Average number of current full-time employees:	30
Estimate of revenue for the current year:	7M
Estimate of revenue for the previous year:	6.5M

- 5.02 Provide information regarding the Business's previous contracting experience.

See attached detail.

Years of experience with projects like the proposed project:		
As a general contractor:		As a joint venturer:
Has Business, or a predecessor in interest, or an affiliate identified in Paragraph 1.03:		
Been disqualified as a bidder by any local, state, or federal agency within the last 5 years?		
☐ Yes ☒ No		
Been barred from contracting by any local, state, or federal agency within the last 5 years?		
☐ Yes ☒ No		
Been released from a bid in the past 5 years? ☐ Yes ☒ No		
Defaulted on a project or failed to complete any contract awarded to it? ☐ Yes ☒ No		
Refused to construct or refused to provide materials defined in the contract documents or in a change order? ☐ Yes ☒ No		

Been a party to any currently pending litigation or arbitration? ☐ Yes ☒ No
Provide full details in a separate attachment if the response to any of these questions is Yes.

- 5.03 List all projects currently under contract in Schedule A and provide indicated information.
- 5.04 List a minimum of three and a maximum of six projects completed in the last 5 years in Schedule B and provide indicated information to demonstrate the Business's experience with projects similar in type and cost of construction.

ARTICLE 6—REQUIRED ATTACHMENTS

- 6.01 Provide the following information with the Statement of Qualifications:
- A. If Business is a Joint Venture, separate Qualifications Statements for each Joint Venturer, as required in Paragraph 1.02.
 - B. Diverse Business Certifications if required by Paragraph 3.01.
 - C. Certification of Business's safety performance if required by Paragraph 4.02.
 - D. Additional items as pertinent.

This Statement of Qualifications is offered by:

Business: KP Construction
(typed or printed name of organization)
 By: Thomas Carey
(individual's signature)
 Name: Tom Carey
(typed or printed)
 Title: Estimator
(typed or printed)
 Date: 2/5/24
(date signed)

(If Business is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.)

Attest: [Signature]
(individual's signature)
 Name: Jennifer Croke
(typed or printed)
 Title: Office Manager
(typed or printed)

Address for giving notices:

KP Construction
P.O. Box 19912
Reno NV 89511

Designated Representative:

Name: Thomas Carey
(typed or printed)
 Title: Estimator
(typed or printed)

Address:

KP Construction
P.O. Box 19912
Reno NV 89511

Phone: 775-413-4034
 Email: estimating@kpconstructionnv.com

Schedule A—Current Projects

See attached

Name of Organization					
Project Owner		Project Name			
General Description of Project					
Project Cost		Date Project			
Key Project Personnel		Project Manager		Project Superintendent	
Name				Safety Manager	
				Quality Control Manager	
Reference Contact Information (listing names indicates approval to contacting the names individuals as a reference)					
	Name	Title/Position	Organization	Telephone	Email
Owner					
Designer					
Construction Manager					

Project Owner		Project Name			
General Description of Project					
Project Cost		Date Project			
Key Project Personnel		Project Manager		Project Superintendent	
Name				Safety Manager	
				Quality Control Manager	
Reference Contact Information (listing names indicates approval to contacting the names individuals as a reference)					
	Name	Title/Position	Organization	Telephone	Email
Owner					
Designer					
Construction Manager					

Project Owner		Project Name			
General Description of Project					
Project Cost		Date Project			
Key Project Personnel		Project Manager		Project Superintendent	
Name				Safety Manager	
				Quality Control Manager	
Reference Contact Information (listing names indicates approval to contacting the names individuals as a reference)					
	Name	Title/Position	Organization	Telephone	Email
Owner					
Designer					
Construction Manager					

Schedule B—Previous Experience with Similar Projects

See attached

Name of Organization					
Project Owner		Project Name			
General Description of Project					
Project Cost		Date Project			
Key Project Personnel		Project Manager	Project Superintendent	Safety Manager	Quality Control Manager
Name					
Reference Contact Information (listing names indicates approval to contacting the names individuals as a reference)					
	Name	Title/Position	Organization	Telephone	Email
Owner					
Designer					
Construction Manager					

Project Owner		Project Name			
General Description of Project					
Project Cost		Date Project			
Key Project Personnel		Project Manager	Project Superintendent	Safety Manager	Quality Control Manager
Name					
Reference Contact Information (listing names indicates approval to contacting the names individuals as a reference)					
	Name	Title/Position	Organization	Telephone	Email
Owner					
Designer					
Construction Manager					

Project Owner		Project Name			
General Description of Project					
Project Cost		Date Project			
Key Project Personnel		Project Manager	Project Superintendent	Safety Manager	Quality Control Manager
Name					
Reference Contact Information (listing names indicates approval to contacting the names individuals as a reference)					
	Name	Title/Position	Organization	Telephone	Email
Owner					
Designer					
Construction Manager					

Schedule B—Previous Experience with Similar Projects

See attached

Name of Organization					
Project Owner		Project Name			
General Description of Project					
Project Cost		Date Project			
Key Project Personnel	Project Manager	Project Superintendent	Safety Manager	Quality Control Manager	
Name					
Reference Contact Information (listing names indicates approval to contacting the names individuals as a reference)					
	Name	Title/Position	Organization	Telephone	Email
Owner					
Designer					
Construction Manager					

Project Owner		Project Name			
General Description of Project					
Project Cost		Date Project			
Key Project Personnel	Project Manager	Project Superintendent	Safety Manager	Quality Control Manager	
Name					
Reference Contact Information (listing names indicates approval to contacting the names individuals as a reference)					
	Name	Title/Position	Organization	Telephone	Email
Owner					
Designer					
Construction Manager					

Project Owner		Project Name			
General Description of Project					
Project Cost		Date Project			
Key Project Personnel	Project Manager	Project Superintendent	Safety Manager	Quality Control Manager	
Name					
Reference Contact Information (listing names indicates approval to contacting the names individuals as a reference)					
	Name	Title/Position	Organization	Telephone	Email
Owner					
Designer					

Construction Manager					



Business Info, References & Completed Projects

Company Mailing Address:

PO Box 19912
Reno, NV 89511

NV Contractors License: 0090605, Unlimited

Classifications:

A-11 Recycling Asphalt
A-12 Excavating, Grading, Trenching and Surfacing
A-13 Wrecking Buildings
A-15 Sewers, Drains and Pipes
A-16 Paving of Streets, Driveways and Parking Lots
A-19 Pipeline and Conduits
A-21 Fencing and Guardrails
A-5 Diamond and Core Drilling
A-8 Sealing and Striping of Impermeable Paving Surfaces
A-9 Piers and Foundations
Tax Id: 92-0603228
NV Business License: NV2022590903
Washoe County License: W004786A-LIC

Project Foreman/Super:

Martine Jaime, 40 years' experience

Pipe Foreman:

Sergio Estrada, 20 years' experience

Equipment Operator:

Lauro Soto, 15 years' experience

Work Experience:

City of Reno

Contact: Joesph

Phone: 775-443-4627

Email: Cashmanj@Reno.Gov

Job Location: 9446 North Virginia Street

Scope of work: Oversee and facilitate - Site Grading, Excavation, Irrigation and Fire Water, Site improvements for installing and erecting a salt barn.

Contract Cost: \$3,145,000

Date of Completion: 2/26, 80%

IVGID

Contact: Rick

Email: rts@ivgid.org

Location: Multiple Sites, Incline Village, NV

Scope: Fire Hydrant Replacement

Contract Cost: \$246,960

Date of Completion: 7/25

Amerco Real Estate Co.

Contact: Josh

Phone: 775-530-3208

Job Location: U-Haul Red Rocks, 200 Silver Lake Road

Scope of Work: Site Prep, Clear and Grub, Installation of underground utilities, Drainage Structures, BMP's, Road Reconstruction. Paving, Bollards, Striping.

Contact Cost: \$4,031,535.31

Date of completion: Current, 90% Complete

Mountain Man Custom Homes

Contact: Leandra

Phone: (775) 450-8624

Email: leandra@mountainmancustomhomes.com

Job: Betty Lane, Incline Village, NV

Job: 590 Lakeshore, Incline Village, NV

Scope of Work: Remove existing asphalt, Tune, Compact Subgrade. Installation of concrete pavers, Slotted Drains.

Contact Amounts: 214,000.00

Date of completion: 10/2023

Sierra Mountain Builders

Contact: Jake

Phone: 775-378-0568

Email: jake@sierrabuilds.com

Job Location: 11425 Digital Court, Sparks, NV

Scope of Work:

Collaborate and facilitate the construction of commercial property. Site Prep, Clear and Grub, Installation of underground utilities, Drainage Structures, BMP's, Road Reconstruction.

Contact Costs: \$2,225,578.80

Date of completion: 1/26

Fairway Pines HOA

Contact: Martha

Phone: 775-833-1948

Email: proprep3716@icloud.com

Job Location: 913 Tahoe Blvd, Incline Village, NV

Scope of Work:

2024. Pavement rehabilitation project. Pulverize and pave approx. 31,350 SF of existing surface. Install Curb, Gutter, Proper drainage. Install BMP's in accordance with TRPA specifications.

Contact Costs: \$689,038.49

Date of completion: 11/2024

Amerco Real Estate Co.

Contact: David

Phone: 775-900-7910

Email: david_perry@uhaul.com

Job Location: Carson City Storage Facility

Scope of Work: Oversee and facilitate dwelling erection. Excavation, Utilities, Sitework, Parking Lot reconstruction and repairs. Trash enclosure, Fencing.

Contact Cost: \$3,272,484.74

Date of completion: 9/2024

NV Concrete

Contact: Ryan

Phone: (775) 690-0380

Email: rzedek@resourcedevelopmentco.com

Job location: American Ready Mix, 6 Linehan road, Mound House, NV

Scope of work: Remove and replace parking lot

Contact Cost: \$677,418.10

Date of completing: 7/2023

Moving Mountains, LLC

Contact: Josh

Phone: 775-530-3208

Email: josh@movingmountainsnv.com

Job Location: Hidden Creek Road, Reno, NV

Scope of work: Oversee and facilitate dwelling erection. Prep and Paving of roadway 1000 SQ Ft

Contact Cost: \$984,246

Date of completion: 6/2024

Diamond G Construction

Contact: Mike

Phone: 775-345-4007

Email: mike@diamondg.net

Job Location: Evolution Car Wash, Reno, NV

Scope of work: Project Utilities, Dust Control, BMP's, Site Grading, Excavation, Base Prep, Paving and Striping

Contact Cost: \$493,373

Date of completion: 10/2024

Sierra Mobile Storage

Contact: Staci or Luke Stevenson

Phone: 775-549-3333

Email: info@sierramobilestorage.com

Job Location: 10995 Stead Blvd, Reno., NV

Scope of work: New Business development - Site Grading, Excavation, Storm Drain, Irrigation and Fire Water, Site Concrete, Paving and Striping

Contact Cost: \$795,368

Date of Completion: 1/2025

North Lake Tahoe Conservative District

Contact: Meghan Kelly, P.E.

Office: (775) 524-3481

Email: mkelly@ntcd.org

Job Location: Lower Kingsbury Crossing

Scope: Site Prep, Clear and Grub, Installation of underground utilities, Drainage Structures, BMP's

Contract Cost: 140,000

Date of completion: 10/25

Lakeshore Terrace

Contact: Todd Oliver

Phone: 415 517 3809

Job Location: Lakeshore, Incline Village

Scope: Civil Drainage Improvements

Contract Cost: 205,000

Joe Lombardo
Governor



Joy Grimmer
Director

Robert Ragar
Deputy Director

Wilfred J. Lewis, Jr.
Administrator

Carson City Office:
680 West Nye Lane, Suite 103
Carson City, Nevada 89703
Phone: (775) 684-4141

STATE OF NEVADA
DEPARTMENT OF ADMINISTRATION
PUBLIC WORKS DIVISION

Las Vegas Office:
7115 Amigo Street, Suite 100
Las Vegas, Nevada 89119
Phone: (702) 486-5115

November 21, 2024

KP Construction Inc.
Attn: Ms. Jennifer Croke
P O Box 19912
Reno, NV 89511

RE: Qualification results

Dear Ms. Croke:

On **November 21, 2024** the State Public Works Board qualified **KP Construction Inc.** to bid public works construction projects up to **\$5,000,000** using the State of Nevada license number **90605** license classification **A5 – Diamond and Core Drilling, A8 – Sealing and Striping of Impermeable Paving Surfaces, A9 – Piers and Foundations, A11 – Recycling Asphalt, A12 -Excavating, Grading, Trenching and Surfacing, A13 – Wrecking Buildings, A15 – Sewers, Drains and Pipes, A16 – Paving of Streets, Driveways and Parking Lots, A19 – Pipeline and Conduits, A21 – Fencing and Guardrails.**

This qualification to bid is valid through **November 20, 2026**. The results of the Qualification will be posted on our web site www.publicworks.nv.gov the “bid” drop down menu at the top of the home page / List of Qualified bidders.

Please contact this office at (775) 684-4141, if you should have any questions.

Sincerely,

Wilfred J. Lewis, Jr.
Public Works Administrator

WJL/kp
cc: file



Kale Peery - Owner, KP Construction

Experienced General Manager & Industry Leader with Proven Success in Complex Projects

I have been a part of the Northern Nevada community since 2005 and have dedicated my entire life to the construction industry. In 2009, I was recruited by a local company due to my diverse background in heavy civil construction, leadership abilities, and extensive job site experience. This led to my role as General Manager for a larger construction company, where I successfully managed projects in both the public and private sectors for over 25 years. In 2022, I leveraged my experience and expertise to start my own business, KP Construction.

I worked on a TRPA project in 2009 and have since developed extensive experience in the Lake Tahoe Basin. Over the years, I've completed hundreds of private and public works projects. Lake Tahoe Schools, Tahoe Beach Club and many others noted in the attached. My team and I managed a scope of work that included demolition, excavation, foundation drain installations, and the design and execution of an extensive dewatering and drainage system. The project also involved utility installation, asphalt reconstruction, and new paving and concrete.

I've overseen numerous public works projects, including:

- IVGID Championship Golf Course (multiple years)
- IVGID Maintenance Facility
- Lake Tahoe Schools
- IVGID Road Replacements (multiple)
- NDOT Gold Hill Asphalt Replacement
- Lyon County Toll Road Reconstruction
- Truckee Siphon Sewer Project

Furthermore, I have been responsible for the reconstruction of millions of square feet of roadways, driveways, and parking lots throughout the Tahoe Basin and Northern Nevada, including high-profile locations like Harrah's Reconstruction, Heavenly Ski Resort Asphalt Reconstruction, and Mt. Rose Asphalt Reconstruction. These projects typically ranged from 50,000 to 150,000 square feet of reconstruction per project, with a notable Winco Foods Reno, NV project involving 300,000 square feet.

Throughout my career, I've honed my skills in project execution, ensuring that every project runs smoothly, is completed within budget, and adheres to the established timeline. Key to this success has been my focus on building strong relationships, fostering teamwork, and training employees to meet the high standards set by agencies and regulatory bodies. Given the sensitive nature of many of the areas where we work, I place significant emphasis on safety, regulatory compliance, and environmental stewardship.

Please refer to the documents submitted with our bid package as well as the included information provided per the exhibits. For further reference, I have included additional references for your convenience.

Thank you,

Kale Peery

Past Personal Experience

Name of Project: Truckee River Siphon Project

Scope of Work: Dewatering, Demolition, install sewer line under highway 89 and the truckee river

Approx Dollar Amount: 1.6M

Year of completion: 2019

Name of Project: IVGID Champ Golf Course

Scope of Work: Remove and Replace Asphalt

Approx Dollar Amount: 500K

Year of completion: 2021

Name of Project: Gold Hill Asphalt Repairs

Address: Virginia City, NV

Scope of Work: Asphalt Repairs and reconstruction

Approx Dollar Amount: 1.4M

Year of completion: 2015

Name of Project: Ames Construction - Toll Road Project

Address: Virginia City Streets and Right-of-ways

Scope of Work: Asphalt Paving

Approx Dollar Amount: 1.3M

Year of completion: 2018

Contact: Kaleb Dale 801-977-8012

Name of Project: Nugget Sparks

Address: 1100 Nugget Ave, Sparks

Scope of Work: Excavation, Site Work, Utilities, Concrete, Asphalt

Approx Dollar Amount: 1.6M

Year of completion: 2019

Contact: Geof Ulep 702-739-2000

Name of Project: Tahoe Beach Club

Address: 9 Beach Club Drive, Stateline, NV

Scope of Work: Excavation, Site Work, Utilities

Approx Dollar Amount: 4M

Year of completion: 2019

Contact: Steve Jackson 775-721-5546

Name of Project: Cal Neva Lodge

Scope of Work: Excavation, Site Work

Approx Dollar Amount: 750K

Year of completion: 2018

Name of Project: Rain-Shadow Ranch Subdivision

Scope of Work: Complete Subdivision overview

Approx Dollar Amount: 1.8M

Year of completion: 2016

Contact: Kevin Lane 775-588-0772

Name of Project: Sierra at Tahoe
 Scope of Work: Pavers and Paving
 Approx Dollar Amount: 2M
 Year of completion: 2013

Name of Project: A Level Above
 Address: Gondola Vista Estates
 Scope of Work: Site Work, Utilities, Excavation
 Approx Dollar Amount: 1.6M
 Year of completion: 2018
 Contact: Brett 209-304-3452

Name of Project: Ashbritt
 Address: Santa Rosa
 Scope of Work: Excavation, Debris Removal
 Approx Dollar Amount: 1.6M
 Year of completion: 2018
 Contact: Chip Starr 334-740-4251

Name of Project: Heavenly Parking Lots
 Scope of Work: Asphalt Reconstruction, Repairs
 Approx Dollar Amount: 1.1M
 Year of completion: Annually
 Contact: Ryan Smith 805-797-5824

Name of Project: Mt Rose Parking Lots
 Scope of Work: Asphalt Reconstruction, Repairs
 Approx Dollar Amount: 8-900,000
 Year of completion: Annually
 Contact: Dominic 775-379-7267

Southern Nevada Office
8400 West Sunset Road, Suite 150
Las Vegas, Nevada 89113
(702) 486-1100
www.nscb.nv.gov

STATE CONTRACTORS BOARD

The Nevada State Contractors Board certifies that

KP CONSTRUCTION INC

Licensed since May 04, 2023

License No. **0090605**

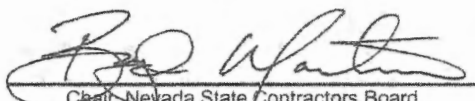
Is duly licensed as a contractor in the following classification(s):

PRINCIPALS:

KALE PEERY, President, Secretary,
Treasurer, CI

A-11 Recycling Asphalt; A-12 Excavating, Grading, Trenching and
Surfacing; A-13 Wrecking Buildings; A-15 Sewers, Drains and
Pipes; A-16 Paving of Streets, Driveways and Parking Lots; A-19
Pipeline and Conduits; A-21 Fencing and Guardrails; A-5 Diamond
and Core Drilling; A-8 Sealing and Striping of Impermeable Paving
Surfaces; A-9 Piers and Foundations

LIMIT: Unlimited
EXPIRES: 05/31/2027


Chair, Nevada State Contractors Board



SECTION 00460

EEO COMPLIANCE STATEMENT FORM RD 400-6

This statement relates to a proposed contract with Storey County

(Name of borrower or grantee)

who expects to finance the contract with assistance from either the Rural Housing Service (RHS), Rural Business-Cooperative Service (RBS), or the Rural Utilities Service (RUS) or their successor agencies, United States Department of Agriculture (whether by a loan, grant, loan insurance, guarantee, or other form of financial assistance). I am the undersigned bidder or prospective contractor. I represent that:

1. I ☒ have, ☐ have not, participated in a previous contract or subcontract subject to Executive Order 11246 (regarding equal employment opportunity) or a preceding similar Executive Order.
2. If I have participated in such a contract or subcontract, I ☒ have, ☐ have not, filed all compliance reports that I have been required to file in connection with the contract or subcontract.

If the proposed contract is for \$50,000 or more and I have 50 or more employees, I also represent that:

3. I ☐ have, ☐ have not, previously had contracts subject to the written affirmative action program requirements of the Secretary of Labor.
4. If I have participated in such a contract or subcontract, I ☐ have, ☐ have not, developed and placed on file at each establishment affirmative action programs as required by the rules and regulations of the Secretary of Labor.

I understand that if I have failed to file any compliance reports that have been required or me, I am not eligible and will not be eligible to have my bid considered or to enter into the proposed contract unless and until I make an arrangement regarding such reports that is satisfactory to either the RHS, RBS, or RUS, or to the office where the reports are required to be filed.

I also certify that I do not maintain or provide for my employees any segregated facilities at any of my establishments, and that I do not permit my employees to perform their services at any location, under my control, where segregated facilities are maintained. I certify further that I will not maintain or provide for my employees any segregated facilities at any of my establishments, and that I will not permit my employees to perform their services at any location, under my control, where segregated facilities are maintained. I agree that a breach of this certification is a violation of the Equal Opportunity clause in my contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise. I further agree that (except where I have obtained identical certifications from proposed subcontractors prior to the award of subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause: that I will retain such certifications in my files; and that I will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods): (See Reverse).

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0018. The time required to complete this information collection is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Position 6

RD 400-6 (Rev. 4-00)

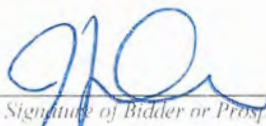
**NOTICE TO PROSPECTIVE SUBCONTRACTORS OF REQUIREMENTS FOR
CERTIFICATIONS OF NON-SEGREGATED FACILITIES**

A certification of Non-segregated Facilities, as required by the May 9, 1967, order (32F.R. 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted prior to the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity Clause. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually)

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

Date: _____

2/5/24



Signature of Bidder or Prospective Contractor

PO Box 19912, Reno, NV 89511

Address (including Zip Code)

U.S. DEPARTMENT OF AGRICULTURE

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions.

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency with which this transaction originated.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON NEXT PAGE)

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in This certification, such prospective participant shall attach an explanation to this proposal.

KP Construction Inc
Organization Name

PR/Award Number or Project Name

Jennifer Croke - Office Manager
Name(s) and Title(s) of Authorized Representative(s)

[Signature]
Signature(s)

2/5/24
Date

Form AD-1048 (1/92)

Instructions for Certification

1. By signing and submitting this form, the prospective lower tier participant is providing the certification set out on the reverse side in accordance with these instructions.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this form that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principles. Each participant may, but is not required to, check the Nonprocurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly entered into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Form AD-1048 (1/92)

RD Instruction 1940-Q
Exhibit A-1

CERTIFICATION FOR CONTRACTS, GRANTS AND LOANS

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or Federal loan, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant or loan.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant or loan, the undersigned shall complete and submit Standard Form - LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including contracts, subcontracts, and subgrants under grants and loans) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Jennifer Croke
(Name)

2/5/200
(Date)

Office Manager
(Title)

(08-21-91) PN 171

CONTRACTOR'S WAIVER

Contract Project No. ST-2024-431

As a condition of award of the said Contract, the undersigned Bidder acknowledges that he is aware of the provisions of Nevada Revised Statute 338.515, which provides for investment of Contract retainage, and the payment of interest thereon to the Contractor after completion of the project.

The undersigned Bidder further agrees to waive and does hereby waive all his rights to investment of and payment of interest on retainage, as provided by said statute, upon the understanding that the regulations of the lending agency prohibit such investment and that, without this waiver, loan and/or grant funds for this project will not be available.

IN WITNESS WHEREOF, Bidder has executed these presents this

5th day of February, 2024

JPC - KP Construction
Bidder

By Jennifer Crake

Title Office Manager

NOTE: This instrument should be executed by the officer who executes the contract and in the same manner.

BID OPENING FORM

Storey County

Virginia City Fairgrounds Improvements - PWP-ST-2024-431

Bid Opening Location: Planet Bids & Teams

Date: Friday, February 6, 2026

Time: 10:00am

Owner: Storey County

Engineer: DOWL

				ENGINEER'S OPINION OF PROBABLE COST		KP Construction		Coons Construction		Tungsten Engineering		MKD Construction		AVERAGE	
Bid Item	Description	Quantity	Units	Unit Price	Total	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	AVER UNIT PRICE	AVER TOTAL
1	Mobilization/Demobilization	1	LS	\$66,000.00	\$66,000.00	\$60,000.00	\$60,000.00	\$35,000.00	\$35,000.00	\$112,419.00	\$112,419.00	\$139,977.70	\$139,977.70	\$86,849.18	\$86,849.18
2	Traffic Control & Temporary Erosion Control	1	LS	\$24,000.00	\$24,000.00	\$50,000.00	\$50,000.00	\$20,000.00	\$20,000.00	\$45,000.00	\$45,000.00	\$30,936.00	\$30,936.00	\$36,484.00	\$36,484.00
3	8-Inch Diameter Water Main (PVC C-900), Incl. Fittings	915	LF	\$240.00	\$219,600.00	\$160.00	\$146,400.00	\$126.00	\$115,290.00	\$300.00	\$274,500.00	\$224.13	\$205,078.95	\$202.53	\$185,317.24
4	8-Inch Flush Valve Assembly	1	EA	\$8,000.00	\$8,000.00	\$10,576.00	\$10,576.00	\$13,475.00	\$13,475.00	\$12,000.00	\$12,000.00	\$16,533.37	\$16,533.37	\$13,146.09	\$13,146.09
5	6-Inch Fire Hydrant Assembly and Lateral To New Main	1	EA	\$20,000.00	\$20,000.00	\$20,648.00	\$20,648.00	\$26,500.00	\$26,500.00	\$15,000.00	\$15,000.00	\$19,995.34	\$19,995.34	\$20,535.84	\$20,535.84
6	2-Inch Water Service Lateral and Water Meter Connection	1	EA	\$16,000.00	\$16,000.00	\$20,788.00	\$20,788.00	\$18,900.00	\$18,900.00	\$15,000.00	\$15,000.00	\$15,139.68	\$15,139.68	\$17,456.92	\$17,456.92
7	2-Inch Water Service Line	401	LF	\$140.00	\$56,140.00	\$67.00	\$26,867.00	\$26.25	\$10,526.25	\$55.00	\$22,055.00	\$151.35	\$60,691.35	\$74.90	\$30,034.90
8	2-Inch Backflow Assembly w/ Hot Box	1	EA	\$7,500.00	\$7,500.00	\$15,000.00	\$15,000.00	\$18,000.00	\$18,000.00	\$15,000.00	\$15,000.00	\$15,474.59	\$15,474.59	\$15,868.65	\$15,868.65
9	2-Inch Frost Free Water Hydrant Assembly	1	EA	\$2,000.00	\$2,000.00	\$11,418.00	\$11,418.00	\$5,200.00	\$5,200.00	\$5,000.00	\$5,000.00	\$15,665.00	\$15,665.00	\$9,320.75	\$9,320.75
10	1-Inch Water Service Line	15	LF	\$110.00	\$1,650.00	\$330.00	\$4,950.00	\$100.00	\$1,500.00	\$100.00	\$1,500.00	\$746.40	\$11,196.00	\$319.10	\$4,786.50
11	1-Inch Air Release Assembly	1	EA	\$9,000.00	\$9,000.00	\$11,528.00	\$11,528.00	\$14,824.00	\$14,824.00	\$10,000.00	\$10,000.00	\$11,326.16	\$11,326.16	\$11,919.54	\$11,919.54
12	Connection to Existing Water Main (Hot tap & Expander)	1	EA	\$17,000.00	\$17,000.00	\$18,600.00	\$18,600.00	\$15,250.00	\$15,250.00	\$10,000.00	\$10,000.00	\$39,462.84	\$39,462.84	\$20,828.21	\$20,828.21
13	ADA Parking AC Paving	540	SF	\$20.00	\$10,800.00	\$24.00	\$12,960.00	\$7.95	\$4,293.00	\$85.00	\$45,900.00	\$72.41	\$39,101.40	\$47.34	\$25,563.60
14	Hand Railing	297	LF	\$185.00	\$54,945.00	\$292.00	\$86,724.00	\$115.00	\$34,155.00	\$350.00	\$103,950.00	\$172.84	\$51,333.48	\$232.46	\$69,040.62
15	Salvage and Relocate Existing Wood Entry Structure	1	LS	\$10,000.00	\$10,000.00	\$19,710.00	\$19,710.00	\$10,000.00	\$10,000.00	\$5,000.00	\$5,000.00	\$26,060.00	\$26,060.00	\$15,192.50	\$15,192.50
16	Concrete Staircase	360	SF	\$50.00	\$18,000.00	\$129.00	\$46,440.00	\$115.00	\$41,400.00	\$180.00	\$64,800.00	\$183.65	\$66,114.00	\$151.91	\$54,688.50
17	PCC ADA Path	1,189	SF	\$50.00	\$59,450.00	\$25.00	\$29,725.00	\$50.00	\$59,450.00	\$50.00	\$59,450.00	\$47.60	\$56,596.40	\$43.15	\$51,305.35
18	Rip Rap Drainage Ditch & Slope Protection	836	SF	\$13.33	\$11,146.67	\$14.00	\$11,704.00	\$7.45	\$6,228.20	\$25.00	\$20,900.00	\$25.06	\$20,950.16	\$17.88	\$14,945.59
19	Safety Bollards	12	EA	\$1,000.00	\$12,000.00	\$1,550.00	\$18,600.00	\$525.00	\$6,300.00	\$800.00	\$9,600.00	\$1,105.00	\$13,260.00	\$995.00	\$11,940.00
20	Electrical Equipment	1	LS	\$536,546.07	\$536,546.07	\$281,050.00	\$281,050.00	\$328,150.00	\$328,150.00	\$255,500.00	\$255,500.00	\$332,150.00	\$332,150.00	\$299,212.50	\$299,212.50
21	Geotechnical Testing and Inspection Services	1	LS	\$137,500.00	\$137,500.00	\$38,000.00	\$38,000.00	\$6,000.00	\$6,000.00	\$22,500.00	\$22,500.00	\$40,412.58	\$40,412.58	\$26,728.15	\$26,728.15
22	Contaminated Soil Sampling and Testing	1	LS	\$20,000.00	\$20,000.00	\$15,000.00	\$15,000.00	\$24,000.00	\$24,000.00	\$15,000.00	\$15,000.00	\$21,324.00	\$21,324.00	\$18,831.00	\$18,831.00
23	Contaminated Material Abatement (Contingent Item)	600	CY	\$40.00	\$24,000.00	\$122.00	\$73,200.00	\$395.00	\$237,000.00	\$155.00	\$93,000.00	\$83.33	\$49,998.00	\$188.83	\$113,299.50
24	Force Account	1	LS	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00
		Base Bid Total:		\$1,441,277.74		\$1,129,888.00		\$1,151,441.45		\$1,333,074.00		\$1,398,777.00		\$1,253,295.11	



February 6, 2026

Austin Osborne, PHR, SHRM-CP
Storey County Manager
Box 176
Virginia City, NV 89440

Re: Recommendation of Award for Virginia City Fairgrounds Improvements Project

Dear Mr. Osborne,

On February 6, 2026 DOWL held a bid opening for the Virginia City Fairgrounds Improvements Project on behalf of Storey County. Bid information was compiled and KP Construction, Inc. is the apparent low bidder with a bid price of \$1,129,888.00.

DOWL has evaluated the KP Construction Bid and finds that it complies with the prescribed requirements of the Bid Form, and therefore is considered "responsive". We have also performed a due diligence check on the company by checking the System for Award Management, Nevada State Contractor's Board, the Secretary of State, and the Labor Commissioner. These checks were all positive; the consensus is that KP Construction is qualified to perform and complete the work associated with this project. A search with the Contractor's Board shows no disciplinary action against them and they are within their licensed limits. A search for debarment on the System for Award Management shows no action. A search of the Secretary of State shows that they are in good standing. Lastly, a search of the Labor Commissioner shows no actions, pending or filed, against them.

KP Construction has 3 years of experience in the construction industry and has performed similar projects in the past. Based on a review of their bid and background check, DOWL finds KP Construction as being a "responsible" Bidder and we recommend awarding them the Construction Contract.

I have attached the bid tabulation for your reference.

If you have any questions or require additional information regarding this letter, please feel free to contact me.

Regards,

A handwritten signature in blue ink, appearing to read "Keith Karpstein".

Keith Karpstein, P.E.
Senior Engineer

Attached: Bid Tabulation

BID OPENING FORM

Storey County

Virginia City Fairgrounds Improvements - PWP-ST-2024-431

Bid Opening Location: Planet Bids & Teams

Date: Friday, February 6, 2026

Time: 10:00am

Owner: Storey County

Engineer: DOWL

				ENGINEER'S OPINION OF PROBABLE COST		KP Construction		Coons Construction		Tungsten Engineering		MKD Construction		AVERAGE	
Bid Item	Description	Quantity	Units	Unit Price	Total	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	AVER UNIT PRICE	AVER TOTAL
1	Mobilization/Demobilization	1	LS	\$66,000.00	\$66,000.00	\$60,000.00	\$60,000.00	\$35,000.00	\$35,000.00	\$112,419.00	\$112,419.00	\$139,977.70	\$139,977.70	\$86,849.18	\$86,849.18
2	Traffic Control & Temporary Erosion Control	1	LS	\$24,000.00	\$24,000.00	\$50,000.00	\$50,000.00	\$20,000.00	\$20,000.00	\$45,000.00	\$45,000.00	\$30,936.00	\$30,936.00	\$36,484.00	\$36,484.00
3	8-Inch Diameter Water Main (PVC C-900), Incl. Fittings	915	LF	\$240.00	\$219,600.00	\$160.00	\$146,400.00	\$126.00	\$115,290.00	\$300.00	\$274,500.00	\$224.13	\$205,078.95	\$202.53	\$185,317.24
4	8-Inch Flush Valve Assembly	1	EA	\$8,000.00	\$8,000.00	\$10,576.00	\$10,576.00	\$13,475.00	\$13,475.00	\$12,000.00	\$12,000.00	\$16,533.37	\$16,533.37	\$13,146.09	\$13,146.09
5	6-Inch Fire Hydrant Assembly and Lateral To New Main	1	EA	\$20,000.00	\$20,000.00	\$20,648.00	\$20,648.00	\$26,500.00	\$26,500.00	\$15,000.00	\$15,000.00	\$19,995.34	\$19,995.34	\$20,535.84	\$20,535.84
6	2-Inch Water Service Lateral and Water Meter Connection	1	EA	\$16,000.00	\$16,000.00	\$20,788.00	\$20,788.00	\$18,900.00	\$18,900.00	\$15,000.00	\$15,000.00	\$15,139.68	\$15,139.68	\$17,456.92	\$17,456.92
7	2-Inch Water Service Line	401	LF	\$140.00	\$56,140.00	\$67.00	\$26,867.00	\$26.25	\$10,526.25	\$55.00	\$22,055.00	\$151.35	\$60,691.35	\$74.90	\$30,034.90
8	2-Inch Backflow Assembly w/ Hot Box	1	EA	\$7,500.00	\$7,500.00	\$15,000.00	\$15,000.00	\$18,000.00	\$18,000.00	\$15,000.00	\$15,000.00	\$15,474.59	\$15,474.59	\$15,868.65	\$15,868.65
9	2-Inch Frost Free Water Hydrant Assembly	1	EA	\$2,000.00	\$2,000.00	\$11,418.00	\$11,418.00	\$5,200.00	\$5,200.00	\$5,000.00	\$5,000.00	\$15,665.00	\$15,665.00	\$9,320.75	\$9,320.75
10	1-Inch Water Service Line	15	LF	\$110.00	\$1,650.00	\$330.00	\$4,950.00	\$100.00	\$1,500.00	\$100.00	\$1,500.00	\$746.40	\$11,196.00	\$319.10	\$4,786.50
11	1-Inch Air Release Assembly	1	EA	\$9,000.00	\$9,000.00	\$11,528.00	\$11,528.00	\$14,824.00	\$14,824.00	\$10,000.00	\$10,000.00	\$11,326.16	\$11,326.16	\$11,919.54	\$11,919.54
12	Connection to Existing Water Main (Hot tap & Expander)	1	EA	\$17,000.00	\$17,000.00	\$18,600.00	\$18,600.00	\$15,250.00	\$15,250.00	\$10,000.00	\$10,000.00	\$39,462.84	\$39,462.84	\$20,828.21	\$20,828.21
13	ADA Parking AC Paving	540	SF	\$20.00	\$10,800.00	\$24.00	\$12,960.00	\$7.95	\$4,293.00	\$85.00	\$45,900.00	\$72.41	\$39,101.40	\$47.34	\$25,563.60
14	Hand Railing	297	LF	\$185.00	\$54,945.00	\$292.00	\$86,724.00	\$115.00	\$34,155.00	\$350.00	\$103,950.00	\$172.84	\$51,333.48	\$232.46	\$69,040.62
15	Salvage and Relocate Existing Wood Entry Structure	1	LS	\$10,000.00	\$10,000.00	\$19,710.00	\$19,710.00	\$10,000.00	\$10,000.00	\$5,000.00	\$5,000.00	\$26,060.00	\$26,060.00	\$15,192.50	\$15,192.50
16	Concrete Staircase	360	SF	\$50.00	\$18,000.00	\$129.00	\$46,440.00	\$115.00	\$41,400.00	\$180.00	\$64,800.00	\$183.65	\$66,114.00	\$151.91	\$54,688.50
17	PCC ADA Path	1,189	SF	\$50.00	\$59,450.00	\$25.00	\$29,725.00	\$50.00	\$59,450.00	\$50.00	\$59,450.00	\$47.60	\$56,596.40	\$43.15	\$51,305.35
18	Rip Rap Drainage Ditch & Slope Protection	836	SF	\$13.33	\$11,146.67	\$14.00	\$11,704.00	\$7.45	\$6,228.20	\$25.00	\$20,900.00	\$25.06	\$20,950.16	\$17.88	\$14,945.59
19	Safety Bollards	12	EA	\$1,000.00	\$12,000.00	\$1,550.00	\$18,600.00	\$525.00	\$6,300.00	\$800.00	\$9,600.00	\$1,105.00	\$13,260.00	\$995.00	\$11,940.00
20	Electrical Equipment	1	LS	\$536,546.07	\$536,546.07	\$281,050.00	\$281,050.00	\$328,150.00	\$328,150.00	\$255,500.00	\$255,500.00	\$332,150.00	\$332,150.00	\$299,212.50	\$299,212.50
21	Geotechnical Testing and Inspection Services	1	LS	\$137,500.00	\$137,500.00	\$38,000.00	\$38,000.00	\$6,000.00	\$6,000.00	\$22,500.00	\$22,500.00	\$40,412.58	\$40,412.58	\$26,728.15	\$26,728.15
22	Contaminated Soil Sampling and Testing	1	LS	\$20,000.00	\$20,000.00	\$15,000.00	\$15,000.00	\$24,000.00	\$24,000.00	\$15,000.00	\$15,000.00	\$21,324.00	\$21,324.00	\$18,831.00	\$18,831.00
23	Contaminated Material Abatement (Contingent Item)	600	CY	\$40.00	\$24,000.00	\$122.00	\$73,200.00	\$395.00	\$237,000.00	\$155.00	\$93,000.00	\$83.33	\$49,998.00	\$188.83	\$113,299.50
24	Force Account	1	LS	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00
		Base Bid Total:		\$1,441,277.74		\$1,129,888.00		\$1,151,441.45		\$1,333,074.00		\$1,398,777.00		\$1,253,295.11	

	Board of Storey County Fire Commissioners Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 10 Minutes	
Agenda Item Type: Discussion/Possible Action		

- **Title:** Consideration and possible approval to make a conditional offer to purchase the property adjacent to the existing fire station 72, located at 2998 Cartwright Road, APN 003-361-08, based upon the appraisal dated March 25, 2026, by Anthony J. Wren and Associates, including approval of opening escrow, and completing title search, not to exceed \$135,000.
- **Recommended motion:** I (Fire Commissioner) move to approve a conditional offer to purchase the property adjacent to Fire Station 72, located at 2998 Cartwright Road, APN 003-361-08, based upon the appraisal dated March 25, 2026, by Anthony J. Wren and Associates, including approval of opening escrow, and completing title search, with the total purchase cost not to exceed \$135,000.
- **Prepared by:** Bob Ryser

Department: Fire

Contact Number: 775-847-0954

- **Staff Summary:** With the expansion of services needed throughout the Virginia City Highlands, the existing Fire Station 72, owned by Storey County, would be vacated upon building of a new station complex at the proposed location. Fuels mitigation services would be continued at the location providing a significant benefit to the Virginia City Highlands residents. This expenditure was not included in the 2025/2026 fiscal year budget; however, the District has the financial capacity to cover the cost through movement of other Capital Improvement funds not currently being utilized within this fiscal year.
- **Supporting Materials:** See Attachments
- **Fiscal Impact:**
- **Legal review required:** False
- **Reviewed by:**

____ Department Head

Department Name:

____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved	☐ Approved with Modification
☐ Denied	☐ Continued



Storey County Board of Fire Commissioners Agenda Action Report

Meeting date: 04/21/2026

Estimate of time required: 10 Minutes

Agenda: Consent ☐ Regular agenda ☒ Public hearing required ☐

1. **Title:** DISCUSSION/POSSIBLE ACTION: Consideration and possible approval to make a conditional offer to purchase the property adjacent to the existing fire station 72, located at 2998 Cartwright Road, APN 003-361-08, based upon the appraisal dated March 25, 2026, by Anthony J. Wren and Associates, including approval of opening escrow, and completing title search, not to exceed \$135,000.
2. **Recommended motion:** I (Fire Commissioner) move to approve a conditional offer to purchase the property adjacent to Fire Station 72, located at 2998 Cartwright Road, APN 003-361-08, based upon the appraisal dated March 25, 2026, by Anthony J. Wren and Associates, including approval of opening escrow, and completing title search, with the total purchase cost not to exceed \$135,000.
3. **Prepared by:** Bob Ryser

Department: Fire

Telephone: 847-0954

4. **Staff summary:** With the expansion of services needed throughout the Virginia City Highlands, the existing Fire Station 72, owned by Storey County, would be vacated upon building of a new station complex at the proposed location. Fuels mitigation services would be continued at the location providing a significant benefit to the Virginia City Highlands residents. This expenditure was not included in the 2025/2026 fiscal year budget; however, the District has the financial capacity to cover the cost through movement of other Capital Improvement funds not currently being utilized within this fiscal year.

5. **Supporting materials:** See attached

6. **Fiscal impact:**

Funds Available: Yes

Fund: 280

☒ Comptroller

7. **Legal review required:**

☒ District Attorney

8. **Reviewed by:**

☐ BR_ Fire Chief

☒ Comptroller

9. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No. ____

AN APPRAISAL OF
2998 CARTWRIGHT ROAD
HIGHLAND RANCHES
VIRGINIA CITY, NEVADA 89440



PREPARED FOR
BOB RYSER
FIRE CHIEF
STOREY COUNTY FIRE DISTRICT
VIRGINIA CITY, NEVADA 89440

SUBMITTED BY
ANTHONY J. WREN, MAI, SRA
CERTIFIED GENERAL APPRAISER #A.0000090-CG
P.O. BOX 20867
RENO, NEVADA 89515

**AN APPRAISAL OF
2998 CARTWRIGHT ROAD
HIGHLAND RANCHES
VIRGINIA CITY, NEVADA 89440**

APN 003-361-08

**OWNED BY
STOREY COUNTY SCHOOL DISTRICT**

PREPARED FOR

**BOB RYSER
FIRE CHIEF
STOREY COUNTY FIRE DISTRICT
VIRGINIA CITY, NV 89440**

**FOR THE PURPOSE OF ESTIMATING
THE CURRANT MARKET VALUE**

**ESTIMATING MARKET VALUE
AS OF
MARCH 16, 2026**

**DATE OF REPORT
MARCH 25, 2026**

**SUBMITTED BY
ANTHONY J. WREN, MAI, SRA
CERTIFIED GENERAL APPRAISER #A.0000090-CG
P.O. BOX 20867
RENO, NEVADA 89515**

TONY WREN, MAI, SRA
CERTIFIED GENERAL APPRAISER

SUSAN WREN
RESIDENTIAL APPRAISER (1984-2022)

March 25, 2026

Bob Ryser
Fire Chief
Storey County Fire District
Virginia City, NV 89440

RE: APN 003-361-08
2998 Cartwright Road, Virginia City, NV 89440
Owned by Storey County School District

Dear Mr. Ryser:

I have made an analysis of the above-referred property which is more specifically described in this report. The purpose of my appraisal is to estimate the market value of the property and make a recommendation of compensation for the acquisition of the subject site. The function of this report is for the possible purchase of the site by Storey County Fire District. The appraisal will not be used in connection with any loan application or for any lending purposes. Any other utilization of this report without the prior written consent of the signer of this report is prohibited.

The accompanying appraisal report is being prepared in conformance with this appraiser's understanding of the current appraisal standards and is intended to fully comply with the current Standards of Professional Appraisal Practice as adopted by the Appraisal Standards Board of the Appraisal Foundation, as well as the Supplemental Requirements of the Appraisal Institute.

The appraiser attests that he has the knowledge and experience to complete this assignment and has appraised this type of property before.

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report, within a three-year period immediately preceding acceptance of this assignment.

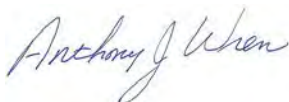
The report is intended to conform with Section 2-2(a) of the Uniform Standards of Professional Appraisal Practice and is considered to be an appraisal report.

After analyzing the current market data, a marketing period to sell the property is considered to be between 12 and 24 months. This is based upon adequate exposure to the open market as well as competitive pricing.

The following report provides a summary physical description of the subject and a summary review of the pertinent data analyzed in forming the estimate of value for the subject property. Based on the examination and study made, I have formed the opinion that as of March 16, 2026, the effective date of valuation, the estimated market value is:

ONE HUNDRED THIRTY THOUSAND DOLLARS
(\$130,000)

Respectfully Submitted,



Anthony J. Wren, MAI, SRA
Certified General Appraiser #A.0000090-CG

Hypothetical Condition:

The subject is being appraised as if not owned by the public and has a highest and best use and zoning calcification similar to the surrounding sites or E-10-HR, which is a rural residential zoning. The use of the Hypothetical Condition might have effected the results of my opinion.

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Address: 2998 Cartwright Road, Virginia City, Storey County, Nevada 89440

Location: The subject property is located on the north side of Cartwright Road

Owner of Record: Storey County School District

Legal Description: 10's-School Site Town: Highland Ranches

Assessor's Parcel No.: APN 003-361-08

Zoning: Public

Highest and Best Use: Residential

Present Use: Vacant

Gross Building Area: None

Land Area: 7.24± acres or 315,374.40± sf

Effective Date of Valuation: March 16, 2026

Date of Report: March 25, 2026

Final Value Conclusions:

Cost Approach	N/A
Income Approach	N/A
Direct Sales Comparison Approach (Land Only)	\$130,000

Hypothetical Condition:

The subject is being appraised as if not owned by the public and has a highest and best use and zoning calcification similar to the surrounding sites or E-10-HR, which is a rural residential zoning. The use of the Hypothetical Condition might have effected the results of my opinion.

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STATE MAP

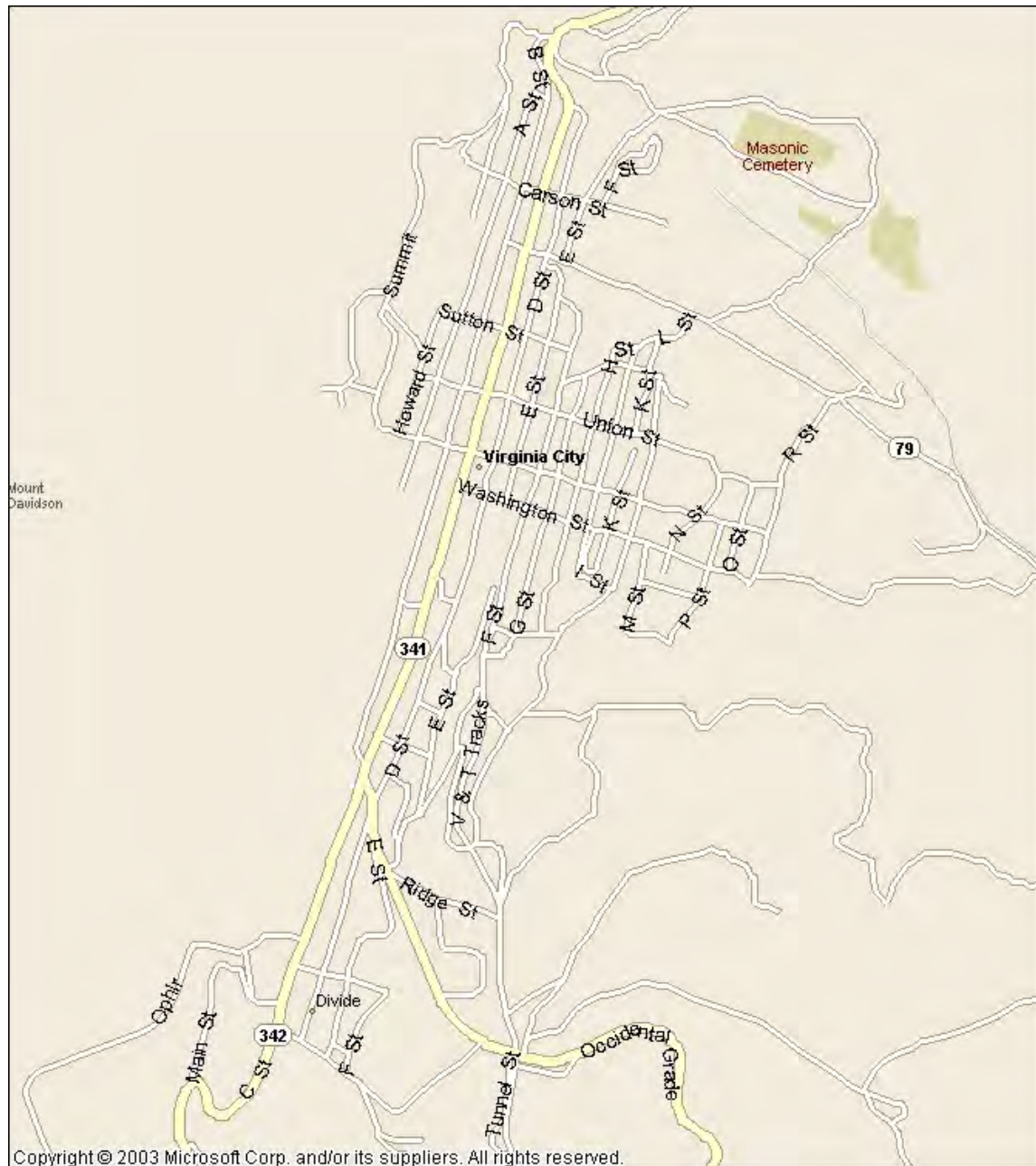


REGIONAL MAP

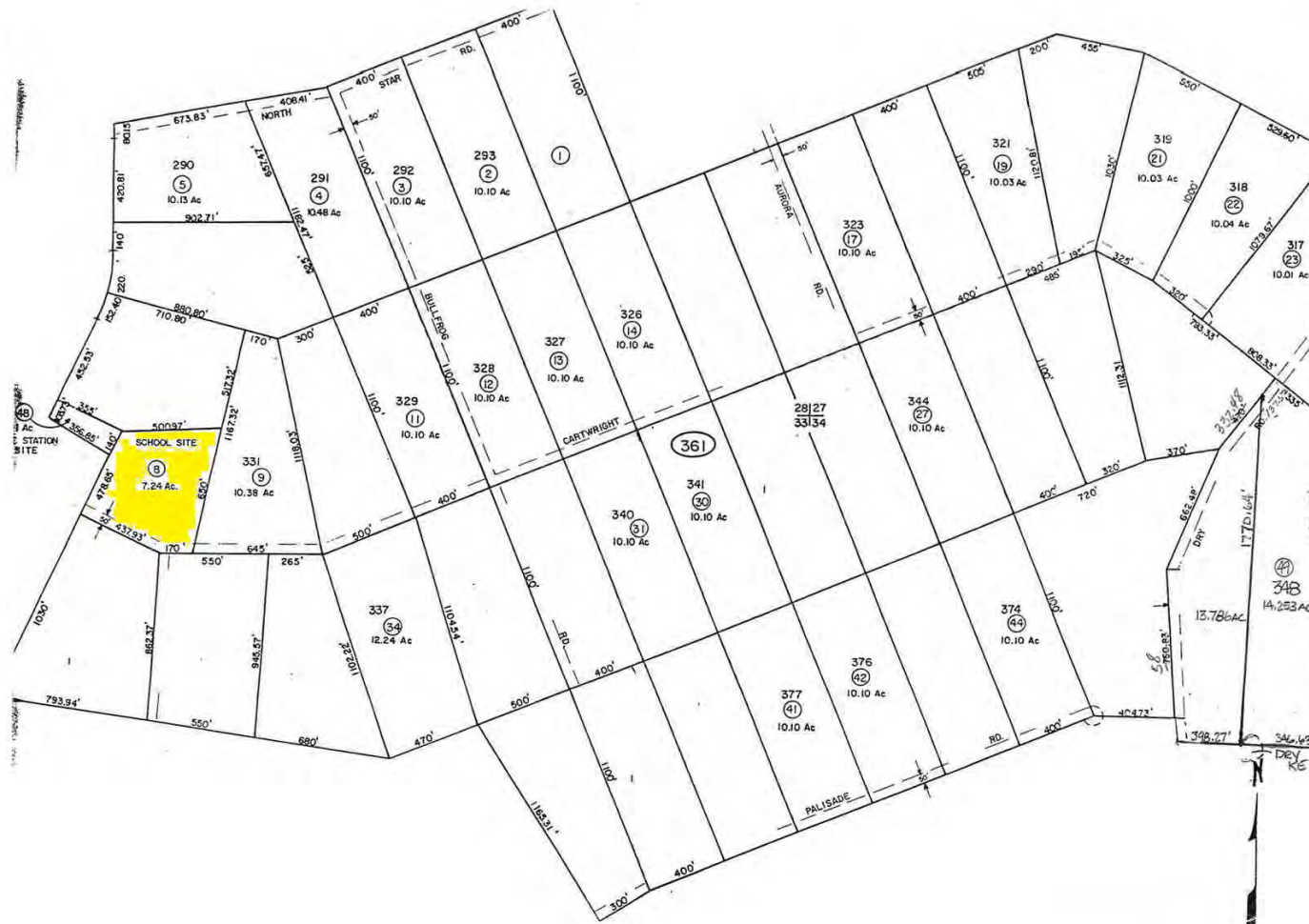


AREA MAP



VIRGINIA CITY MAP

ASSESSORS PARCEL MAP



AERIAL MAP

AERIAL MAP



ASSUMPTIONS AND LIMITING CONDITIONS

The acceptance of this assignment and the completion of the report submitted herewith are contingent upon the following assumptions limiting conditions:

LIMITS OF LIABILITY:

The liability of Anthony J. Wren, MAI is limited to the client only and to the fee actually received by the appraisal firm. There is no accountability, obligation, or liability to any third party. If the report is disseminated to anyone other than the client, the client shall make such party or parties aware of all limiting conditions and assumptions affecting the assignment. The appraiser is not in any way to be responsible for any costs incurred to discover or correct any physical, financial and/or legal deficiencies of any type present in the subject property.

COPIES, PUBLICATION, DISTRIBUTION AND USE OF REPORT:

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for any purpose or any function other than its intended use, as stated in the body of the report. The fee represents compensation only for the analytical services provided by the appraiser. The report remains the property of the appraiser, though it may be used by the client in accordance with these assumptions and limiting conditions. The By-Laws and Regulations of the Appraisal Institute require each Member to control the use and distribution of each report signed by such Member. Except as hereinafter provided, the client may distribute copies of this report in its entirety to such third parties as he may select. However, selected portions of this report shall not be given to third parties without the prior written consent of the appraiser. Neither all nor any part of this report shall be disseminated to the general public by use of advertising media, public relations media, news media, sales media, or any other media for public communication without the prior written consent of the appraisal firm.

This report is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis as set forth in the report were prepared by the appraiser(s) whose signature(s) appears on the report, unless it is indicated that one or more of the appraisers was acting as "Review Appraiser." No change of any item in the report shall be made by anyone other than the appraiser. The appraiser shall bear no responsibility for any unauthorized changes.

CONFIDENTIALITY:

Except as provided for subsequently, the appraiser may not divulge the analyses, opinions or conclusions developed in the assignment, nor may he give a copy of the report to anyone other than the client or his designee as specified in writing. However, this condition does not apply to any requests made by the Appraisal Institute or the State of Nevada for purposes of confidential ethics enforcement. Also, this condition does not apply to any order or request issued by a court of law or any other body with the power of subpoena. The appraiser may be requested to submit copies of work to bona fide financial institutions in order to be approved to complete appraisal or consultation work for their institution. When requested, the appraiser will contact the client to obtain release to disseminate copies of the report to requesting institutions. Requests for dissemination will be controlled by the client; however, approval to disseminate the report will not be unreasonably withheld. Any reports disseminated to requesting financial institutions would be edited to remove specific references to the subject property's name,

location and owner. Additionally, any specific reference to the client will also be deleted.

INFORMATION SUPPLIED BY OTHERS:

Information (including projections of income and expenses) provided by informed local sources, such as government agencies, financial institutions, Realtors, buyers, sellers, property owners, bookkeepers, accountants, attorneys, and others is assumed to be true, correct and reliable. No responsibility for the accuracy of such information is assumed by the appraiser. The appraiser is not liable for any information or the work product provided by subcontractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other sources thought reasonable. In some instances, an impractical and uneconomic expenditure of time would be required in attempting to furnish absolutely unimpeachable verification. The value conclusions set forth in the appraisal report are subject to the accuracy of said data. It is suggested that the client consider independent verification as a prerequisite to any transaction involving a sale, a lease or any other commitment of funds with respect to the subject property.

TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICE:

The contract for each appraisal, consultation or analytical service is fulfilled and the total fee is payable upon completion of the report. The appraiser or anyone assisting in the preparation of the report will not be asked or required to give testimony in court or in any other hearing as a result of having prepared the report, either in full or in part, except under separate and special arrangements at an additional fee. If testimony or a deposition is required because of any subpoena, the client shall be responsible for any additional time, fees and charges, regardless of the issuing party. Neither the appraiser nor anyone assisting in the preparation of the report is required to engage in post assignment consultation with the client or other third parties, except under a separate and special arrangement and at an additional fee.

EXHIBITS AND PHYSICAL DESCRIPTIONS:

It is assumed that the improvements and the utilization of the land are within the boundaries of the property lines of the property described in the report and that there is no encroachment or trespass unless noted otherwise within the report. No survey of the property has been made by the appraiser and no responsibility is assumed in connection with such matters. Any maps, plats, or drawings reproduced and included in the report are there to assist the reader in visualizing the property and are not necessarily drawn to scale. The reliability of the information contained on any such map or drawing is assumed accurate by the appraiser and is not guaranteed to be correct.

TITLE, LEGAL DESCRIPTIONS, AND OTHER LEGAL MATTERS:

No responsibility is assumed by the appraiser for matters legal in character or nature. No opinion is rendered as to the status of title to any property. The title is presumed to be good and merchantable. The property is analyzed as if free and clear, unless otherwise stated in the report. The legal description, as furnished by the client, his designee or as derived by the appraiser, is assumed to be correct as reported. The report is not to be construed as giving advice concerning liens, title status, or legal marketability of the subject property.

ENGINEERING, STRUCTURAL, MECHANICAL, ARCHITECTURAL CONDITIONS:

This report should not be construed as a report on the physical items that are a part of any property described in the report. Although the report may contain information about these physical items (including their adequacy and/or condition), it should be clearly understood that this information is only to be used as a general guide for property analysis and not as a complete or detailed report on these physical items. The appraiser is not a construction, engineering, or architectural expert, and any opinion given on these matters in this report should be considered tentative in nature and is subject to modification upon receipt of additional information from appropriate experts. The client is advised to seek appropriate expert opinion before committing any funds to the property described in the report.

Any statement in the report regarding the observed condition of the foundation, roof, exterior walls, interior walls, floors, heating system, plumbing, insulation, electrical service, all mechanicals, and all matters relating to construction is based on a casual inspection only. Unless otherwise noted in the report, no detailed inspection was made. For instance, the appraiser is not an expert on heating systems and no attempt was made to inspect the interior of the furnace. The structures were not investigated for building code violations and it is assumed that all buildings meet the applicable building code requirements unless stated otherwise in the report.

Such items as conditions behind walls, above ceilings, behind locked doors, under the floor, or under the ground are not exposed to casual view and, therefore, were not inspected, unless specifically so stated in the appraisal. The existence of insulation, if any is mentioned, was discovered through conversations with others and/or circumstantial evidence. Since it is not exposed to view, the accuracy of any statements regarding insulation cannot be guaranteed.

Because no detailed inspection was made, and because such knowledge goes beyond the scope of this analysis, any comments on observed conditions given in this appraisal report should not be taken as a guarantee that a problem does or does not exist. Specifically, no guarantee is given as to the adequacy or condition of the foundation, roof, exterior walls, interior walls, floors, heating systems, air conditioning systems, plumbing, electrical service, insulation, or any other detailed construction matters. If any interested party is concerned about the existence, condition, or adequacy of any particular item, it is strongly suggested that a mechanical and/or structural inspection be made by a qualified and licensed contractor, a civil or structural engineer, an architect or other experts.

This analysis is based on the assumption that there are no apparent or unapparent conditions on the property site or improvements, other than those stated in the report, which would materially alter the value of the subject. No responsibility is assumed for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and standard for the properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment is made in the analysis as to the adequacy of insulation, the type of insulation, or the energy efficiency of the improvements or equipment which is assumed to be standard for the subject's age, type and condition.

AMERICANS WITH DISABILITIES ACT:

The Americans With Disabilities Act became effective on January 26, 1992. Unless otherwise noted in this report, I have not made a specific compliance survey or analysis of this property to determine whether or not it is conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, would

reveal that the property is not in compliance with one or more requirements of the Act. If so, this fact could have a negative effect on the value of the property as derived in the attached report. Since I have no direct evidence relating to this issue, and since I am not an expert at identifying whether a property complies or does not comply with the ADA, unless otherwise stated in the report, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property. Before committing funds to any property, it is strongly advised that appropriate experts be employed to ascertain whether the existing improvements, if any, comply with the ADA. Should the improvements be found to not comply with the ADA, a reappraisal at an additional cost may be necessary to estimate the effects of such circumstances.

TOXIC MATERIALS AND HAZARDS:

Unless otherwise stated in the report, no attempt has been made to identify or report any toxic materials and/or conditions such as asbestos, urea-formaldehyde foam insulation, or soils or ground water contamination on any land or improvements described in the report. Before committing funds to any property, it is strongly advised that appropriate experts be employed to inspect both land and improvements for the existence of such toxic materials and/or conditions. If any toxic materials and/or conditions are present on the property, the value of the property may be adversely affected and a reanalysis at an additional cost may be necessary to estimate the effects of such circumstances.

SOILS, SUB-SOILS, AND POTENTIAL HAZARDS:

It is assumed that there are no hidden or unapparent conditions of the soils or sub-soils which would render the subject property more or less valuable than reported in the appraisal. No engineering or percolation tests were made and no liability is assumed for soil conditions. Unless otherwise noted, sub-surface rights (minerals and oil) were not considered in completing this analysis. Unless otherwise noted, the land and the soil in the area being analyzed appeared to be firm, but no investigation has been made to determine whether or not any detrimental sub-soil conditions exist. The appraiser is not liable for any problems arising from soil conditions. Therefore, it is strongly advised that, before any funds are committed to a property, the advice of appropriate experts be sought.

If the appraiser has not been supplied with a termite inspection report, survey or occupancy permit, no responsibility is assumed and no representation is made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained.

The appraiser assumes no responsibility for any costs or for any consequences arising from the need or lack of need for flood hazard insurance. An Agent for the Federal Flood Insurance Program should be contacted to determine the actual need for flood hazard insurance.

LEGALITY OF USE:

This analysis assumes that there is full compliance with all applicable federal, state and local environmental regulations and laws, unless non-compliance is stated, defined and considered in the report. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a non-conformity has been stated, defined and considered in the analysis. It is assumed that all required licenses, consents, or other legislative or administrative authority from any local, state or national government, private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

INTRODUCTION

Client Bob Ryser
Fire Chief
Storey County Fire District
Virginia City, Nevada 89440

Appraiser Anthony J. Wren, MAI, SRA
Nevada Certified General License # A.0000090-CG
Anthony J. Wren & Associates
P. O. Box 20867
Reno, Nevada 89515

Subject Assessor's Parcel Number 003-361-08
2998 Cartwright Road
Virginia City, NV 89440

Intended Use/Users of the Report

It is the appraiser's understanding that the user of the report will be Bob Ryser, Fire Chief, Storey County Fire District, Storey County for the possible purchase of the subject site.

Identification of the Appraisal Problem

It is the appraiser's understanding that the intended use of this report is for the for the possible purchase of the subject property by Storey County.

Purpose of the Appraisal

The purpose of this appraisal is to estimate a supportable "as is" estimate of market value, as of March 16, 2026

Interest Appraised	Fee Simple
Effective Date of Value	March 16, 2026
Date of Report	March 25, 2026

Appraisal Development and Reporting Process (Scope)

This is an appraisal report. The report is intended to conform with Section 2-2(a) of the Uniform Standards of Professional Appraisal Practice.

- a) Performed a virtual inspection of the subject and its neighborhood;
- b) Researched the subject's current physical and legal condition, as well as its background and history;

- c) Examined the market area to determine the existing inventory, demand, and marketability of properties similar to the subject;
- d) Researched and investigated relative market data including recent sales, leases, and other transactions.
- e) Investigated and analyzed the past sales history of the subject.
- f) Prepared the following appraisal report.

Standard Assumptions and Limiting Conditions

This appraisal was prepared subject to a standard set of assumptions and limiting conditions which are typical for the appraisal industry. These assumptions and limiting conditions are provided in detail at the end of this report.

Extraordinary Assumptions

None

Hypothetical Conditions

The subject is being appraised as if not owned by the public and has a highest and best use and zoning calcification similar to the surrounding sites or E-10-HR, which is a rural residential zoning. The use of the Hypothetical Condition might have effected the results of my opinion.

DEFINITION OF MARKET VALUE

"Market Value" means the most probable price which a property should bring in a competitive and open market under all conditions requisite of a fair sale, the buyer and seller each acting prudently and knowledgeably and assuming the price is not affected by undue stimulus, whereby the sale is consummated on a specified date and the title to the property is passed from the seller to the buyer under the following conditions:

- a. The buyer and seller are typically motivated,
- b. The buyer and seller are well informed or advised and acting in what they consider to be their best interests,
- c. A reasonable time is allowed to expose the property for sale on the open market,

- d. Payment is made with United States dollars in cash or in terms of financial arrangements comparable thereto, and
- e. The sale price represents the normal consideration for the property and is unaffected by special or creative financing or sales concessions granted by any person associated with the sale."¹

CLIENT

The client of this report is Bob Ryser, Fire Chief, Storey County Fire District, Storey County.

LEGAL DESCRIPTION

The appraiser has not been supplied with a legal description. But, according to public records, it is zones 10's-School Site Town: Highland Ranches

PROPERTY RIGHTS APPRAISED

The subject property is appraised as a fee simple estate. A fee simple estate is defined as an absolute ownership unencumbered by any other interest or estate, subject only to the four powers of government.

OWNER OF RECORD

According to public records the subject property is owned by Storey County School District.

LAND AREA

The land area contains 7.24± acres or 315,374.40± sf. The reader is referred to various maps throughout this report which depict the subject property.

TOPOGRAPHY

The subject site is slightly above grade.

ACCESS

The subject property has access via Cartwright Road. Access is considered to be both typical and adequate.

¹ Assembly Bill AB #80, effective June 18, 1993

ZONING**Chapter 17.40 - E ESTATE ZONE****17.40.010 - Purpose and intent.**

The E estates zone is established for areas particularly suited for low density residential use, to further enhance the quality of life for residents, to prohibit the development of uses which are incompatible and detrimental to a rural residential environment, and to allow for the keeping of a limited number of large domestic animals for non-commercial purposes.

17.40.020 - Allowed uses.

The following uses are allowed in the E estates zone:

- A. One single-family detached dwelling of permanent character in a permanent location.
- B. Accessory uses customarily incidental to a permitted use, located on the same lot or parcel with a permitted use, and in compliance with the provisions under Section 17.12.048, Accessory uses.
- C. Storage parking for recreational vehicles, boats, utility trailers, horse trailers and similar equipment owned by the occupant of the permitted principal use, provided that such items are stored entirely within the private property.
- D. Agricultural and horticultural uses for domestic purposes and incidental to the permitted uses. Use also includes community gardens
- E. The keeping of large domestic animals such as sheep, bovine, swine, llamas, horses, goats, and other similar domestic farm animals under the ownership of the resident occupant of the lot, provided that any combination of such animals on any one lot does not exceed the following:

E-10	8 or less large domestic animals
E-10-HR	8 or less large domestic animals

- 1. A special use permit is required to exceed the above maximums for large domestic animals.
- 2. Sanitary conditions must be maintained at all times in order to prevent a nuisance or health hazard from occurring.
- 3. There must be a minimum of four hundred square feet per penned land area per large domestic animal, which must be on less than ten percent slope grade.

17.40.025 - Uses subject to special use permit.

The following additional uses may be permitted subject to securing a special use permit as provided for in Chapter 17.03 Administrative Provisions.

A. The keeping of five or more dogs or three or more pot-belly pigs more than twelve weeks old, but not a commercial kennel. A minimum of ten acres is required.

B. The keeping of large domestic animals exceeding the maximum number allowed pursuant to Section 17.40.020.

C. Wild animal keeping.

D. Civic uses including:

1. Public facilities and offices for fire, emergency services, and sheriff. Jails are prohibited.

2. Helipads and heliports for use only by medical evacuation transport services. These uses are prohibited for any other purpose.

3. Libraries, governmental offices, post offices, and community centers.

4. Education including elementary, middle, and high (K-12) schools and academies, colleges and higher education, technical and vocational education, apprentice training, whether public, private, or parochial. Student residential and boarding accommodations are prohibited.

5. Picnicking areas, parks, dog parks, walking and bicycle trails, interpretive trails, restroom facilities, and information kiosks.

6. Public utility and transmission substations, water storage facilities and storm water drainage, detention, retention and storage.

E. Equestrian establishments, ten acre minimum requirement, when accessory to a primary onsite residence.

F. Animal boarding and grooming, ten acre minimum, when accessory to a primary onsite residence.

G. Single-family dwellings less than eight hundred square feet in area.

17.40.030 - Minimum lot size.

Each E estate zone must have a minimum acreage limit with an exception for civic uses listed above in consideration with the special use permit. The minimum acreage limit number must be the suffix for the respective zone (e.g., "E-1" represents the E estate zone with one acre minimum parcel area). A parcel zoned E must be at least one acre. The area contained within the E estate parcel must be inclusive of all easements, including easements for access to an adjacent parcel. The acreage in each E estate zone is shown in the following table:

Zone and Suffix Minimum Acreage

E-10	10 acre
E-10-HR	10 acres located in Highland Ranches

Other suffix E estate zones with minimum acreage between the above numbers or larger than 40 acres may be permitted so long as the minimum acreage limitation in the zone existing at the time of adoption of this title is met.

17.40.040 - Lot dimensions.

For the creation of new parcels subject to a parcel or subdivision map, the average dimension of a lot in one direction (front to rear or side to side) may not exceed four times the average dimension in the other direction.

17.40.045 - Height of buildings and structures.

A building, manufactured home, or structure may not exceed a height of three stories or thirty-five feet, whichever is higher, except as may be allowed by a special use permit. The requirements of this section do not apply to church spires, belfries, cupolas, domes, chimneys, grain silos, water towers, or flagpoles. The height of support structures (towers) for radio, television, other communication antennas, and wind energy turbines is regulated under Chapter 17.12, General Provisions.

17.40.050 - Setback and minimum floor area requirements.

Unless stated otherwise in this section, the minimum square feet for a residence, and the distance between the principal building and the property line. Setback requirements for accessory buildings must comply with Section 17.12.045. Setbacks are from the property line except when an encroaching easement exists for the purpose of providing a public or private road, but not driveway.

THREE-YEAR SALES HISTORY

The subject property has not changed hands within the last three years.

CURRENT LISTING INFORMATION ON THE SUBJECT PROPERTY

According to public records, the property is not currently listed for sale, nor has been listed for sale in the immediate past.

TAX DATA

The 2025/2026 taxes on the subject property were \$0.00.

As is discussed in the *Area Analysis* of this report, the Virginia City area and the State of Nevada have a very favorable tax rate. There are no apparent or anticipated increases in taxes in the foreseeable future, nor are there any anticipated assessments that would affect the subject property. The taxes for the subject property are typical for the area and do not appear to have any positive or negative effect on the overall value of the subject improvements. Taxes on the improvements are considered to be typical for the area and again, do not appear to have an overall effect on valuation. The following chart sets forth the summary of tax data for the subject property.

SUMMARY OF TAX DATA

APN	Assessed Value		Total Assessed Value	2023-2024 Taxes	Taxable Value
	Land	Improvements			
003-361-08	\$29,225	\$7,085*	\$36,310	\$0.00**	\$103,742

* There are no improvements on the site. This assessment should be challenged. ** The property is public therefore exempt from taxes.

SPECIAL ASSESSMENTS

The appraiser has contacted the Storey County Treasurer's Office to determine if there are any special assessments against the subject property. As of the date of inspection, March 16, 2026, a representative with the Treasurer's Office indicated to this appraiser that there are no current special assessments for the subject parcel.

AREA MAP

AREA/NEIGHBORHOOD DESCRIPTION

The subject property is located in the Highland Ranches. Virginia City is located in the mountains of Storey County. A portion of this description was provided to the appraiser by a property owner from a previous appraisal.

Brief History of Storey County

In 1859, the discovery of the Comstock Lode led to the creation of Storey County in 1861. Encompassing the incorporated cities of Gold Hill and Virginia City, the Comstock, as it is fondly referenced, became the prototype of frontier mining boomtowns. By 1865, the Comstock was a lively place, and because of the mining activity, a large business section was developed. The communities were rich with fraternal organizations, churches, and several newspapers. 1869 brought the construction of the Virginia & Truckee Railroad through Storey County, and an even greater period of prosperity, lasting for nearly a decade.

The decline in metals production caused a decline in population, leaving the cities lacking in funds to provide services. Gold Hill dis-incorporated in 1881, and Virginia City soon followed. In 1938 the Virginia & Truckee Railroad was abandoned and by 1943 the area was a virtual ghost town. A brief resurgence occurred early in the 20th century with open pit mining, but it was not enough to keep the area alive. The 1950s brought a modern tourist boom to this rural area, resulting in an increased county population. There are many cemeteries in the Virginia City and Gold Hill area of Storey County. All have been documented as historical and are part of the Virginia City Historic District as it appears on the National Historical Landmark Register and the Nevada State Historical Landmark Register.

Storey County is located in western Nevada and is bordered by the counties of Carson, Lyon and Washoe. Storey County history dates from 1859, when gold was discovered, prompting a rush from the mining districts of California. Shortly thereafter, the Comstock Lode was renowned as "The Richest Place on Earth", with thousands of residents calling the area home.

Not too long after, mining went bust and tourism was the leading element of the county's economy. Created in November 25, 1861, Storey County was named for Captain Edward Faris Storey, one of the first residents of Virginia City and a commander in the Pyramid Lake War of 1860. Storey County covers approximately 262 square miles and accounts for approximately 0.24 percent of Nevada's total surface area of 110,540 square miles.

Virginia City

In 1859, miners and prospectors in the western Great Basin made two amazing strikes of gold and silver ore near Virginia City. The Comstock Lode, as it was called, resulted in what would today be billions of dollars in riches. Virginia City became a highly urbanized, industrial setting and by the early 1870s, Virginia City and Gold Hill reached a population of nearly 25,000, becoming one of the nation's larger communities.

Mining camps are known to pass through an evolution of boom, dramatic growth and excitement, and then decline. Virginia City certainly followed that pattern. By the early 1880s, it was becoming clear that the good times were over. It had been years since miners had discovered any new claims and thousands of people were leaving for better opportunities. By the time of the Great Depression of the 1930s, Virginia City had declined, shrinking into a town of only several hundred people.

However, the NBC television western "Bonanza" that ran from 1959 to 1973 brought Virginia City back to life. Due to the enormous popularity of the show, visitors from around the world began to seek out and discover this famous western city. Bonanza influenced the city's offerings to also include amenities for travelers like restaurants, saloons and shops along the main strip.

Fourth Ward School Museum

On November 28, 1876, the excited residents of Virginia City christened their new monument to education, the Fourth Ward School. The majestic four-story building could accommodate over 1000 students, and it boasted state-of-the-art heating, ventilation, and sanitation systems, as well as water piped to all floors. Today this historical treasure is a museum featuring programs designed to tell the real story of the American West. Permanent exhibits include the Fourth Ward School building, a historical overview of the Comstock, a newly renovated Comstock mining overview, 1870's classroom, Virginia City Alumni photographs and memorabilia, and Mark Twain history.

Silver Terrace Cemetery

On the hillsides of Virginia City, among the many abandoned mines that remind visitors of the Comstock's heyday, resides the Silver Terrace Cemetery. The ornate, Victorian-era plots tell the stories of Virginia City's history and immigrant culture, capturing their profiles in colorful inscriptions. Seasonally, living history tours are offered in the cemetery.

Piper's Opera House

Located on a hillside over-looking C Street is the magnificent Piper's Opera House. It was long considered one of the nation's most famous performance venues and one of the most significant vintage theaters in America. Built in 1885 and still in use, it has recently undergone extensive restoration. The stage once welcomed President Grant, Buffalo Bill, Al Jolson, and Mark Twain.

St. Mary's Art Center

Built in 1876, the St. Mary's Art Center was originally established as the St. Mary Louise Hospital by the Sisters of Charity and Bishop Patrick Manogue. The 36 room hospital included five wards and 12 private rooms that could accommodate upwards of 70 patients. Today it operates year round offering lodging and art instruction.

V&T Railroad

The Virginia & Truckee Railroad is by far the most famous of all American short line railroads. As many as 45 trains a day arrived and departed Virginia City. President U.S. Grant, and dignitaries the world over, rode in the ornate coaches of Virginia & Truckee. Completed in 1869, trains hauled millions of dollars of gold and silver ore from the rich mines of Virginia City.

There is a 35-minute excursion back into the Old West where one can journey over the original Virginia & Truckee Railroad from Virginia City, through tunnel 4 to Gold Hill, Nevada.

"C" Street

The main street running through town is "C Street" with restaurants, saloons, shops and attractions.

It is noted that Storey County has diversified its economic base with the recent announcements of Switch and Tesla building new facilities in the Tahoe Reno Industrial Center (TRIC).

Access through the area is provided by State Route 341. State Route 341 extends northerly from U.S. Highway 50 near Mound House through Virginia City northerly and westerly through the mountains until it joins U.S. Highway 395 at the Mt. Rose junction, just south of Reno. State Route 341 is a two lane, asphalt paved roadway. State Route 341 splits in two between Silver City and Virginia City. The westerly roadway in this area is known as State Route 342. The eastern roadway remains State Route 341. Through Gold Hill, State Route 341 is known as Main

Street, the main thoroughfare through town. Through Virginia City, State Route 341 is known as C Street, the main thoroughfare through town.

The old mining town of Silver City is located a short distance south of Gold Hill, along State Route 342. This town is very small with only a handful of storefronts and residences. From the intersection of State Route 341 and U.S. Highway 50, Carson City is a short distance to the west and Dayton is a short distance to the east.

Virginia City is one mile to the north of Gold Hill. Virginia City is primarily a tourist town. Downtown Virginia City involves an area a few blocks long and extending one block above and one block below the main street. The majority of the buildings are very old, dating back to the late 1800s. The original covered wood sidewalks remain. There are several saloons, retail stores, museums, restaurants, rooming houses, and lodging facilities, etc. The development extending westerly and easterly becomes primarily residential with scattered homes of varying ages and quality. Virginia City is the county seat for Storey County. A historic courthouse dating back to 1876 is located one block west of C Street, and houses all of the county offices, as well as the courthouse, Sheriff's office, and the county jail.

North of Virginia City are several residential developments spread throughout the hills. This area is primarily known as the Virginia City Highlands. Due to its relative proximity to Reno, and its country atmosphere, many people choose to live here and commute to Reno for work. State Route 341 becomes a steep winding road as it leads down to the Truckee Meadows. This portion of the highway is known as the Geiger Grade.

Gold Hill currently is a small historic community consisting of a hotel, two saloons, a few small shops, scattered residences and the Gold Hill Train Depot. The hotel, the Gold Hill Hotel, is reported to be the oldest and longest operating hotel in Nevada and is well known. With the exception of some newer residences, most of the remaining buildings in Gold Hill are historic and date back to the late 1800s.

All utilities including electricity, water, sewer, gas, and telephone are available within Virginia City. Outlying areas typically rely on wells and septic systems. There is also an elementary school, middle school, and high school located in Virginia City.

Currently the population is estimated to be approximately 800 people. According to the 2000 Census, the population of Storey County, which included the town of Gold Hill, the Highland Ranch development north of Virginia City, and a portion of the Stagecoach area to the southeast, was just over 3,000 people.

The economy of Virginia City is centered on tourism, which accounts for about 90% of the economic base of the town. The Tourism Board estimates that 1.6 million visitors come to Virginia City each year. Most tourists are day trippers who arrive by car or bus. Overnight accommodations are limited to 163 lodging rooms in eight properties, including the new 67-room Ramada Inn (which is the only new

commercial building built in Virginia City in the last several years) and the 50 spaces in the Virginia City RV park. "C" Street is developed with over 150 gift shops, several restaurants, and historic saloons. Other tourist attractions included several historic mansions, the Chollar Mine, the Fourth Ward School House, three historic churches, Piper's Opera House and the V&T Railroad, which makes nine runs per day, seven days per week, from April through October to Gold Hill. In addition, several small museums are located in stores or saloons on "C" Street. Special events are scheduled nearly every weekend from April through October.

Shopping is limited primarily to the gift shops. There are two convenience markets, one in the Sugar Loaf Motel and one in the Virginia City RV Park, one bank, a public library, one gas station, and a post office. The only laundromat in town is in the Virginia City RV Park. Most normal utilities are available to the area. Electricity is provided by NV Energy and telephone service is provided by AT&T. Water and sewer services are provided by Storey County, and Virginia City owns its own cable company, which provides expanded basic service. There is no natural gas to the town. Residents heat their homes primarily with propane, augmented by wood stoves or fireplaces.

Virginia City has a public elementary school, a middle school, and a high school. The town also has a library, a senior citizens facility, a community swimming pool, and several churches. The closest hospital is in Reno. There is a landing pad for CareFlight services to Reno hospitals.

In summary, Virginia City is a small, historic community, located in a tourist area founded on silver and gold mining. Mining claims are scattered throughout the area. Currently, the main sources of employment are in tourism-related services and the Storey County government offices. While the town has the feeling of being remote, it is only 14 miles to Carson City and 25 miles to Reno. Any and all needed facilities and services are located in these two cities.

Highland Ranches:

Highland Ranches, nestled in the picturesque landscapes of Reno, Nevada, within Storey County. This charming subdivision offers a unique blend of rural tranquility and modern living, making it an ideal haven for those seeking a peaceful lifestyle without sacrificing convenience.

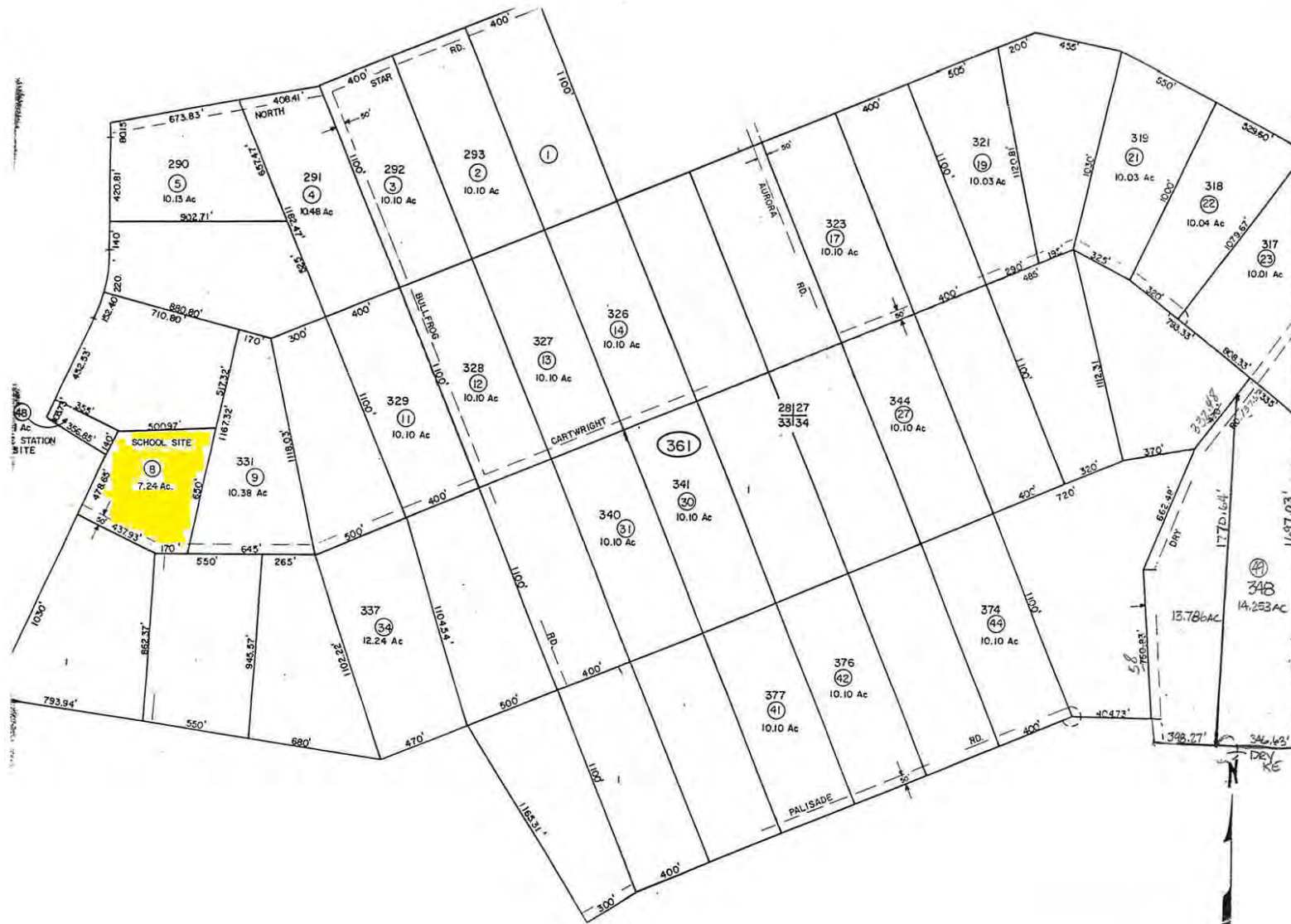
Highland Ranches is characterized by its stunning homes that boast breathtaking rural views, allowing residents to immerse themselves in the beauty of nature right from their own backyards. Imagine sipping your morning coffee while gazing at the rolling hills and expansive skies that surround you, or enjoying evening sunsets that paint the horizon in vibrant hues. Each property is thoughtfully designed

to complement the natural surroundings, providing a serene escape from the hustle and bustle of urban life.

The community is perfect for families, retirees, and anyone in between, offering a welcoming atmosphere where neighbors become friends. With ample outdoor activities at your doorstep, residents can explore hiking trails, enjoy horseback riding, or simply take leisurely strolls through the scenic countryside.

Despite its rural charm, Highland Ranches is conveniently located just a short drive from the vibrant city of Reno. Enjoy easy access to shopping, dining, and entertainment options while returning home to the peaceful embrace of your private retreat.

ASSESSOR'S PARCEL MAP



PROPERTY IDENTIFICATION AND SITE DESCRIPTION

Parcel Address	2998 Cartwright Road, Virginia City, Storey County, Nevada 89440
Property Owner	Storey County School District
Location	The subject property is located on the north side of Cartwright Road
APN/Land Area	003-361-08 Land Area: 7.24± ac or 315,374.40± sf
Site Dimensions	Irregular, see attached maps

Owner of Record/Sale History

According to public records, the owner is Storey County School District. There have been no arms length transactions in the last three years, which has been reported earlier in this report.

Access

The subject property has access via Cartwright Road. Access is considered to be both typical and adequate for the area.

Topography

The subject site is considered level. The subject property is located on the north side of Cartwright Road.

Easements

The appraiser has not been provided with a preliminary title report. However, easements are considered to be typical.

Utilities

Type of Utility	Purveyor	Availability
Electricity	NV Energy	To property
Propane	Comstock Propane	None
Water	Well	None
Sewage	Septic	None

Utilities are considered to be adequate and typical.

Water Rights None.

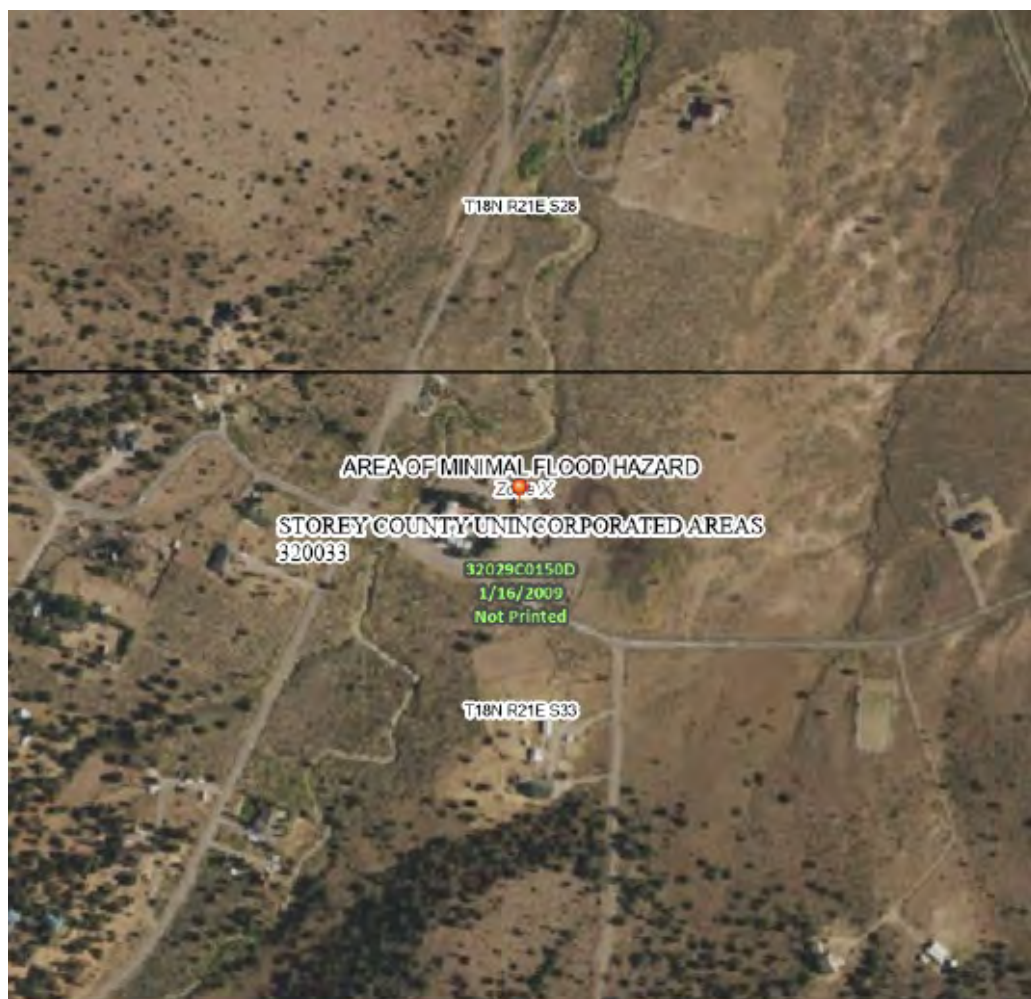
Environmental Observations

The subject is un-improved. There are no observed environmental contaminations. However, if the reader has any concerns of environmental contaminations, it is the appraiser's recommendation that an Environmental Site Assessment be conducted.

Flood Zone

According to the Federal Emergency Management Agency (flood insurance rate map, community panel #32029C0150D, effective date of January 16, 2009), the subject property is located in a Flood Zone X, or an area of minimal flooding.

FLOOD ZONE MAP



Development Approval/Entitlements

None

Current Use

Vacant Public

Highest and Best Use

Rural Residential

Special Assessments

None

Soil Conditions

A soils report has not been made available.

Seismic Hazards

According to the current Uniform Building Code, the Virginia City area falls within a seismic risk zone 3. Zone 3 encompasses areas that have a number of local faults and where there is a relatively strong possibility of moderate seismic activity. Special construction techniques are necessary but these conditions are typical throughout northern Nevada.

Surrounding Uses

The subject property is located on the north side of Cartwright Road, Highland Ranches, Nevada. The subject property is located in an area that has a number of rural, single family structures.

Site Improvements

None

HIGHEST AND BEST USE ANALYSIS

Hypothetical Condition:

The subject is being appraised as if not owned by the public and has a highest and best use and zoning calcification similar to the surrounding sites or E-10-HR, which is a rural residential zoning. The use of the Hypothetical Condition might have effected the results of my opinion.

The term "highest and best use," as used in this appraisal report, has been defined as:

"the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."²

Implied in this definition is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals, as well as the benefits of that use to individual property owners. An additional implication is that the determination of highest and best use results from the appraiser's judgment and analytical skills. In other words, the use determined from analysis represents an opinion, not a fact to be found.

In appraisal practice, the concept of highest and best use represents the premise on which value is based. The use should take the highest advantage of the attributes of the property while neutralizing, to the greatest possible extent, any negative characteristics. At the same time, the use should operate within the limits of approved and justified investment.

In arriving at an estimation of the highest and best use for the subject property, the appraiser has followed a four point analysis, as set out below:

1. Legally Permissible – The uses that are legally permitted by private restrictions, zoning, building codes, historic district controls and environmental regulations on the site.
2. Physically Possible – The use to which it is physically possible to put the site in question.
3. Financially Feasible – The possible and permissible uses that will produce a net income, or return, equal to or greater than the amount needed to satisfy operating expenses, financial obligations and capital amortization.

²The Appraisal of Real Estate, 12th Edition, page 318, published by the Appraisal Institute 2001

4. Maximally Productive – Of the financially feasible uses, the use that produces the highest residual land value consistent with the rate of return warranted by the market for that use is the highest and best use.

HIGHEST AND BEST USE AS IF VACANT

Legally Permissible

The first consideration of the highest and best use of the subject property is the legally permissible uses of a property as if vacant. Primarily, this is directed at the zoning of the property; the covenants, conditions, and restrictions of the property; and the development standards of the subdivision in which the subject property is located.

The subject property is located in the jurisdiction of the Virginia City Township, Storey County and is subject to its current zoning ordinances. According to representatives of the Zoning Department of Virginia City, the subject property is zoned E10HR which is a rural residential use typical for Highland Ranches, Virginia City.

Based on the subject's current zoning code, development of the site as a rural residential parcel would be permissible given the subject's current site size.

Physically Possible

The next step in estimating the subject site's highest and best use is to determine which legally permissible use(s) is physically possible for the subject property. This analysis considers the physical characteristics of the site as well as surrounding uses which might influence the potential use. As explained in the *Site Analysis* section of this report, the subject site contains a gross land area of 7.24± acres. The site is relatively level and is located in an Unshaded Flood Zone X which is outside the 100-year flood plain. The subject property is located on the north side of Cartwright Road, Highland Ranches in Virginia City, Nevada. Access is considered to be both adequate and typical. Visibility is considered to be good. There do not appear to be any adverse easements which would affect the value or the utility of the property. Due to the access and visibility of the site, it is felt that the site is adequate for a variety of different property uses which would be in conformance with the legally permissible uses.

The appraiser has also examined the surrounding properties in the neighborhood and trends in the immediate area in order to gain insight as to physical constraints experienced upon other similar sites. The subject property is located in an area that has been developed for several years and is considered to be a highly desirable area. However, it must be noted that highland Ranches/Virginia City has

seen minimal new construction in several decades. Though there are several vacant sites in the immediate area, there has been limited residential development in the immediate area. Overall, the subject property has adequate physical features to support a variety of improvements. The subject's access, topography, location, and availability of utilities are all felt to be suitable for either a residential development.

Surrounding land use relates to the principle of conformity. This principle holds that "real property value is created and sustained when the characteristics of a property conform to the demands of its market."³ Inherent in this principle is a compatibility of land uses in an area, as well as a reasonable degree of homogeneity. From a compatibility standpoint it is most likely that the subject site as vacant would be developed with some type of commercial/industrial utilization that would fit well within the immediate area because of the fact that this type of use blends well with the surrounding neighborhood.

In conclusion, the physical aspects of the subject site best lend themselves to some type of residential utilization because of the surrounding development and the general characteristics of the immediate area. The principle of conformity leads the appraiser to the conclusion that some type of residential development is appropriate for the subject site.

Financially Feasible

The legally permissible and more specifically, the physically possible and compatible considerations, narrow the subject site's potential development alternatives to a Residential use. The next consideration is that of financial feasibility, specifically whether or not a commercial/residential use as indicated by the legally permissible and physically possible considerations is profitable at this time. In other words, do the potential benefits from the operation of the selected uses outweigh the cost of constructing such a project?

According to the Area and Neighborhood Analyses, and the State of Nevada, there appears to be limited demand for residential development in Highland Ranches/Virginia City. Therefore, as of the date of the appraisal, it is this appraiser's opinion that it would not be financially feasible to construct a new Residential building on this site, given the current economic situation. It is the appraiser's opinion that a residential utilization on the site is the most advantageous use of this site. However, there is limited demand for new development.

³ **The Appraisal of Real Estate**, 12th Edition, published by the Appraisal Institute, 2001, page 319

Maximally Productive Use

The final step in estimating the highest and best use is to determine which use among the feasible uses would produce the highest net return or the highest net present value to the property. This analysis also focuses on the most appropriate density, type of finish, and other building attributes that are more specific than the use of the property.

Given the current economic conditions of Highland Ranches/Virginia City and Storey County, and the State of Nevada, there is currently no indication of what the maximum productive use of the site would be other than residential use, if and when the local economy wanted new development.

Conclusion, As If Vacant

Based on the preceding analysis of the legally permissible, physically possible, financially feasible, and maximally productive uses, it is the appraiser's opinion that the highest and best use of the subject site, as if vacant, would be for a residential development at a time when new construction is warranted in Highland Ranches/Virginia City. The appraiser would like to point out that even though there are a number of vacant sites in the immediate area of the subject property, there has been limited or no new development within the neighborhood in the last few years. Therefore, it would be this appraiser's opinion to hold the property as vacant until future demand indicates construction.

APPROACHES TO VALUE

In the appraisal of real estate, there are three basic traditional approaches for estimating property values. The three approaches are: Direct Sales Comparison Approach (also referred to as the Market Approach), the Cost Approach and the Income Approach. The final step in estimating a property's "market value" (i.e., the most probable selling price), is to correlate the value estimate of the three approaches into a single value estimate.

The Cost Approach

This approach is based on the proposition that an informed purchaser would pay no more than the cost of producing a substitute property with the same utility as the subject property. It is particularly applicable when the property being appraised involves relatively new improvements which represent the highest and best use for the land, or when unique or specialized improvements are located on the site for which there exists no comparable properties on the market. The Cost Approach has been eliminated from this report since the property is a vacant parcel, the cost approach is not appropriate or necessary.

Income Approach

This approach is based on the proposition that a property is worth no more than the capitalized value of the income stream that the property is capable of generating. The procedure converts anticipated benefits (dollar income), to be derived from the ownership of property into a value estimate. The Income Approach has not been utilized because the subject property is a vacant parcel, the income approach is not appropriate or necessary.

Direct Sales Comparison Approach

This approach is based on the proposition that an informed purchaser would pay no more for a property than the cost to him of acquiring an existing property with the same utility. It is applicable when an active market provides sufficient quantities of reliable data which can be verified from authoritative sources. Adjustments extracted from the market are applied to the comparable sales for any differences that exist between the sales and the subject. The categories of adjustment include, but are not limited to, location, access, size, shape, market conditions at the time of sale and the terms of the sale.

DIRECT SALES COMPARISON APPROACH -- LAND ONLY

Site valuation is typically estimated by using the Direct Sales Comparison Approach. Similar sites competing in Storey County market sector are compared with the subject. Adjustments are applied to the comparable site sales for any differences that exist between the sales and the subject. The categories of adjustment include, but are not limited to, location, access, size, shape, market conditions at the time of sales, and terms of the sale. Because of the type and quality of the sales found, adequate actual paired sales cannot be made to ascertain exact adjustments. Therefore, for purposes of this report, a qualitative and not a quantitative analysis will be made. Therefore plus (+) and minus (-) signs will be used in these adjustments. These adjustments are not intended to be exact but to help lead the appraiser and the reader to an overall conclusion of value for the subject property.

The following pages contain an abstract of the most recent site sales comparable to the subject property.

COMPARABLE LAND SALE CHART

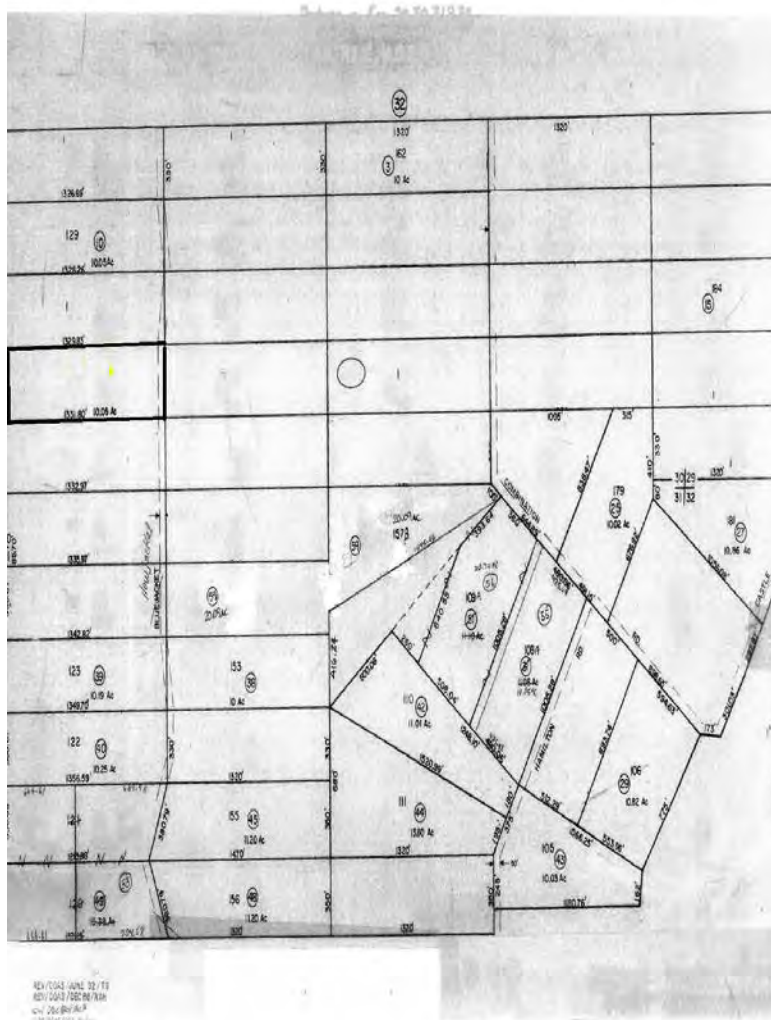
Sale No.	APN Address	Sale Date	Sale Price	Land Area	Zoning	Price/SF	Grantor Grantee Doc. No.
1	003-461-21 1260 YellowJacket Highland Ranches	01-08-25	\$110,000	10.06± acres	E10HR	\$10,934.39	Pressey Sasse 140542
2	003-042-12 2441 Louse town Highland Ranches	02-10-25	\$54,000	2.78± acres	E1VCH	\$19,424.46	Hernandez/Oswald Hernandez 140674
3	003-071-09 2051 Louse town Highland Ranches	03-10-25	\$40,000	2.11± acres	E1VCH	\$18,957.35	Ivins Armstrong 140802
4	003-361-22 3180 Cartwright Highland Ranches	10-03-25	\$88,000	10.04± acres	E10HR	\$8,764.94	Bailey Collewyn/Davis 141825
5	003-442-01 140 west Five Mile Highland Ranches	10-24-25	\$199,000	10.02± acres	E10HR	\$19,860.28	Crispen Hoo 141942
6	003-411-08 4760 Livery Highland Ranches	01-09-26	\$140,000	14.46± acres	E10HR	\$9,681.88	Gill Chandler 142326
Subject	003-361-08 2998 Cartwright Highland Ranches			7.24± acres	E10HR		Storey County School

COMPARABLE LAND SALES LOCATION MAP



COMPARABLE LAND SALE #1

County: Storey **APN:** 003-461-21 **Type:** Vacant land
Address: 1260 Yellowjacket, Highland Ranches, Virginia City, Nevada
Grantor: Don W. Pressey and Jane Pressey
Grantee: Cara Sasse and Kent Sasse
Deed Date: 01-07-25 **Recording Date:** 01-08-25
RPTT: \$429.00 **Doc. No.:** 140542
Legal Description: Retained in Appraisers file
Size: 438,213.60± sf or 10.06± ac
Zoning: E10HR (Residential)
Land Use: Vacant Land **Utilities:** Limited
Access: Typical **Topography:** Typical
Sale Price: \$110,000 **Unit Price:** \$10,934.39
Financing: Cash to seller
Verified with: Public Records
 By Anthony J. Wren, MAI, SRA 3/26

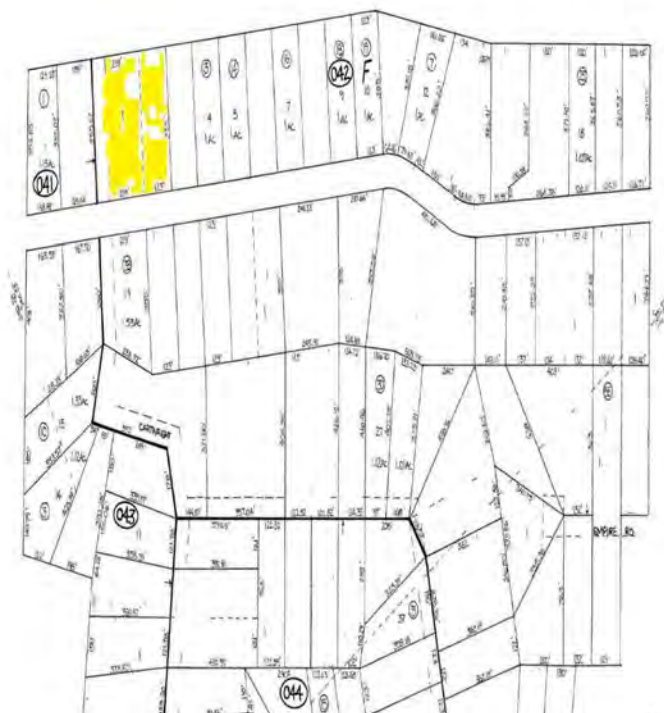


COMPARABLE LAND SALE #1



COMPARABLE LAND SALE #2

County: Storey **APN:** 003-042-12 **Type:** Vacant land
Address: 2441 Lousetown Road, VC Highlands, Virginia City, Nevada
Grantor: Robert B. Hernandez and Jennifer D. Oswald
Grantee: Bryan G. Hernandez
Deed Date: 01-24-25 **Recording Date:** 02-10-25
RPTT: \$210.50 **Doc. No.:** 140674
Legal Description: Retained in Appraisers file
Size: 121,096.80± sf or 2.78± ac
Zoning: E1VCH (Residential)
Land Use: Vacant Land **Utilities:** Limited
Access: Typical **Topography:** Typical
Sale Price: \$54,000 **Unit Price:** \$19,424.46
Financing: Cash to seller
Verified with: Public Records
By Anthony J. Wren, MAI, SRA 3/26



COMPARABLE LAND SALE #2



COMPARABLE LAND SALE #3

County: Storey **APN:** 003-071-09 **Type:** Vacant land
Address: 2051 Lousetown, VC Highlands , Virginia City, Nevada
Grantor: Erik Roman Ivins and Jessie F. Ivins, Co-Trustees
Grantee: Brent Armstrong and Rhianna Armstrong
Deed Date: 00-04-25 **Recording Date:** 03-10-25
RPTT: \$156.00 **Doc. No.:** 14802
Legal Description: Retained in Appraisers file
Size: 91,911.60± sf or 2.11± ac
Zoning: E1VCH (Residential)
Land Use: Vacant Land **Utilities:** Limited
Access: Typical **Topography:** Typical
Sale Price: \$40,000 **Unit Price:** \$18,957.35
Financing: Cash to seller
Verified with: Public Records
 By Anthony J. Wren, MAI, SRA 3/26



COMPARABLE LAND SALE #3

COMPARABLE LAND SALE #4

County: Storey **APN:** 003-361-22 **Type:** Vacant land
Address: 3180 Cartwright Road, Highland Ranches, Virginia City Nevada
Grantor: Bailey Holdings, LLC
Grantee: Alida Collewyn and Kevin Davis
Deed Date: 10-01-25 **Recording Date:** 10-03-25
RPTT: \$343.20 **Doc. No.:** 141825
Legal Description: Retained in Appraisers file
Size: 437,342.40± sf or 10.04± ac
Zoning: E10HR (Residential)
Land Use: Vacant Land **Utilities:** Limited
Access: Typical **Topography:** Typical
Sale Price: \$88,000 **Unit Price:** \$8,764.94
Financing: Cash to seller
Verified with: Public Records
By Anthony J. Wren, MAI, SRA 3/26

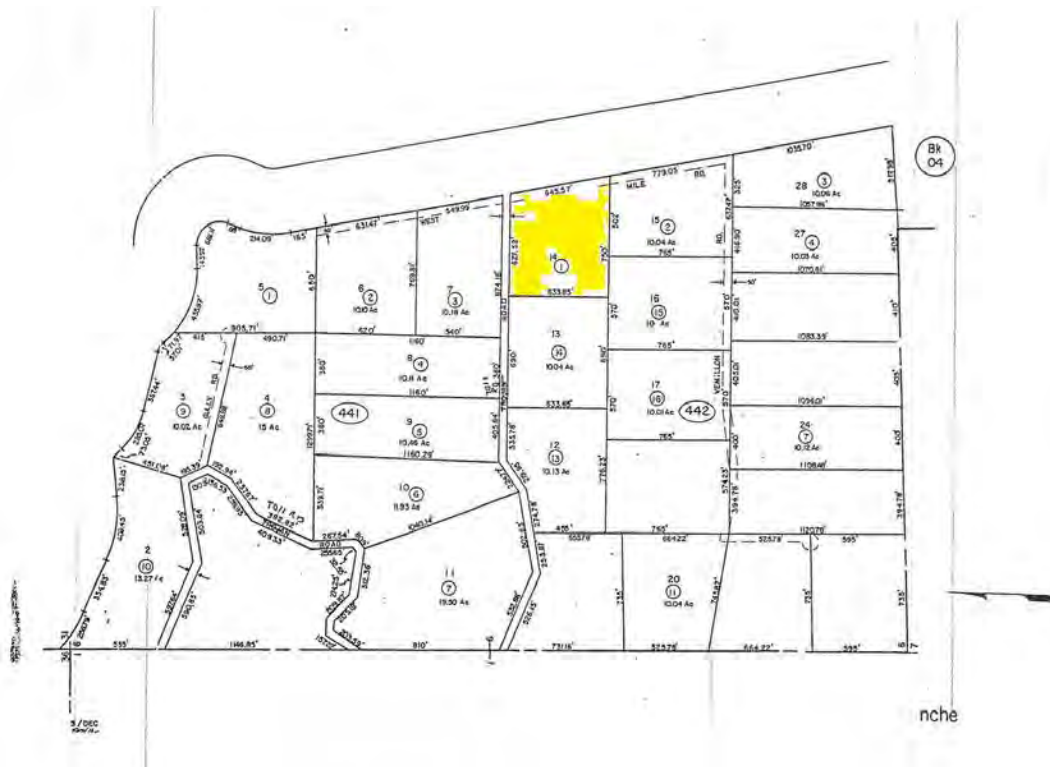


COMPARABLE LAND SALE #4



COMPARABLE LAND SALE #5

County: Storey **APN:** 003-442-01 **Type:** Vacant land
Address: 140 West Five Miles Road, Highland Ranches, Virginia City NV
Grantor: Andre Edwards Crippen and Meghann Corrine Crippen
Grantee: Eugene Hoo and Kathleen Hoo
Deed Date: 10-03-25 **Recording Date:** 10-24-25
RPTT: \$776.10 **Doc. No.:** 141942
Legal Description: Retained in Appraisers file
Size: 436,471.20± sf or 10.02± ac
Zoning: E10HR (Residential)
Land Use: Vacant Land **Utilities:** Limited
Access: Typical **Topography:** Typical
Sale Price: \$199,000 **Unit Price:** \$19,860.28
Financing: Cash to seller
Verified with: Public Records
 By Anthony J. Wren, MAI, SRA 3/26

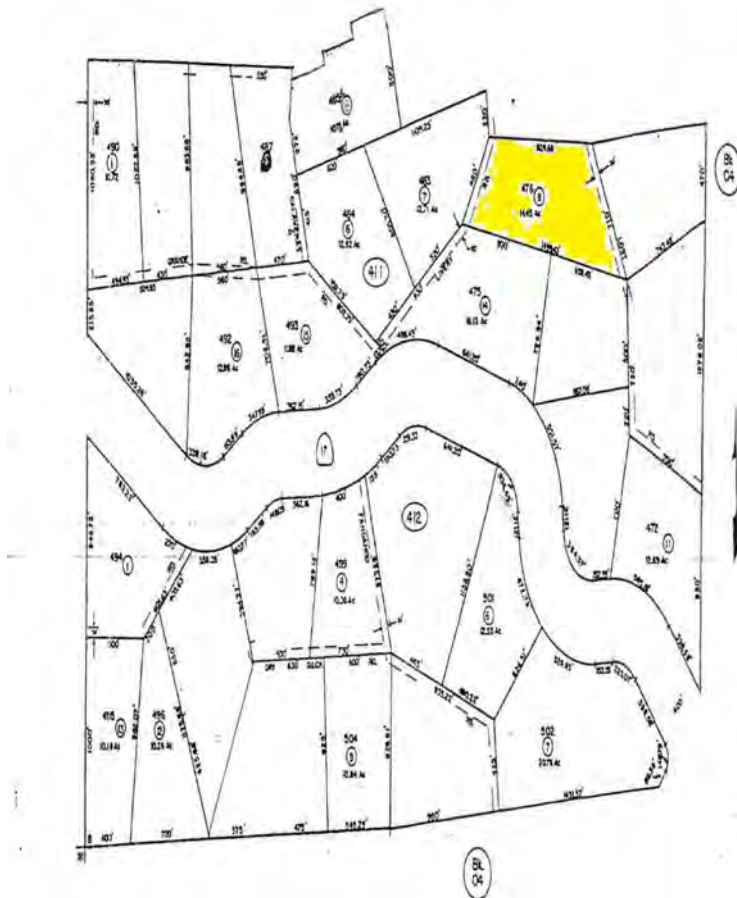


COMPARABLE LAND SALE #5



COMPARABLE LAND SALE #6

County: Storey **APN:** 003-411-08 **Type:** Vacant land
Address: 4760 livery Road, Highland Ranches, Virginia City NV
Grantor: Inderjit S. Gill and Marilyn R. Gill, Co-Trustees
Grantee: Dudley F. Chandler and Melissa C. Chandler
Deed Date: 12-25-25 **Recording Date:** 01-09-26
RPTT: \$546.00 **Doc. No.:** 142326
Legal Description: Retained in Appraisers file
Size: 629,877.60± sf or 14.46± ac
Zoning: E10HR (Residential)
Land Use: Vacant Land **Utilities:** Limited
Access: Typical **Topography:** Typical
Sale Price: \$140,000 **Unit Price:** \$9,681.88
Financing: Cash to seller
Verified with: Public Records
By Anthony J. Wren, MAI, SRA 3/26



COMPARABLE LAND SALE #6



COMPARISON FACTORS

Property Rights

This appraisal considers the subject's fee simple interest. All the properties utilized in this report involved the fee simple and no adjustments were considered to be necessary.

Terms

Sales or listings will be adjusted to cash or terms reasonably equivalent to cash. Terms reasonably equivalent to cash are based upon normal financing terms for properties of comparable highest and best use.

Time

Sales will be analyzed for appreciation or depreciation from the date of the sale to the date of the appraisal.

Location

Adjustments may consider value differences attributed to location.

Utility

Adjustments may consider the physical shape, topography, street frontage or other factors of a parcel that influence value.

Zoning

Sales will be adjusted according to their zoning classification.

Size

Adjustments consider if size affects value.

SALES ANALYSIS

For purposes of this report, the sales have been broken into a unit price per acre. Buyers and sellers of vacant land in the Highland ranches/Virginia City/Storey County area typically analyze sales and potential properties on a price per acre basis. Therefore, this analysis is being made on a price per acre basis. After a thorough search of the Highland Ranches, Virginia City and Storey County areas, and specifically the surrounding areas around the subject property, the most recent sales thought to be comparable to the subject were found and analyzed. The sales included in this appraisal are felt to be the best market indicators available. These sales occurred between January 2025 and January 2026. The sales ranged in size from 2.11± ac to 14.46± ac, as compared to the subject's 7.24± ac. The comparable properties utilized in this analysis will be compared and correlated to the subject property based on several different adjustment criteria. These include property rights, terms, time, location, utility, zoning, and overall size. The sales will be analyzed based on an overall price per square foot, which is most often analyzed in the local market for industrial land sales. An upward adjustment is made to the comparables' price per square foot when the subject is superior to the sale. Likewise, a downward adjustment is made for the comparables' price per square foot when the subject is inferior to the sale.

Property Rights Conveyed

This appraisal considers the subject's fee simple interest. All the sales utilized in this report involved the transfer of fee, and no adjustments were considered to be necessary.

Terms

All sales sold for cash or short-term deeds. All sales were considered to be cash to seller; therefore, there will be no adjustment for terms of sale.

Time (Marketing Conditions)

The sales occurred between March January 2025 and January 2026. As indicated in the *Area Analysis* section of this report and the *Highest and Best Use*, it has been indicated that the Virginia City/Storey County area had under gone a significant economic decline after its peak period, approximately 2006. Sales in 2020/2022 are sales that occurred well after the economic downfall and are considered to be contemporary indicators for the subject's value. There has been a limited amount of sales activity in 2025 and 2026, and the six comparable sales found were felt to be the most similar and most comparable to the subject property.

All sales are considered current, therefore, no further adjustment for time will be made.

Location

All sales are located in the Highland ranches or Virginia City Highlands. Location of the sales and the subject property are considered to be similar. No further adjustment is necessary.

Utility

Under utility, adjustments may be considered for physical shape, topography, street frontage, and other factors of a parcel that influence value. Utility of the subject property is felt to be similar to that of the sales utilized in this report. This section of the adjustments will also consider adjustments for utilities. All six sales utilized in this report have the availability of utilities similar to the subject and are similar to the subject property. All sales are considered to be similar in utility, therefore requiring no further adjustment.

Zoning

The subject site is E10HR, which is a Residential zoning classification which allows for Residential utilizations. All six sales have similar zoning requiring no further adjustment is pessary.

Size

The subject site contains 7.24± ac of land area. The sales in this report range from a low of 2.11± ac up to 14.46± sf. Sale #1 contains 10.06± ac, larger than the subject site, requiring a downward adjustment. Sale #2 contains 2.78± ac, smaller than the subject property, requiring an upward adjustment. Sale #3 contains 2.11± ac, smaller than the subject property, requiring an upward adjustment. Sale #4 contains 10.04± ac, larger than the subject property, requiring a downward adjustment. Sale #5 contains 10.02± ac, larger than the subject property, requiring a downward adjustment. Sale #6 contains 14.46± ac, larger than the subject property, requiring a downward adjustment.

Other Adjustments

Sale #1 is located at 1260 Yellowjacket Road. The sale is further identified as APN# 003-461-21. This property was transferred from Don W. Pressey and Jane Pressey, husband and wife and was purchased by Cara Sasse and Kent Sasse, wife and husband as community property with right of survivorship. The

meeting of the minds occurred on January 7, 2025, and the sale was recorded January 8, 2025. The sale was recorded with Document No. 140542. This sale contains 10.06± acres and is zoned E10HR (Residential). The sales price was recorded at \$110,000 or \$10,934.39 an acre. Overall, in comparison to the subject property this sale is considered to be a low indicator, requiring an overall upward adjustment.

Sale #2 is located at 2441 Lousetown Road. The sale is further identified as APN 003-042-12. This property was sold by Robert B. Hernandez and Jennifer D. Oswald, as Trustees of the Oswald-Hernandez Family Trust, Under declaration of the Trust Dated August 9, 2017, and was purchased by Bryan G. Hernandez, an unmarried man. The meeting of the minds occurred January 25, 2025, and the sale was recorded February 10, 2025. The sale was recorded with Document No. 140674. This site contains 2.78± acres and is zoned E1VCH (Residential). The sales price was reported at \$54,000 indicating a price per acre of \$19,424.46. Overall, in comparison to the subject property this sale appears to be a high indicator, requiring a downward adjustment.

Sale #3 is located at 2051 Lousetown Road. The sale is further identified as APN 003-071-09. This property was sold by Erik Roman Ivins and Jessie F. Ivins, Co-Trustees of the Erik Roman Ivins and Jessie F. Ivins Family Trust created on April 23, 2014. The property was purchased by Brent Armstrong and Rhianna Armstrong, husband and wife as joint tenants with right of survivorship. The meeting of the minds occurred on March 3, 2025, and the sale was recorded March 10, 2025. The sale was recorded with Document No. 140802. This site contains 2.11± acres and is zoned E1VCH (Residential). The sales price was reported at \$40,000 or a price per acre of \$18,957.35. Overall, this location is considered to be quite superior to the subject property. Overall, this sale is considered to be a high indicator requiring a downward adjustment.

Sale #4 is located at 3180 Cartwright Road. The sale is further identified as APN 003-361-22. This property was sold by Bailey Holdings, LLC, a Wyoming Limited Liability Company. The property was purchased by Alida Collewyn and Kevin David, wife and husband, as joint tenants with right of survivorship. The meeting of the minds occurred October 1, 2025, and the sale was recorded October 3, 2025. The sale was recorded with Document No. 141825. This site contains 10.04± acres and is zoned E10HR (Residential). The sales price was

recorded at \$88,000 or \$8,764.94 an acre. Overall, in comparison to the subject property this sale appears to be a low indicator, requiring an upward adjustment.

Sale #5 is located at 140 West Five Mile Road. The sale is further identified as APN 003-442-01. This property was sold by Andrew Edward Crispen and Meghann Corrine Crispen, husband and wife, as joint tenants with right of survivorship. The property was purchased by Eugene Hoo and Kathleen Hoo, husband and wife as joint tenants with right of survivorship. The meeting of the minds occurred October 3, 2025 and the sale was recorded October 24, 2025. The sale was recorded with Document No. 141942. This site contains 10.02± acres and is zoned E10HR (Residential). The sales price was recorded at \$199,000 or \$19,860.28 a acre. Overall, in comparison to the subject property this sale appears to be a high indicator, requiring a down adjustment.

Sale #6 is located at 4760 livery Road. The sale is further identified as APN 003-411-08. This property was sold by Inderjit S. Gill and Marilyn R. Gill as Co-Trustees of the Gill 2017 Family Living Trust, U/A Dated September 27, 2017. The property was purchased by Dudley F. Chandler and Melissa C. Chandler as joint tenants. The meeting of the minds occurred December 26, 2025 and the sale was recorded January 9, 2026. The sale was recorded with Document No. 142326. This site contains 14.46± acres and is zoned E10HR (Residential). The sales price was recorded at \$140,000 or \$9,681.88 an acre. Overall, in comparison to the subject property this sale appears to be a low indicator, requiring an upward adjustment.

SUMMARY AND CONCLUSION OF VALUE

All sales utilized in this report were felt to be similar to each other and as similar as possible to the subject property. The adjustments are considered to be relatively small. In the before condition, the sales ranged from a low of \$8,764.94 an acre to a high of \$19,860.28 on an acre basis. Sale #1 was considered to be a low indicator, Sale #2 was considered to be a high indicator, Sale #3 was considered to be a high indicator, Sale #4 was considered to be a low indicator. Sale #5 was considered to be a high indicator. Sale # 6 was considered a low indicator. Appropriate adjustments have been considered for property rights, terms, time, location, utilities, zoning, and size.

The value indications derived from the comparable sales are reconciled into a single value indication by arranging the six sales in an array relative to the subject property. Following is an indication of how the subject property fits within this array.

<u>Comparable</u>	<u>Price/Acre</u>	<u>Overall Comparability</u>
Sale #5	\$19,860.28	High
Sale #2	\$19,424.46	High
Sale #3	\$18,957.35	High
Subject Property		
Sale #1	\$10,934.39	Low
Sale #6	\$ 9,681.88	Low
Sale #4	\$ 8,764.94	Low

As can be seen from the above chart, the subject property appears to fit well within these sales. These sales were selected because of their comparability and location to the subject property. As indicated, in the before condition the sales ranged from a low of \$8,681.88 an acre to a high of \$19,860.28 an acre. The subject is felt to fit within these indicators. It appears that the subject fits best between Sales #1 and #3, or between \$10,934.39 an acre and \$18.957.35 an acre.

It is felt given the location and size of the subject property that the top range of these indicators or \$18,000 an acre would be the best indicator.

Therefore, it is this appraiser's opinion that the subject's 7.24± acres has a current market value of \$18,000 an acre. Applying \$18,000± acres to the subject's 7.24± acres indicates a value of \$130,320.00 which will be rounded to \$130,000.

Indicated Value: \$130,000

Hypothetical Condition:

The subject is being appraised as if not owned by the public and has a highest and best use and zoning calcification similar to the surrounding sites or E-10-HR, which is a rural residential zoning. The use of the Hypothetical Condition might have effected the results of my opinion.

EXPOSURE AND MARKETING TIME ANALYSIS

The appraiser has been asked to consider the probable exposure time for the subject. Exposure time is the market period that would reasonably be anticipated for the subject property prior to the date of value necessary for the subject if it had in fact been marketed for sale. USPAP requires the appraiser to address exposure time. Exposure time, again, is that time that would have been necessary to expose the subject property on the open market in order to have consummated a sale at the value conclusion.

Also, FIRREA requires an appraiser to address marketing time. Marketing time is that time that would be necessary to consummate a sale on the subject property at the final value conclusion, assuming it was first placed on the market on the effective date of valuation. In a stable market, exposure and marketing time are generally synonymous.

The appraiser has interviewed several real estate agents in the Virginia City/Storey County areas who have been active in real estate for the last several years. These individuals indicate that properties such as the subject would have a high demand if they were placed on the market for sale. In all cases, it was indicated to the appraiser that the property should be able to be sold if reasonably marketed and priced in a twelve to twenty four month period.

Based upon those discussions, it would appear as though a typical exposure time for the subject property should be in the range of 12 to 24 months.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

1. the statements of fact contained in this report are true and correct;
2. the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, that are my personal, impartial, and unbiased professional analyses, opinions, and conclusions;
3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest with respect to the parties involved;
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
5. my engagement in this assignment was not contingent upon developing or reporting predetermined results;
6. my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
7. My reported analysis, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. As well as the Uniform Standards of Professional Appraisal Practice as adopted by the Appraisal Foundation. The opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice;
8. I have not made a personal inspection of the property that is the subject of this report;

9. No one provided significant real property appraisal assistance to the person signing this certification;
10. The use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives;
11. As of the date of this report, I, Anthony J. Wren MAI, SRA have completed the requirements of the continuing education program of the Appraisal Institute.
12. I have performed no services as an appraiser, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The estimate of value of the herein described property as of the effective date of value, which is March 16, 2026, the value for the subject property is:

ONE HUNDRED THIRTY THOUSAND DOLLARS

\$130,000



Anthony J. Wren, MAI, SRA

Certified General Appraiser #A.0000090-CG

Hypothetical Condition:

The subject is being appraised as if not owned by the public and has a highest and best use and zoning calcification similar to the surrounding sites or E-10-HR, which is a rural residential zoning. The use of the Hypothetical Condition might have effected the results of my opinion.

ADDENDUM

QUALIFICATIONS OF APPRAISER

**QUALIFICATIONS OF
ANTHONY J. WREN, MAI, SRA
REAL ESTATE APPRAISER**

PROFESSIONAL DESIGNATIONS:

MAI – Member Appraisal Institute*	1991
SRPA – Senior Real Property Appraiser*	1987
SRA – Senior Residential Appraiser*	1984

* These are no longer consider to be acronyms by the Appraisal Institute

PROFESSIONAL INVOLVEMENT:

- Re-Appointed by the Governor of Nevada to serve on the Nevada State Board of Taxation, Passed Chairman 11/19 to 10/23
- Appointed by the Governor of Nevada to serve on the Nevada State Board of Taxation, Member 5/16 to 10/19
- Appointed by the Governor of Nevada to serve on the Nevada State Board of Equalization, Chairman as of January 2009 3/08 to 3/12
- Reappointed to a new term and Chair 3/12 to 10/15
- Appointed by the Governor of Nevada to serve on the Nevada Commission of Appraisers 9/94 to 6/97 and 7/97 to 6/00
- President, Commission of Appraisers of Real Estate, State of Nevada (1996,1998)
- Expert Witness for Nevada District Court, Washoe, Storey, Clark and Elko Counties
- Member of the Appraisal Institute, National Board of Realtors, and Reno/Carson/Tahoe Board of Realtors
- Over 49 years of Appraisal Experience

APPRAISAL LICENSE: Nevada Certified General Appraiser
#A.0000090-CG

REAL ESTATE BROKERAGE: Nevada Real Estate Brokerage Licensed
Broker Anthony J. Wren #B.0023456.INDV.

OFFICES HELD: *Member* Young Advisory Council SREA,
San Diego & San Francisco, CA 1989 & 1991

Education Chairman, Reno/Tahoe/Carson
Chapter Appraisal Institute 1993

Board of Directors, Reno/Carson/Tahoe Chapter Appraisal Institute 1993-2007

President, Reno/Carson/Tahoe Chapter 189 1988-1989

First Vice President, Reno/Carson/Tahoe Chapter 189 1987-1988

Secretary, Reno/Carson/Tahoe Chapter 189 1986-1987

President, Reno/Carson/Tahoe Chapter 189 2000

Appraisal Instruction

4 Hour Nevada Assessors Class	2025
Several USPAP Update Courses taught through	2024
Business Practices and Ethics	2020
15-Hour National USPAP	2018
Comparison Valuation of Small, Mixed-Use Properties	2011
Income Valuation of Small, Mixed-Use Properties	2011
15-Hour National USPAP Course	03/23/07
15-Hour Standards of Professional Practice (Seattle, WA)	03/22/07
7-Hour National USPAP Update (Las Vegas, NV)	03/02/07
7-Hour National USPAP Update (Chicago, IL)	04/15/05
7-Hour National USPAP Update (Reno, NV)	02/24/05
USPAP Update 2003 – Standards & Ethics for Professionals	09/05/03
Business Practices and Ethics	07/25/03
7-Hour National USPAP Update Course	05/02/03
15-Hour National USPAP	03/22/03
Appraisal Procedures	05/19/01
Sales Comparison Valuation of Small, Mixed-Use Properties	03/31/01
Standards of Professional Practice, Part B (USPAP)	02/10/01
Income Valuation of Small, Mixed-Use Properties	02/19/00
Standards of Professional Practice, A, B, & C, USPAP	1992–2003
Reno, NV, Casper, WY, Eugene, OR, Sacramento, CA, Las Vegas, NV	
Income Valuation of Small Mixed Use Properties	
	(Reno, NV) 1998
	(Casper, WY) 1999
	(Sacramento, CA) 1999
Residential Case Study, Course 210	(Las Vegas, NV) 10/97
Alternative Residential Reporting Forms	(Buffalo, WY) 9/97
	(Polson, MT) 9/97
Data Confirmation and Verification	(Richland, WA) 11/96
	(Riodoso, NM) 09/96
	(Reno, NV) 03/96
	(Savannah, GA) 12/95
Understanding the Limited Appraisal	(Savannah, GA) 12/95
	(Tucson, AZ)
09/94	
110 “Real Estate Appraiser Principles”	
	(Minneapolis, MN) 07/99
	(Sacramento, CA) 05/95
	(Wenatchee, WA) 09/94
	(St. Louis, MO) 02/94
	(Las Vegas, NV) 05/94
URAR Update	(Casper, WY) 01/94
	(Reno, NV) 12/93
1A2 Basic Valuation Procedures	(Las Vegas, NV) 05/92
Course 207B, Income Valuation Appraising	(Reno, NV) Fall 1989
Truckee Meadows Community College	(Reno, NV) Spring 1989

APPRAISAL COURSES AUDITED:

Case Studies in Real Estate Valuation	1991
Cost Valuation of Small, Mixed-Use Properties	1988

Income Valuation of Small Mixed-Use Properties
Sales Comparison Valuation of Small, Mixed-Use Properties

APPRAISAL COURSES SATISFACTORILY CHALLENGED:

A1: Course I210 Residential Case Studies	(1993)
A1: Course 410 Standards of Professional Appraisal Practice	(1991)
A1: Course 420 Ethics of the Professional Appraisal Practice	(1991)
A1: Course 420 Ethics of the Professional Appraisal Practice	(1991)
SREA: Course 301 Special Applications of Real Estate Analysis	(1989)
SREA: Course 202 Applied Income Property Valuation	(1985)
SREA: Course 201 Principles of Income Property Appraising	(1984)
SREA: Course 101 An Introduction to Appraising Real Property	(1983)
SREA: Course 102 Applied Residential Property Valuation	(1983)

Classes Taken Online

USPAP Instructor Recertification Course (4 hours)	2026-2027
USPAP Instructor Recertification Course (4 hours)	2024-2025
USPAP Instructor Recertification Course (4 hours)	2022-2023
USPAP Instructor Recertification Course (4 hours)	2020-2021
Introduction to the Uniform Dataset (2 hours)	2019
USPAP Instructor Recertification Course 2018-2019 (4 hours)	2018
USPAP Instructor Recertification Course 2016-2017 (4 hours)	2016
USPAP Instructor Recertification Course 2014-2015 (4 hours)	2014

Classes Attended

Appraisal of Fast Food Facilities	2025
Appraisal of Industrial and Flex Buildings	2025
Best Practices for Completing Bifurcated and Hybrid Appraisals	2025
Fair Housing, Bias and Discrimination	2025
Uncovering and Valuing Current Luxury Homes Trends	2025
Uniform Appraisal Standard For Federal Land Acquisition	2017
2018-2019 Instructors Recertification Course (USPAP)	2017
Architectural Styles and the UAD	2017
Constructing the Profession Report	2017
FHA SFR Appraising - Handbook 4000.1	2017
Comprehensive Square Foot Calculations	2017
2016-2017 USPAP Instructor Recertification Course	2015
Business Practice and Ethics Instructor Training	2015
Tahoe Litigation Conference	2014
Evaluating Residential Construction	2014
Appraisal Review General	2012
Uniform Appraisal Standards for Federal Land Acquisitions	
	(Phoenix, AZ) 12/17 & 18/09
Valuation of Easements and Other Partial Interests	(Reno, NV) 12/04/09
General Market Analysis and Highest & Best Use	(Las Vegas, NV)
	08/31/09 – 09/03/09
Introduction to International Valuation Standards	(Online)
	08/01/31 – 08/31/09
Valuation of Green Residential Properties	(Phoenix, AZ) 02/19/09
REO Appraisal: Appraisal of Residential Property Foreclosures (Las Vegas, NV)	10/11/08
Forecasting Review	10/10/08
AQB Awareness Training for Appraisal Institute Instructors (Online)	08/15/07
Committee CE Credit (Chapter Level)	12/31/09
AQB USPAP Instructor Recertification Course	(Dedham, MA)

)	02/24/07
AQB USPAP Instructor Recertification Course	(Tucson, AZ) 12/04/04
Water Rights in Nevada	2/01/03
Training & Development Conference	08/26/03
AQB USPAP Instructor Recertification	(San Francisco, CA) 10/30/02
Appraisal Continuing Education	12/10/02
Property Flipping and Predatory Lending Seminar	10/17/01
2001 USPAP Update for Instructors & Regulators-CA	(San Diego, CA) 12/09/00
Lake Tahoe Case Studies in Commercial Highest & Best Use	(Sacramento, CA) 10/20/00
)	
Supporting Sales Comparison Grid Adjustments for Residential Properties	(Reno, NV) 09/29/00
Case Studies in Commercial Highest and Best Use	(Reno, NV) 07/28/00
Tools For Teaching Excellence, Day 1	07/09/00
USPAP Update for Instructors and Regulators	(Las Vegas, NV) 07/08/00
Tools For Teaching Excellence, Day 2	07/10/00
Residential Consulting	03/31/00
Residential Consulting	2000
FHA's Home buyer Protection Plan & the Appraisal Process Seminar	1991
Affordable Housing Valuation Seminar	1997
Alternative Residential Reporting Forms	1986
Business Valuation Part 1	1996
Understanding Limited Appraisals – General	1995
Data Confirmation & Verification Methods	1995
Mandatory Faculty Workshop	1995
Appraising 1- to 4-Family Income Properties	1995
Investment Techniques with the HP-17/19II Calculator	1994
Fair Lending and the Appraiser	1994
Mock Trial	1994
Electronic Spreadsheet Workshop	1994
Basic Argus Training (Spreadsheets)	1994
Investment Techniques with the HP-17/19II Calculator	1994
FNMA URAR Update	1993
Maximizing the Value of an Appraisal Practice	1993
Litigation Valuation	1992
101 "Instructors Clinic	1990
Comprehensive Appraisal Review	1990
Meetings Attended	

FORMAL EDUCATION:

University of Texas at Arlington (No Degree)	1974
Casper College (No Degree)	1973
Peacock Military Academy (High School)	1972

	Storey County Water and Sewer Board Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 10	
Agenda Item Type: Discussion/Possible Action		

- **Title:** Discussion and possible approval of a Master Services Agreement and Scope of Work with Utility Service Company Inc. for the long term maintenance and rehabilitation of Storey County's 7 water tanks.
- **Recommended motion:** I (Commisioner) move to approve the Master Services Agreement and Scope of Work between Utility Service Company Inc. and Storey County for the long-term maintenance and rehabilitation of Storey County's 7 water tanks.
- **Prepared by:** Jason Wierzbicki

Department: Public Works

Contact Number: 7758470958

- **Staff Summary:** The Master Services Agreement and Scope of Work between Utility Service Company Inc. and Storey County will benefit the Water Department and the County with predictable payments going into the future for the maintenance and rehabilitation of our 7 water tanks. This program will bring our water tanks back to like new status and will be maintained that way by Utility Service Company Inc. The attached Master Services Agreement and Scope of Work has been reviewed by the DA's office.
- **Supporting Materials:** See Attachments
- **Fiscal Impact:**
- **Legal review required:** False
- **Reviewed by:**

_____ Department Head

Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved	☐ Approved with Modification
☐ Denied	☐ Continued

MASTER SERVICES AGREEMENT
Terms and Conditions

This MASTER SERVICES AGREEMENT ("Agreement") is entered into by and between **Storey County Water District** with a principal business address of 100 Toll Road, Virginia City, Nevada 89440 ("Owner"), and **Utility Service Co., Inc.**, a Georgia corporation with a principal business address of 535 General Courtney Hodges Boulevard, Post Office Box 1350, Perry, Georgia 31069 ("Company").

WHEREAS, the Owner and the Company (individually, "Party"; collectively, "Parties") desire for the Company to provide goods and services to the Owner under the terms set forth herein;

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Scope. The Company agrees to provide the Owner with certain goods and services ("Services") set forth on each properly executed Scope of Work ("SOW") to be attached hereto and incorporated herein by reference. Each SOW shall be subject to the general terms and conditions (the "Terms and Conditions") set forth in this Agreement. Each time Owner engages Company to perform Services, a new SOW shall be prepared specifying the scope of Services specific to that engagement. Unless otherwise indicated in any given SOW, Company shall be responsible for furnishing all labor, materials and tools to perform the Services. Each new SOW represents a separate contract between Company and Owner that incorporates the Terms and Conditions and is governed by this Agreement. All changes to any SOW may only be made by a written amendment to such SOW and signed by an authorized representative of each Party. Owner may terminate a SOW in accordance with the terms of each SOW. In the event there is a conflict between any term of an SOW and this Agreement, the term(s) of the SOW shall control.

2. Term. The effective date of this Agreement shall be _____, 2026 ("Effective Date"). The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect for one year ("Term"). This Agreement will automatically renew for successive one-year terms ("Renewal Terms") unless terminated as set forth in Section 9 of this Agreement. The term of a SOW shall begin on the commencement date provided in that SOW and continue in effect for the agreed term provided in that SOW.

3. Fees. For all Services performed, Owner shall pay Company in accordance with the terms of each SOW. The fees paid in accordance with each SOW shall constitute the full and complete compensation to Company for the Services performed pursuant to the SOW. Unless otherwise expressly set forth in any given SOW, Company shall be responsible for expenses it incurs in connection with its provision of the Services.

4. Independent Contractor. The Company is, and shall at all times remain, an independent contractor. The Company and each of the Company's employees and principals shall not be deemed for any purpose to be the Owner's employees, and they shall not be entitled to any claims, rights, benefits and privileges to which an employee of the Owner or any of its respective affiliates may be entitled under any retirement, pension, insurance, medical or other plans which may now be in effect or which may hereafter be adopted. The Owner is not responsible to any governing body or to the Company for paying or withholding payroll taxes and

other employee expenses related to payments made to the Company. Notwithstanding anything to the contrary, this Agreement does not, and shall not be deemed to, constitute a partnership or joint venture between the Parties and neither Party nor any of their respective directors, officers, officials, or employees shall, by virtue of the performance of their obligations under this Agreement, be deemed to be an agent or employee of the other. No Party has the authority to bind the other Party except to the extent approved in writing by the Party to be bound.

5. Insurance. Company shall maintain statutory minimum Worker's Compensation as required by the laws of any jurisdiction in which Services are performed, and commercial general liability insurance covering Company's liabilities hereunder and for injury to persons or damage to property with limits of not less than \$2,000,000 per occurrence. Upon Owner's request, Company shall furnish Owner with a certificate of insurance evidencing this coverage.

6. Representations. Company represents and warrants that Company has the full power and authority to enter into and perform under this Agreement; that the execution, delivery and performance of this Agreement has been duly authorized and constitutes a valid and binding agreement of Company; and that the execution, delivery and performance of this Agreement will not result in the breach of, or constitute a default under, or violate any provision of, any agreement or other instrument to which Company is a party to a non-competition agreement or bound by any competitive restrictive covenant concerning or relating to, in any manner, the performance by Company of services similar to the Services to be performed hereunder.

7. Indemnification.

a. Indemnification by Company. The Company shall indemnify the Owner and its officers and employees from and against any claims, actions, and suits resulting from and to the extent of the Company's negligence while performing hereunder. The Company's indemnification obligations hereunder shall be subject to Owner's prompt written notification to the Company adequately describing any third-party claim(s) resulting from the Company's performance hereunder.

b. Indemnification by Owner. The Owner shall indemnify the Company and its officers, directors and employees from and against any claims, actions, and suits resulting from and to the extent of the Owner's negligence. The Owner's indemnification obligations hereunder shall be subject to the Company's prompt written notification to the Owner adequately describing any damages resulting from the Owner's negligence.

8. Assignment of Receivables. The Company reserves the right to assign any outstanding receivables from this Contract to its financial institutions as collateral for any loans or lines of credit.

9. Termination.

a. Right to Terminate. Once all SOWs that have been issued under this Agreement have expired or have been terminated, pursuant to the termination provision(s) in each SOW, either Party may terminate this Agreement by giving ten (10) days' advanced written notice to the other Party.

b. Termination Provisions in SOWs. The termination of each individual SOW shall be governed by the applicable termination provision in each SOW.

10. Intellectual Property. The Owner acknowledges and agrees that (a) all intellectual property rights in the Company's performance, methods and all related know-how are owned by the Company, its licensors, or suppliers; and (b) this Agreement shall not be construed as a license for the Owner to use, deliver, or exploit the intellectual property used by the Company in its performance, except as expressly set forth in this Agreement. To the extent that any new intellectual property or know-how is developed as a result of the Company's performance, the new intellectual property rights will all be owned by the Company, its licensors, or suppliers, and the Owner agrees that it will not make a claim to any such new intellectual property rights.

11. Limitation of Liability.

a. IN NO EVENT WILL THE COMPANY OR ITS RESPECTIVE AFFILIATES, SUBSIDIARIES, OFFICERS, DIRECTORS, OFFICIALS, EMPLOYEES, SUPPLIERS OR AGENTS BE LIABLE FOR ANY LOSS OF REVENUE, PROFITS, DATA, COMPUTER MALFUNCTION, OR FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY (CONTRACT, TORT, NEGLIGENCE, OR OTHERWISE) WHICH ARISES OUT OF THE COMPANY'S OR ITS SUPPLIERS' PERFORMANCE OR NON-PERFORMANCE UNDER THIS AGREEMENT. THE TOTAL LIABILITY OF THE COMPANY, ITS AFFILIATES, SUBCONTRACTORS, EMPLOYEES, SUPPLIERS AND AGENTS ARISING OUT OF PERFORMANCE OR NON-PERFORMANCE OF OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO THE SALE, DELIVERY, STORAGE, INSTALLATION, REPAIR, MODIFICATION OR USE OF THE EQUIPMENT, THE RENDITION OF OTHER SERVICES IN CONNECTION THEREWITH, SHALL NOT EXCEED, IN THE AGGREGATE, AN AMOUNT EQUAL TO TWENTY-FIVE PERCENT (25%) OF THE SUM OF ALL FEES PAID BY THE OWNER TO THE COMPANY PURSUANT TO THE TERMS OF ALL SOWs.

b. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, ANY LIABILITY ON THE PART OF THE COMPANY FOR MATTERS RELATED TO OR ARISING FROM CYBER SECURITY (A) SHALL BE LIMITED TO CLAIMS RELATING TO THE HARDWARE AND SOFTWARE WITHIN THE DIRECT CONTROL OF THE COMPANY THAT IS THE DIRECT AND PROXIMATE CAUSE OF ANY LOSSES OR DAMAGE, AND (B) SHALL BE LIMITED TO ONLY THOSE CLAIMS OR PORTIONS OF CLAIMS THAT ARE COVERED BY INSURANCE REQUIRED TO BE MAINTAINED PURSUANT TO THE TERMS OF THIS AGREEMENT OR ANY SOW.

12. Rules of Construction. In construing this Agreement, the following principles shall be followed: (i) no meaning may be inferred from any presumption that one Party had a greater or lesser hand in drafting this Agreement; (ii) examples do not limit, expressly or by implication, the matter they illustrate; (iii) the plural shall be deemed to include the singular and vice versa, as applicable; and (iv) the headings are for convenience only and do not affect the meaning or construction of any such provision. Furthermore, the Parties specifically acknowledge and agree that they have in fact read this Agreement and are fully informed and have full notice and knowledge of the terms, conditions and effects of this Agreement. Each Party further agrees that it will not contest the validity or enforceability of any provision of this Agreement on the basis that it had no notice or knowledge of such provision or that such provision is not conspicuous.

13. Miscellaneous.

a. **Notices.** All notices hereunder shall be in writing and shall be sent by certified mail, return receipt requested, or by overnight courier service, to the address set forth below each Party's signature, or to such other addresses as may be stipulated in writing by the Parties pursuant hereto. Unless otherwise provided, notice shall be effective on the date it is officially recorded as delivered by return receipt or equivalent.

b. **Entire Agreement; Amendment.** This Agreement supersedes all prior agreements, arrangements, and undertakings between the Parties and constitutes the entire agreement between the Parties relating to the subject matter thereof. This Agreement may not be amended except by written instrument executed by both Parties. The invalidity or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other provision of this Agreement.

c. **Assignment.** Neither Party may assign this Agreement without the prior written consent of the other Party. Any attempt to assign this Agreement without the prior written consent of the other Party shall be null and void. A Change in Control of a Party shall not be deemed an assignment of this Agreement. For purposes of this Agreement, "Change in Control" shall mean an event deemed to occur if a person or entity, that is either affiliated or unaffiliated with the Company, acquires more than fifty percent control over the Party's voting securities.

d. **Force Majeure.** If either Party is prevented from performing any of its duties or obligations hereunder (other than duties or obligations with respect to payment) in a timely manner by reason or act of God or force majeure such as fire; war; earthquake; strike; lock-out; labor dispute; flood; public disaster; pandemic or epidemic event (to include but not limited to COVID-19); interruptions or delays in reasonably available means of transportation; acts of any government or its agencies or officers, or any order, regulation, or ruling thereof, including tariffs; equipment or technical malfunctions or failures; power failures or interruptions; supply chain disruptions; or any other reason beyond its reasonable control, such condition shall be deemed to be a valid excuse for delay of performance or for nonperformance of any such duty or obligation for the period during which such condition(s) exist.

e. **Survival of Certain Provisions.** The provisions of Sections 10 and 11 of this Agreement shall survive the termination or expiration of this Agreement and continue to bind the Parties and their legal representatives, successors and permitted assigns.

f. **No Waiver.** The waiver of any breach or failure of a term or condition of this Agreement by any Party shall not be construed as a waiver of any subsequent breach or failure of the same term or condition, or a waiver of any other breach or failure of a term or condition of this Agreement.

g. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same Agreement. The Parties may utilize electronic means (including facsimile and e-mail) to execute and transmit the Agreement and all such electronically executed and/or transmitted copies of the Agreement shall be deemed as valid as originals.

h. **Dispute Resolution.** In the event a dispute arises among the Parties, the disputing Party shall provide the other Party with written notice of the dispute, and within twenty (20) days after receipt of said notice, the receiving Party shall submit to the other a written

response. The notice and response shall include a statement of each Party's position and a summary of the evidence and arguments supporting its position. Each Party shall designate a high level manager with authority to resolve the dispute to work in good faith with the other Party's designated manager to resolve the dispute; the name and title of said employee shall also be included in the notice and response. The managers shall meet at a mutually acceptable time and place within thirty (30) days of the date of the disputing party's notice and thereafter as they deem reasonably necessary to resolve the dispute. If the managers, having acted in good faith, have not resolved the dispute within ninety (90) days of receipt of the initial written notice, then the Parties shall attempt to resolve the dispute in good faith by non-binding mediation administered by the American Arbitration Association ("AAA") under its Commercial Mediation Rules. If either Party is unsatisfied with the results of mediation and cannot resolve the dispute and/or claim at mediation, it shall be submitted to binding arbitration. Any such dispute and/or claim will be resolved by binding arbitration in accordance with the Rules for Commercial Arbitration of the American Arbitration Association before a panel of three (3) arbitrators, one appointed by each Party, and the third appointed by the Agreement of the first two arbitrators. The decision or award of a majority of the arbitrators shall be final and binding upon the Parties. Any arbitral award may be entered as a judgment or order in any court of competent jurisdiction. Each Party's costs and expenses attributed to the negotiation, mediation, and/or arbitration shall be borne by such Party.

i. **Governing Law.** This Agreement shall be governed by the law of the State of Nevada; provided, however, that the Company's obligation to comply with applicable laws shall be limited to laws that apply to the Company.

SIGNATURE PAGE TO FOLLOW

WHEREFORE, for the purpose of being bound, the Parties execute this Agreement by their duly authorized representatives as of the date(s) set forth below.

OWNER

Storey County Water District

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By:  _____

Name: Jonathan Cato

Title: Chief Operating Officer

Date: January 14, 2026

Notice Address for Each Party:

Storey County Water District

Attn: _____

Utility Service Co., Inc.

Attn: Customer Service Department

535 General Courtney Hodges Boulevard

Post Office Box 1350

Perry, Georgia 31069

SCOPE OF WORK NO. 1
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
STOREY COUNTY WATER DISTRICT, NV

WATER TANK MAINTENANCE – 500,000 GALLON GROUND – 5 MILE TANK

1. **Effective Date.** The Effective Date for this Scope of Work No. 1 (“SOW1”) shall be _____, 20____ .
2. **Term.** The Owner agrees to engage the Company to provide the professional services needed to maintain its **500,000** gallon water storage tank located at **Orphar Grade Road, Virginia City, Nevada 89440** (hereinafter, “the Tank”). This SOW1 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW1 will automatically renew for successive one-year terms unless terminated as defined in Section 10 herein. For purposes of this SOW1, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW1 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The professional services entail the upfront renovation (hereinafter, the “Upfront Renovation”) of the Tank and subsequent maintenance activities thereafter. Upfront Renovation and maintenance activities are collectively referred to as “the Services” in this SOW1, and include the following:
 - a. The Tank shall receive an Upfront Renovation, which will include: **exterior renovation, interior renovation and repairs prior to the end of Contract Year 3.** Annually, the Company will inspect the Tank to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection.
 - b. Biennially, after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service. Rotate the washouts with ROV inspections. **NOTE: Blue Locker will do dive inspections every three years on this tank under a separate agreement with the Owner.**

- c. The Company shall provide the engineering and inspection services needed to maintain and repair the Tank during the term of this SOW1. The repairs include: the Tank's expansion joints, water level indicators, sway rod adjustments, vent screens, manhole covers/gaskets, and the Tank's other steel parts not otherwise excluded hereinafter.
- d. The Company will clean and repaint the interior and/or exterior of the Tank at such time as complete repainting is needed. The need for interior painting of the Tank is to be determined by the thickness of the existing liner and its protective condition. Only materials approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting of the Tank is to be determined by the appearance and protective condition of the existing paint. At the time that the exterior requires repainting, the Company agrees to paint the Tank with a coating that is the same color as the existing coating and to select a coating system which best suits the site conditions, environment, and general location of the Tank. When interior or exterior painting of the Tank is needed, all products and procedures as to coating systems will be equal to or exceed the requirements of the **State of Nevada** and the American Water Works Association's D102 standard in effect as of the Effective Date, defined in the signature block hereinafter.
- e. The Company will install a lock on the roof hatch of the Tank; however, the provision of such lock does not guarantee the Tank's security during the term of the SOW1. For the avoidance of doubt, security of the Tank and the site where the Tank is located (hereinafter, "Tank Site") are the responsibility of the Owner.
- f. In the event of an emergency involving the Tank, the Owner shall provide written notice of such emergency to the Company via its email hotline at the following address: customerservice@usgwater.com. The Company will provide emergency services for the Tank, when needed, to perform all repairs covered under this SOW1. Reasonable travel time must be allowed for the repair unit to reach the Tank Site.
- g. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
- h. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

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4. Price/Annual Fees. For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW1. The Annual Fees for the first **five (5)** years shall be **\$116,342.00** per Contract Year. The Annual Fee for Contract **Year 6** shall be **\$31,364.00**. Each Contract Year thereafter, the Annual Fee shall be adjusted to reflect the current cost of service. The adjustment of the Annual Fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW1.

5. Payment Terms. Payment Terms and Late Charges.

- a. The Annual Fee for Contract **Year 1**, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of this SOW1.**
- b. **Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter.**
- c. If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company will charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW1 without notice. Any late fee will be 1.5% per month.

6. Changes or Delays to Services. For purposes of this Section 6, "**Unreasonable Delay**" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of **twenty-four (24) months following the Company's written request for release or access to the Tank.** In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the Company can replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") at the Company's discretion, and such replacement does not constitute a modification of this SOW1.

7. Structure of Tank, Tank Site Conditions, and Modifications.

- a. In providing the Services, the Company accepts the Tank based upon its existing structure and components as of the Effective Date.
- b. ***Any modifications to the Tank after the Effective Date, including antenna installations, shall first be approved by the Company (prior to installation) and may warrant an increase in the Annual Fees.***
- c. Changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the Company's cost in delivering the Services, will be just cause for an equitable adjustment of the Annual Fees in this SOW1.

8. **Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW1, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW1. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW1. Said equitable adjustment of the Annual Fees in this SOW1 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s). The Owner shall be responsible for cutting the trees back prior to the upfront renovation.

The work performed under this SOW1 is subject to prevailing wages, and the workers who are performing work under this SOW1 are to be paid no less than the prevailing hourly rate of wages as set by the appropriate authority. Any future work performed by workers under this SOW1 will be subject to the wage determination of the appropriate authority which is in effect when the work is performed. However, the Owner and the Company hereby agree that if the prevailing wage rates for any job or trade classification increases by more than 5% per annum from the effective date of this SOW1 to the date in which any future work is to be performed under this SOW1, then the Company reserves the right to re-negotiate the annual fee(s) with the Owner. If the Company and the Owner cannot agree on re-negotiated annual fee(s), then: (1) the Company will not be obligated to perform the work and (2) the Company will not be obligated to return past annual fee(s) received by the Company.

9. **Excluded Items.** This SOW1 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW1; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level;; and (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.

10. Termination.

- a. **This SOW1 is an annual contract that shall automatically renew on an annual basis for successive Contract Years so long as the Owner:**
 - i. pays each Annual Fee to the Company in accordance with the terms herein, and
 - ii. does not terminate this SOW1 pursuant to the terms of this Section.
- b. This SOW1 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW1 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.).
- c. In the event the Owner elects to terminate this Contract prior to remitting the first **five (5)** Annual Fees, then the balance for work completed shall be due and payable within thirty (30) days of the Owner's issuance of the notice of intent to terminate at the end of the then-current Contract Year.

11. **Visual Inspection Disclaimer.** This SOW1 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the Tank has been drained and is made available to the Company, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company re-negotiate the Annual Fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, corrosion of the roof plates or rafters, corrosion in areas inaccessible to maintain, damage to the roof of the Tank which is not clearly discoverable during the visual inspection, etc.).

12. **Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW1 exceeds 12% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW1 to compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index ("ENR-CCI")*. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates

for 2023 and 2024 are 5.0% and 7.1%, respectively, the Owner and the Company agree to renegotiate the current year’s Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW1 is executed and effective as of the date last signed by the parties below.

OWNER	COMPANY
Storey County Water District	Utility Service Co., Inc.
By: _____	By:  _____
Name: _____	Name: <u>Jonathan Cato</u>
Title: _____	Title: <u>Chief Operating Officer</u>
Date: _____	Date: <u>January 14, 2026</u>

SCOPE OF WORK NO. 3
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
STOREY COUNTY WATER DISTRICT, NV

CONTRACT FOR SERVICES – 1,500,000 GALLON GROUND – BULLION TANK

1. **Effective Date.** The Effective Date for this Scope of Work No. 3 (“SOW3”) shall be _____, 20____.
2. **Term.** The Owner agrees to engage the Company to provide the professional services needed to inspect its **1,500,000** gallon water storage tank located at **100 Toll Road, Virginia City, Nevada 89440** (hereinafter, “the Tank”). This SOW3 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW3 will automatically renew for successive one-year terms for ten (10) years, unless terminated as defined in Section 10 herein. For purposes of this SOW3, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW3 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The professional services entail the upfront renovation (hereinafter, the “Upfront Renovation”) of the Tank and subsequent inspection activities thereafter. Upfront Renovation and inspection activities are collectively referred to as “the Services” in this SOW3, and include the following:
 - a. The Tank shall receive an Upfront Renovation, which will include: **visual inspections prior to the end of Contract Years 1, 3, 4, 6, 7, 9, and 10; washout inspections prior to the end of Contract Years 2, 5, and 8.**
 - b. Annually, the Company will inspect the Tank to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection.
 - c. During the washout inspection, after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.

- f. The Company will install a lock on the roof hatch of the Tank; however, the provision of such lock does not guarantee the Tank's security during the term of the SOW3. For the avoidance of doubt, security of the Tank and the site where the Tank is located (hereinafter, "Tank Site") are the responsibility of the Owner.
- g. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
- h. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

4. Price/Annual Fees. For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW3. The Annual Fee for Contract **Year 1** shall be **\$1,271.00**. The Annual Fee for Contract **Year 2** shall be **\$5,575.00**. The Annual Fee for Contract **Year 3** shall be **\$1,237.00**. The Annual Fee for Contract **Year 4** shall be **\$1,281.00**. The Annual Fee for Contract **Year 5** shall be **\$6,189.00**. The Annual Fee for Contract **Year 6** shall be **\$1,373.00**. The Annual Fee for Contract **Year 7** shall be **\$1,422.00**. The Annual Fee for Contract **Year 8** shall be **\$6,869.00**. The Annual Fee for Contract **Year 9** shall be **\$1,524.00**. The Annual Fee for Contract **Year 10** shall be **\$1,578.00**. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW3.

5. Payment Terms. Payment Terms and Late Charges.

- a. The Annual Fee for Contract **Year 1**, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of this SOW3**.
- b. **Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter.**
- c. If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company will charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW3 without notice. Any late fee will be 1.5% per month.

6. Changes or Delays to Services. For purposes of this Section 6, "**Unreasonable Delay**" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of twenty-four (24) months following the Company's written request for release or access to the Tank. In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the Company can replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") at the Company's discretion, and such replacement does not constitute a modification of this SOW3.

7. Structure of Tank, Tank Site Conditions, and Modifications.

- a. In providing the Services, the Company accepts the Tank based upon its existing structure and components as of the Effective Date.
- b. ***Any modifications to the Tank after the Effective Date, including antenna installations, shall first be approved by the Company (prior to installation) and may warrant an increase in the Annual Fees.***
- c. Changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the Company's cost in delivering the Services, will be just cause for an equitable adjustment of the Annual Fees in this SOW3.

- 8. Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW3, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW3. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW3. Said equitable adjustment of the Annual Fees in this SOW3 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s). The Owner shall be responsible for cutting the trees back prior to the upfront renovation.

The work performed under this SOW3 is subject to prevailing wages, and the workers who are performing work under this SOW3 are to be paid no less than the prevailing hourly rate of wages as set by the appropriate authority. Any future work performed by workers under this SOW3 will be subject to the wage determination of the appropriate authority which is in effect when the work is performed. However, the Owner and the Company hereby agree that if the prevailing wage rates for any job or trade classification increases by more than 5% per annum from the effective date of this SOW3 to the date in which any future work is to be performed under this SOW3, then the Company reserves the right to re-negotiate the annual fee(s) with the Owner. If the Company and the Owner cannot agree on re-negotiated annual fee(s), then: (1) the Company will not be obligated to perform the work and (2) the Company will not be obligated to return past annual fee(s) received by the Company.

- 9. Excluded Items.** This SOW3 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW3; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not

limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site; and (xiv) any painting or repairs.

10. Termination.

- a. **This SOW3 is an annual contract that shall automatically renew on an annual basis for ten (10) successive Contract Years so long as the Owner:**
 - i. pays each Annual Fee to the Company in accordance with the terms herein, and
 - ii. does not terminate this SOW3 pursuant to the terms of this Section.
- b. This SOW3 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW3 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.).

- 11. Visual Inspection Disclaimer.** This SOW3 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the Tank has been drained and is made available to the Company, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company re-negotiate the Annual Fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, corrosion of the roof plates or rafters, corrosion in areas inaccessible to maintain, damage to the roof of the Tank which is not clearly discoverable during the visual inspection, etc.).

- 12. Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW3 exceeds 12% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW3 to

compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index* (“ENR-CCI”). In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 7.1%, respectively, the Owner and the Company agree to renegotiate the current year’s Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW3 is executed and effective as of the date last signed by the parties below.

OWNER

Storey County Water District

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By: _____ 

Name: Jonathan Cato

Title: Chief Operating Officer

Date: January 14, 2026

SCOPE OF WORK NO. 2
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
STOREY COUNTY WATER DISTRICT, NV

CONTRACT FOR SERVICES – 115,000 GALLON GROUND – DIVIDE TANK

1. **Effective Date.** The Effective Date for this Scope of Work No. 2 (“SOW2”) shall be _____, 20____.
2. **Term.** The Owner agrees to engage the Company to provide the professional services needed to inspect its **115,000** gallon water storage tank located at **100 Toll Road, Virginia City, Nevada 89440** (hereinafter, “the Tank”). This SOW2 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW2 will automatically renew for successive one-year terms for ten (10) years, unless terminated as defined in Section 10 herein. For purposes of this SOW2, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW2 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The professional services entail the upfront renovation (hereinafter, the “Upfront Renovation”) of the Tank and subsequent inspection activities thereafter. Upfront Renovation and inspection activities are collectively referred to as “the Services” in this SOW2, and include the following:
 - a. The Tank shall receive an Upfront Renovation, which will include: **visual inspections prior to the end of Contract Years 1, 3, 4, 6, 7, 9, and 10; washout inspections prior to the end of Contract Years 2, 5, and 8.**
 - b. Annually, the Company will inspect the Tank to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection.
 - c. During the washout inspection, after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.

- f. The Company will install a lock on the roof hatch of the Tank; however, the provision of such lock does not guarantee the Tank's security during the term of the SOW2. For the avoidance of doubt, security of the Tank and the site where the Tank is located (hereinafter, "Tank Site") are the responsibility of the Owner.
- g. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
- h. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

4. Price/Annual Fees. For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW2. The Annual Fee for Contract **Year 1** shall be **\$1,271.00**. The Annual Fee for Contract **Year 2** shall be **\$3,982.00**. The Annual Fee for Contract **Year 3** shall be **\$1,237.00**. The Annual Fee for Contract **Year 4** shall be **\$1,281.00**. The Annual Fee for Contract **Year 5** shall be **\$4,420.00**. The Annual Fee for Contract **Year 6** shall be **\$1,373.00**. The Annual Fee for Contract **Year 7** shall be **\$1,422.00**. The Annual Fee for Contract **Year 8** shall be **\$4,907.00**. The Annual Fee for Contract **Year 9** shall be **\$1,524.00**. The Annual Fee for Contract **Year 10** shall be **\$1,578.00**. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW2.

5. Payment Terms. Payment Terms and Late Charges.

- a. The Annual Fee for Contract **Year 1**, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of this SOW2**.
- b. **Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter.**
- c. If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company will charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW2 without notice. Any late fee will be 1.5% per month.

6. Changes or Delays to Services. For purposes of this Section 6, "**Unreasonable Delay**" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of twenty-four (24) months following the Company's written request for release or access to the Tank. In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the Company can replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") at the Company's discretion, and such replacement does not constitute a modification of this SOW2.

7. Structure of Tank, Tank Site Conditions, and Modifications.

- a. In providing the Services, the Company accepts the Tank based upon its existing structure and components as of the Effective Date.
- b. ***Any modifications to the Tank after the Effective Date, including antenna installations, shall first be approved by the Company (prior to installation) and may warrant an increase in the Annual Fees.***
- c. Changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the Company's cost in delivering the Services, will be just cause for an equitable adjustment of the Annual Fees in this SOW2.

- 8. Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW2, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW2. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW2. Said equitable adjustment of the Annual Fees in this SOW2 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s). The Owner shall be responsible for cutting the trees back prior to the upfront renovation.

The work performed under this SOW2 is subject to prevailing wages, and the workers who are performing work under this SOW2 are to be paid no less than the prevailing hourly rate of wages as set by the appropriate authority. Any future work performed by workers under this SOW2 will be subject to the wage determination of the appropriate authority which is in effect when the work is performed. However, the Owner and the Company hereby agree that if the prevailing wage rates for any job or trade classification increases by more than 5% per annum from the effective date of this SOW2 to the date in which any future work is to be performed under this SOW2, then the Company reserves the right to re-negotiate the annual fee(s) with the Owner. If the Company and the Owner cannot agree on re-negotiated annual fee(s), then: (1) the Company will not be obligated to perform the work and (2) the Company will not be obligated to return past annual fee(s) received by the Company.

- 9. Excluded Items.** This SOW2 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW2; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not

limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site; and (xiv) any painting or repairs.

10. Termination.

- a. **This SOW2 is an annual contract that shall automatically renew on an annual basis for ten (10) successive Contract Years so long as the Owner:**
 - i. pays each Annual Fee to the Company in accordance with the terms herein, and
 - ii. does not terminate this SOW2 pursuant to the terms of this Section.
- b. This SOW2 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW2 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.).

- 11. Visual Inspection Disclaimer.** This SOW2 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the Tank has been drained and is made available to the Company, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company re-negotiate the Annual Fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, corrosion of the roof plates or rafters, corrosion in areas inaccessible to maintain, damage to the roof of the Tank which is not clearly discoverable during the visual inspection, etc.).

- 12. Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW2 exceeds 12% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW2 to

compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index (“ENR-CCI”)*. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 7.1%, respectively, the Owner and the Company agree to renegotiate the current year’s Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW2 is executed and effective as of the date last signed by the parties below.

OWNER

Storey County Water District

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By:  _____

Name: Jonathan Cato

Title: Chief Operating Officer

Date: January 14, 2026

SCOPE OF WORK NO. 4
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
STOREY COUNTY WATER DISTRICT, NV

CONTRACT FOR SERVICES – 500,000 GALLON GROUND – HILL SIDE TANK A

1. **Effective Date.** The Effective Date for this Scope of Work No. 4 (“SOW4”) shall be _____, 20____.
2. **Term.** The Owner agrees to engage the Company to provide the professional services needed to inspect its **500,000** gallon water storage tank located at **Orphar Road, Virginia City, Nevada 89440** (hereinafter, “the Tank”). This SOW4 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW4 will automatically renew for successive one-year terms for ten (10) years, unless terminated as defined in Section 10 herein. For purposes of this SOW4, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW4 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The professional services entail the upfront renovation (hereinafter, the “Upfront Renovation”) of the Tank and subsequent inspection activities thereafter. Upfront Renovation and inspection activities are collectively referred to as “the Services” in this SOW4, and include the following:
 - a. The Tank shall receive an Upfront Renovation, which will include: **visual inspections prior to the end of Contract Years 1, 2, 4, 5, 7, 8, and 10; washout inspections prior to the end of Contract Years 3, 6, and 9.**
 - b. Annually, the Company will inspect the Tank to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection.
 - c. During the washout inspection, after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.

- f. The Company will install a lock on the roof hatch of the Tank; however, the provision of such lock does not guarantee the Tank's security during the term of the SOW4. For the avoidance of doubt, security of the Tank and the site where the Tank is located (hereinafter, "Tank Site") are the responsibility of the Owner.
- g. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
- h. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

4. Price/Annual Fees. For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW4. The Annual Fee for Contract **Year 1** shall be **\$1,271.00**. The Annual Fee for Contract **Year 2** shall be **\$1,195.00**. The Annual Fee for Contract **Year 3** shall be **\$4,948.00**. The Annual Fee for Contract **Year 4** shall be **\$1,281.00**. The Annual Fee for Contract **Year 5** shall be **\$1,326.00**. The Annual Fee for Contract **Year 6** shall be **\$5,492.00**. The Annual Fee for Contract **Year 7** shall be **\$1,422.00**. The Annual Fee for Contract **Year 8** shall be **\$1,472.00**. The Annual Fee for Contract **Year 9** shall be **\$6,96.00**. The Annual Fee for Contract **Year 10** shall be **\$1,578.00**. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW4.

5. Payment Terms. Payment Terms and Late Charges.

- a. The Annual Fee for Contract **Year 1**, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of this SOW4**.
- b. **Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter.**
- c. If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company will charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW4 without notice. Any late fee will be 1.5% per month.

6. Changes or Delays to Services. For purposes of this Section 6, "**Unreasonable Delay**" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of twenty-four (24) months following the Company's written request for release or access to the Tank. In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the Company can replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") at the Company's discretion, and such replacement does not constitute a modification of this SOW4.

7. Structure of Tank, Tank Site Conditions, and Modifications.

- a. In providing the Services, the Company accepts the Tank based upon its existing structure and components as of the Effective Date.
- b. ***Any modifications to the Tank after the Effective Date, including antenna installations, shall first be approved by the Company (prior to installation) and may warrant an increase in the Annual Fees.***
- c. Changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the Company's cost in delivering the Services, will be just cause for an equitable adjustment of the Annual Fees in this SOW4.

- 8. Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW4, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW4. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW4. Said equitable adjustment of the Annual Fees in this SOW4 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s). The Owner shall be responsible for cutting the trees back prior to the upfront renovation.

The work performed under this SOW4 is subject to prevailing wages, and the workers who are performing work under this SOW4 are to be paid no less than the prevailing hourly rate of wages as set by the appropriate authority. Any future work performed by workers under this SOW4 will be subject to the wage determination of the appropriate authority which is in effect when the work is performed. However, the Owner and the Company hereby agree that if the prevailing wage rates for any job or trade classification increases by more than 5% per annum from the effective date of this SOW4 to the date in which any future work is to be performed under this SOW4, then the Company reserves the right to re-negotiate the annual fee(s) with the Owner. If the Company and the Owner cannot agree on re-negotiated annual fee(s), then: (1) the Company will not be obligated to perform the work and (2) the Company will not be obligated to return past annual fee(s) received by the Company.

- 9. Excluded Items.** This SOW4 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW4; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not

limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site; and (xiv) any painting or repairs.

10. Termination.

- a. **This SOW4 is an annual contract that shall automatically renew on an annual basis for ten (10) successive Contract Years so long as the Owner:**
 - i. pays each Annual Fee to the Company in accordance with the terms herein, and
 - ii. does not terminate this SOW4 pursuant to the terms of this Section.
- b. This SOW4 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW4 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.).

11. **Visual Inspection Disclaimer.** This SOW4 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the Tank has been drained and is made available to the Company, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company re-negotiate the Annual Fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, corrosion of the roof plates or rafters, corrosion in areas inaccessible to maintain, damage to the roof of the Tank which is not clearly discoverable during the visual inspection, etc.).

12. **Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW4 exceeds 12% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW4 to

compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index (“ENR-CCI”)*. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 7.1%, respectively, the Owner and the Company agree to renegotiate the current year’s Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW4 is executed and effective as of the date last signed by the parties below.

OWNER

Storey County Water District

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By: _____ 

Name: Jonathan Cato

Title: Chief Operating Officer

Date: January 14, 2026

SCOPE OF WORK NO. 5
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
STOREY COUNTY WATER DISTRICT, NV

CONTRACT FOR SERVICES – 500,000 GALLON GROUND – HILL SIDE TANK B

1. **Effective Date.** The Effective Date for this Scope of Work No. 5 (“SOW5”) shall be _____, 20____.
2. **Term.** The Owner agrees to engage the Company to provide the professional services needed to inspect its **500,000** gallon water storage tank located at **Orphar Road, Virginia City, Nevada 89440** (hereinafter, “the Tank”). This SOW5 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW5 will automatically renew for successive one-year terms for ten (10) years, unless terminated as defined in Section 10 herein. For purposes of this SOW5, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW5 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The professional services entail the upfront renovation (hereinafter, the “Upfront Renovation”) of the Tank and subsequent inspection activities thereafter. Upfront Renovation and inspection activities are collectively referred to as “the Services” in this SOW5, and include the following:
 - a. The Tank shall receive an Upfront Renovation, which will include: **visual inspections prior to the end of Contract Years 1, 2, 4, 5, 7, 8, and 10; washout inspections prior to the end of Contract Years 3, 6, and 9.**
 - b. Annually, the Company will inspect the Tank to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection.
 - c. During the washout inspection, after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service.

- f. The Company will install a lock on the roof hatch of the Tank; however, the provision of such lock does not guarantee the Tank's security during the term of the SOW5. For the avoidance of doubt, security of the Tank and the site where the Tank is located (hereinafter, "Tank Site") are the responsibility of the Owner.
- g. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
- h. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

4. Price/Annual Fees. For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW5. The Annual Fee for Contract **Year 1** shall be **\$1,271.00**. The Annual Fee for Contract **Year 2** shall be **\$1,195.00**. The Annual Fee for Contract **Year 3** shall be **\$4,948.00**. The Annual Fee for Contract **Year 4** shall be **\$1,281.00**. The Annual Fee for Contract **Year 5** shall be **\$1,326.00**. The Annual Fee for Contract **Year 6** shall be **\$5,492.00**. The Annual Fee for Contract **Year 7** shall be **\$1,422.00**. The Annual Fee for Contract **Year 8** shall be **\$1,472.00**. The Annual Fee for Contract **Year 9** shall be **\$6,96.00**. The Annual Fee for Contract **Year 10** shall be **\$1,578.00**. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW5.

5. Payment Terms. Payment Terms and Late Charges.

- a. The Annual Fee for Contract **Year 1**, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of this SOW5**.
- b. **Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter.**
- c. If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company will charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW5 without notice. Any late fee will be 1.5% per month.

6. Changes or Delays to Services. For purposes of this Section 6, "**Unreasonable Delay**" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of twenty-four (24) months following the Company's written request for release or access to the Tank. In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the Company can replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") at the Company's discretion, and such replacement does not constitute a modification of this SOW5.

7. Structure of Tank, Tank Site Conditions, and Modifications.

- a. In providing the Services, the Company accepts the Tank based upon its existing structure and components as of the Effective Date.
- b. ***Any modifications to the Tank after the Effective Date, including antenna installations, shall first be approved by the Company (prior to installation) and may warrant an increase in the Annual Fees.***
- c. Changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the Company's cost in delivering the Services, will be just cause for an equitable adjustment of the Annual Fees in this SOW5.

- 8. Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW5, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW5. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW5. Said equitable adjustment of the Annual Fees in this SOW5 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s). The Owner shall be responsible for cutting the trees back prior to the upfront renovation.

The work performed under this SOW5 is subject to prevailing wages, and the workers who are performing work under this SOW5 are to be paid no less than the prevailing hourly rate of wages as set by the appropriate authority. Any future work performed by workers under this SOW5 will be subject to the wage determination of the appropriate authority which is in effect when the work is performed. However, the Owner and the Company hereby agree that if the prevailing wage rates for any job or trade classification increases by more than 5% per annum from the effective date of this SOW5 to the date in which any future work is to be performed under this SOW5, then the Company reserves the right to re-negotiate the annual fee(s) with the Owner. If the Company and the Owner cannot agree on re-negotiated annual fee(s), then: (1) the Company will not be obligated to perform the work and (2) the Company will not be obligated to return past annual fee(s) received by the Company.

- 9. Excluded Items.** This SOW5 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW5; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not

limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level; (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site; and (xiv) any painting or repairs.

10. Termination.

- a. **This SOW5 is an annual contract that shall automatically renew on an annual basis for ten (10) successive Contract Years so long as the Owner:**
 - i. pays each Annual Fee to the Company in accordance with the terms herein, and
 - ii. does not terminate this SOW5 pursuant to the terms of this Section.
- b. This SOW5 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW5 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.).

- 11. Visual Inspection Disclaimer.** This SOW5 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the Tank has been drained and is made available to the Company, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company re-negotiate the Annual Fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, corrosion of the roof plates or rafters, corrosion in areas inaccessible to maintain, damage to the roof of the Tank which is not clearly discoverable during the visual inspection, etc.).

- 12. Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW5 exceeds 12% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW5 to

compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index* (“ENR-CCI”). In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates for 2023 and 2024 are 5.0% and 7.1%, respectively, the Owner and the Company agree to renegotiate the current year’s Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW5 is executed and effective as of the date last signed by the parties below.

OWNER

Storey County Water District

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By:  _____

Name: Jonathan Cato

Title: Chief Operating Officer

Date: January 14, 2026

SCOPE OF WORK NO. 7
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
STOREY COUNTY WATER DISTRICT, NV

WATER TANK MAINTENANCE – 200,000 GALLON GROUND – NORTH TANK

1. **Effective Date.** The Effective Date for this Scope of Work No. 7 (“SOW7”) shall be _____, 20____.
2. **Term.** The Owner agrees to engage the Company to provide the professional services needed to maintain its **200,000** gallon water storage tank located at **100 Toll Road, Virginia City, Nevada 89440** (hereinafter, “the Tank”). This SOW7 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW7 will automatically renew for successive one-year terms unless terminated as defined in Section 10 herein. For purposes of this SOW7, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW7 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The professional services entail the upfront renovation (hereinafter, the “Upfront Renovation”) of the Tank and subsequent maintenance activities thereafter. Upfront Renovation and maintenance activities are collectively referred to as “the Services” in this SOW7, and include the following:
 - a. The Tank shall receive an Upfront Renovation, which will include: **exterior renovation, interior renovation and repairs prior to the end of Contract Year 1.** Annually, the Company will inspect the Tank to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection.
 - b. Biennially, after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service. Rotate the washouts with ROV inspections. **NOTE: Blue Locker will do dive inspections every three years on this tank under a separate agreement with the Owner.**

- c. The Company shall provide the engineering and inspection services needed to maintain and repair the Tank during the term of this SOW7. The repairs include: the Tank's expansion joints, water level indicators, sway rod adjustments, vent screens, manhole covers/gaskets, and the Tank's other steel parts not otherwise excluded hereinafter.
- d. The Company will clean and repaint the interior and/or exterior of the Tank at such time as complete repainting is needed. The need for interior painting of the Tank is to be determined by the thickness of the existing liner and its protective condition. Only materials approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting of the Tank is to be determined by the appearance and protective condition of the existing paint. At the time that the exterior requires repainting, the Company agrees to paint the Tank with a coating that is the same color as the existing coating and to select a coating system which best suits the site conditions, environment, and general location of the Tank. When interior or exterior painting of the Tank is needed, all products and procedures as to coating systems will be equal to or exceed the requirements of the **State of Nevada** and the American Water Works Association's D102 standard in effect as of the Effective Date, defined in the signature block hereinafter.
- e. The Company will install a lock on the roof hatch of the Tank; however, the provision of such lock does not guarantee the Tank's security during the term of the SOW7. For the avoidance of doubt, security of the Tank and the site where the Tank is located (hereinafter, "Tank Site") are the responsibility of the Owner.
- f. In the event of an emergency involving the Tank, the Owner shall provide written notice of such emergency to the Company via its email hotline at the following address: customerservice@usgwater.com. The Company will provide emergency services for the Tank, when needed, to perform all repairs covered under this SOW7. Reasonable travel time must be allowed for the repair unit to reach the Tank Site.
- g. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
- h. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

4. Price/Annual Fees. For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW7. The Annual Fees for the first **five (5)** years shall be **\$84,683.00** per Contract Year. The Annual Fee for Contract **Year 6** shall be **\$23,045.00**. Each Contract Year thereafter, the Annual Fee shall be adjusted to reflect the current cost of service. The adjustment of the Annual Fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW7.

5. Payment Terms. Payment Terms and Late Charges.

- a. The Annual Fee for Contract **Year 1**, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of this SOW7.**
- b. **Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter.**
- c. If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company will charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW7 without notice. Any late fee will be 1.5% per month.

6. Changes or Delays to Services. For purposes of this Section 6, "**Unreasonable Delay**" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of **twenty-four (24) months following the Company's written request for release or access to the Tank.** In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the Company can replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") at the Company's discretion, and such replacement does not constitute a modification of this SOW7.

7. Structure of Tank, Tank Site Conditions, and Modifications.

- a. In providing the Services, the Company accepts the Tank based upon its existing structure and components as of the Effective Date.
- b. ***Any modifications to the Tank after the Effective Date, including antenna installations, shall first be approved by the Company (prior to installation) and may warrant an increase in the Annual Fees.***
- c. Changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the Company's cost in delivering the Services, will be just cause for an equitable adjustment of the Annual Fees in this SOW7.

8. **Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW7, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW7. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW7. Said equitable adjustment of the Annual Fees in this SOW7 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s). The Owner shall be responsible for cutting the trees back prior to the upfront renovation.

The work performed under this SOW7 is subject to prevailing wages, and the workers who are performing work under this SOW7 are to be paid no less than the prevailing hourly rate of wages as set by the appropriate authority. Any future work performed by workers under this SOW7 will be subject to the wage determination of the appropriate authority which is in effect when the work is performed. However, the Owner and the Company hereby agree that if the prevailing wage rates for any job or trade classification increases by more than 5% per annum from the effective date of this SOW7 to the date in which any future work is to be performed under this SOW7, then the Company reserves the right to re-negotiate the annual fee(s) with the Owner. If the Company and the Owner cannot agree on re-negotiated annual fee(s), then: (1) the Company will not be obligated to perform the work and (2) the Company will not be obligated to return past annual fee(s) received by the Company.

9. **Excluded Items.** This SOW7 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW7; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level;; and (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.

10. Termination.

- a. **This SOW7 is an annual contract that shall automatically renew on an annual basis for successive Contract Years so long as the Owner:**
 - i. pays each Annual Fee to the Company in accordance with the terms herein, and
 - ii. does not terminate this SOW7 pursuant to the terms of this Section.
- b. This SOW7 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW7 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.).
- c. In the event the Owner elects to terminate this Contract prior to remitting the first **five (5)** Annual Fees, then the unpaid balance of the first **five (5)** shall be due and payable within thirty (30) days of the Owner's issuance of the notice of intent to terminate at the end of the then-current Contract Year.

11. **Visual Inspection Disclaimer.** This SOW7 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the Tank has been drained and is made available to the Company, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company re-negotiate the Annual Fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, corrosion of the roof plates or rafters, corrosion in areas inaccessible to maintain, damage to the roof of the Tank which is not clearly discoverable during the visual inspection, etc.).

12. **Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW7 exceeds 12% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW7 to compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index ("ENR-CCI")*. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates

for 2023 and 2024 are 5.0% and 7.1%, respectively, the Owner and the Company agree to renegotiate the current year’s Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW7 is executed and effective as of the date last signed by the parties below.

OWNER	COMPANY
Storey County Water District	Utility Service Co., Inc.
By: _____	By:  _____
Name: _____	Name: <u>Jonathan Cato</u>
Title: _____	Title: <u>Chief Operating Officer</u>
Date: _____	Date: <u>January 14, 2026</u>

SCOPE OF WORK NO. 6
TO THE MASTER SERVICES AGREEMENT BETWEEN
UTILITY SERVICE CO., INC.
AND
STOREY COUNTY WATER DISTRICT, NV

WATER TANK MAINTENANCE – 175,000 GALLON GROUND – SILVER CITY TANK

1. **Effective Date.** The Effective Date for this Scope of Work No. 6 (“SOW6”) shall be _____, 20____.
2. **Term.** The Owner agrees to engage the Company to provide the professional services needed to maintain its **125,000** gallon water storage tank located at **100 Toll Road, Virginia City, Nevada 89440** (hereinafter, “the Tank”). This SOW6 shall commence on the Effective Date and shall continue in full force and effect for one year. This SOW6 will automatically renew for successive one-year terms unless terminated as defined in Section 10 herein. For purposes of this SOW6, “Contract Year” shall mean the 12-month period which commences on the first day of the month when the SOW6 is executed by the Owner and each successive 12-month period thereafter (hereinafter, “Contract Year” or collectively, “Contract Years”).
3. **Company’s Engagement and Responsibilities.** The professional services entail the upfront renovation (hereinafter, the “Upfront Renovation”) of the Tank and subsequent maintenance activities thereafter. Upfront Renovation and maintenance activities are collectively referred to as “the Services” in this SOW6, and include the following:
 - a. The Tank shall receive an Upfront Renovation, which will include: **exterior renovation, interior renovation and repairs prior to the end of Contract Year 5.** Annually, the Company will inspect the Tank to ensure that the structure is in a sound, watertight condition. The Company will provide a written inspection report to the Owner following each inspection.
 - b. Biennially, after the Tank is drained by the Owner, the Company will clean the interior of the Tank and perform a condition assessment on the Tank (hereinafter “Washout Inspection”). During each Washout Inspection, the Tank will be cleaned to remove all mud, silt, and other accumulations from the interior of the Tank. After a Washout Inspection is completed, the interior of the Tank will be thoroughly inspected and disinfected prior to returning the Tank to service; however, the Owner is responsible for draining and filling the Tank and conducting any required testing of the water before returning the Tank to service. Rotate the washouts with ROV inspections. **NOTE: Blue Locker will do dive inspections every three years on this tank under a separate agreement with the Owner.**

- c. The Company shall provide the engineering and inspection services needed to maintain and repair the Tank during the term of this SOW6. The repairs include: the Tank's expansion joints, water level indicators, sway rod adjustments, vent screens, manhole covers/gaskets, and the Tank's other steel parts not otherwise excluded hereinafter.
- d. The Company will clean and repaint the interior and/or exterior of the Tank at such time as complete repainting is needed. The need for interior painting of the Tank is to be determined by the thickness of the existing liner and its protective condition. Only materials approved for use in potable water tanks will be used on any interior surface area. The need for exterior painting of the Tank is to be determined by the appearance and protective condition of the existing paint. At the time that the exterior requires repainting, the Company agrees to paint the Tank with a coating that is the same color as the existing coating and to select a coating system which best suits the site conditions, environment, and general location of the Tank. When interior or exterior painting of the Tank is needed, all products and procedures as to coating systems will be equal to or exceed the requirements of the **State of Nevada** and the American Water Works Association's D102 standard in effect as of the Effective Date, defined in the signature block hereinafter.
- e. The Company will install a lock on the roof hatch of the Tank; however, the provision of such lock does not guarantee the Tank's security during the term of the SOW6. For the avoidance of doubt, security of the Tank and the site where the Tank is located (hereinafter, "Tank Site") are the responsibility of the Owner.
- f. In the event of an emergency involving the Tank, the Owner shall provide written notice of such emergency to the Company via its email hotline at the following address: customerservice@usgwater.com. The Company will provide emergency services for the Tank, when needed, to perform all repairs covered under this SOW6. Reasonable travel time must be allowed for the repair unit to reach the Tank Site.
- g. When the Tank is taken out of service, the Company will furnish pressure relief valves, if requested by the Owner, so that the Owner can install the valves in its water system while the Tank is being serviced. The Owner assumes all risk and liability for the installation and use of the pressure relief valves.
- h. The Company will furnish the Owner with current certificates of insurance, which will summarize the Company's insurance coverage.

4. Price/Annual Fees. For the performance of the Services required by Section 3, the Owner shall pay the Company an Annual Fee (hereinafter, "Annual Fee") for each Contract Year of the SOW6. The Annual Fees for the first **five (5)** years shall be **\$70,270.00** per Contract Year. The Annual Fee for Contract **Year 6** shall be **\$20,906.00**. Each Contract Year thereafter, the Annual Fee shall be adjusted to reflect the current cost of service. The adjustment of the Annual Fee shall be limited to a maximum of 5% annually. All applicable taxes are the responsibility of the Owner and are in addition to the stated costs and fees in this SOW6.

5. Payment Terms. Payment Terms and Late Charges.

- a. The Annual Fee for Contract **Year 1**, plus all applicable taxes, shall be due and payable **within ninety (90) days of the Owner's execution of this SOW6.**
- b. **Each subsequent Annual Fee, plus all applicable taxes, shall be due and payable on the first day of each Contract Year thereafter.**
- c. If the Annual Fee, plus all applicable taxes, are not paid within ninety (90) days of the date of invoice, the Company will charge the Owner a late fee on unpaid balances and may also terminate or suspend Services under this SOW6 without notice. Any late fee will be 1.5% per month.

6. Changes or Delays to Services. For purposes of this Section 6, "**Unreasonable Delay**" shall mean the Owner's delay in releasing the Tank or making the Tank available to the Company for the performance of any of the Services described herein for a period of **twenty-four (24) months following the Company's written request for release or access to the Tank.** In the event of Unreasonable Delay, the Company reserves the right to recover its reasonable costs related to the Unreasonable Delay, and the Owner agrees to negotiate with the Company in good faith to determine the amount of its reasonable costs caused by such Unreasonable Delay. Furthermore, the Owner hereby agrees that the Company can replace a Washout Inspection of the Tank with a visual inspection, remotely operated vehicle inspection ("ROV Inspection"), or unmanned aerial vehicle inspection ("UAV Inspection") at the Company's discretion, and such replacement does not constitute a modification of this SOW6.

7. Structure of Tank, Tank Site Conditions, and Modifications.

- a. In providing the Services, the Company accepts the Tank based upon its existing structure and components as of the Effective Date.
- b. ***Any modifications to the Tank after the Effective Date, including antenna installations, shall first be approved by the Company (prior to installation) and may warrant an increase in the Annual Fees.***
- c. Changes in the condition of the Tank Site and/or any adjoining properties (e.g., construction of a mall next to the Tank Site which significantly increases the risk of overspray claims, etc.) following the Effective Date, which cause an increase in the Company's cost in delivering the Services, will be just cause for an equitable adjustment of the Annual Fees in this SOW6.

8. **Environmental, Health, Safety, Labor, or Industry Requirements.** The Owner hereby agrees that the promulgation of, enactment of, or modification to any environmental, health, safety, or labor laws, regulations, orders, or ordinances (e.g., EPA or OSHA regulations or standards) following the Effective Date of this SOW6, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW6. Furthermore, modifications to industry requirement(s) including, but not limited to, standard(s) or other guidance documents issued by the American Water Works Association, National Sanitary Foundation, and the Association for Materials Protection and Performance, which cause an increase in the cost of the maintenance of the Tank, will be just cause for an equitable adjustment of the Annual Fees in this SOW6. Said equitable adjustment of the Annual Fees in this SOW6 will reasonably reflect the increased cost of the Services with newly negotiated Annual Fee(s). The Owner shall be responsible for cutting the trees back prior to the upfront renovation.

The work performed under this SOW6 is subject to prevailing wages, and the workers who are performing work under this SOW6 are to be paid no less than the prevailing hourly rate of wages as set by the appropriate authority. Any future work performed by workers under this SOW6 will be subject to the wage determination of the appropriate authority which is in effect when the work is performed. However, the Owner and the Company hereby agree that if the prevailing wage rates for any job or trade classification increases by more than 5% per annum from the effective date of this SOW6 to the date in which any future work is to be performed under this SOW6, then the Company reserves the right to re-negotiate the annual fee(s) with the Owner. If the Company and the Owner cannot agree on re-negotiated annual fee(s), then: (1) the Company will not be obligated to perform the work and (2) the Company will not be obligated to return past annual fee(s) received by the Company.

9. **Excluded Items.** This SOW6 does NOT include the cost for and/or liability on the part of the Company for: (i) containment of the Tank at any time during the term of the SOW6; (ii) disposal of any hazardous waste materials; (iii) resolution of operational problems or structural damage due to cold weather; (iv) repair of structural damage due to antenna installations or other attachments for which the Tank was not originally designed; (v) resolution of operational problems or repair of structural damage or site damage caused by physical conditions below the surface of the ground; (vi) negligent acts of Owner's employees, agents or contractors; (vii) damages, whether foreseen or unforeseen, caused by the Owner's use of pressure relief valves; (viii) repairs to the foundation of the Tank; (ix) any latent defects or inaccessible areas of the Tank or its components (including, but not limited to, (a) corrosion from the underside of the floor plates, and (b) inaccessible areas of the Tank such as the area between the bottom of the roof plate and the top of the roof rafter); (x) the maintenance, repair or replacement of any electrical components (to include any lighting, such as aviation lights); (xi) the maintenance, repair or replacement of fill lines, insulation, and/or frost jackets; (xii) the maintenance, repair, or replacement of piping of any kind below ground level;; and (xiii) other conditions which are beyond the Owner's and Company's control, including, but not limited to: acts of God and acts of terrorism. Acts of God include, but are not limited to, any damage to the Tank or Tank Site which is caused by seismic activity, hurricanes, and/or tornadoes. Acts of terrorism include, but are not limited to, any damage to the Tank or Tank Site which results from an unauthorized entry of any kind to the Tank or Tank Site.

10. Termination.

- a. **This SOW6 is an annual contract that shall automatically renew on an annual basis for successive Contract Years so long as the Owner:**
 - i. pays each Annual Fee to the Company in accordance with the terms herein, and
 - ii. does not terminate this SOW6 pursuant to the terms of this Section.
- b. This SOW6 is subject to termination by the Owner only at the end of the then-current Contract Year if written notice of intent to terminate is received by the Company at least ninety (90) days prior to the first day of the upcoming Contract Year. If the notice of intent to terminate is not received at least ninety (90) days prior to the first day of the upcoming Contract Year, this SOW6 shall renew for an additional Contract Year and expire at the end of the upcoming Contract Year. In such an event, the Owner agrees that it shall be responsible to pay the Annual Fee for the upcoming Contract Year. The notice of intent to terminate must be sent by certified mail, with return receipt requested, to Utility Service Co., Inc., Attention: Customer Service, Post Office Box 1350, Perry, Georgia 31069, and signed by three (3) authorized voting officials of the Owner's governing body (e.g., commission or council). Notice of intent to terminate cannot be delivered electronically or verbally (e.g., email, text, phone call, etc.).
- c. In the event the Owner elects to terminate this Contract prior to remitting the first **five (5)** Annual Fees, then the balance for work completed shall be due and payable within thirty (30) days of the Owner's issuance of the notice of intent to terminate at the end of the then-current Contract Year.

11. **Visual Inspection Disclaimer.** This SOW6 is based upon a visual inspection of the Tank. The Owner and the Company hereby acknowledge and agree that a visual inspection is intended to assess the condition of the Tank for all patent defects. If latent defects are identified once the Tank has been drained and is made available to the Company, the Owner agrees and acknowledges that the Company shall not be responsible to repair the latent defects unless the Owner and the Company re-negotiate the Annual Fees. The definition of a "latent defect" shall be any defect of the Tank which is not easily discovered (e.g., corrosion of the floor plates, corrosion of the roof plates or rafters, corrosion in areas inaccessible to maintain, damage to the roof of the Tank which is not clearly discoverable during the visual inspection, etc.).

12. **Excessive Inflation.** In the event that the aggregate of the Annual Inflation Rates (defined hereinbelow) established for two (2) consecutive calendar years during the term of this SOW6 exceeds 12% in total, the Owner and the Company agree to renegotiate the Annual Fees and increase the Annual Fees throughout the remaining term of this SOW6 to compensate the Company for the excessive inflation. For purposes of this provision, the Annual Inflation Rate for each calendar year shall be established by the *Engineering News Report – Construction Cost Index ("ENR-CCI")*. In the event that the ENR-CCI index is discontinued, the Owner and the Company will negotiate and agree to an alternative index or methodology to address the excessive inflation. For illustrative purposes, if a SOW is executed in 2022, the first equitable adjustment could not be made until both the 2023 inflation rate and the 2024 inflation rate have been established. If the annual inflation rates

for 2023 and 2024 are 5.0% and 7.1%, respectively, the Owner and the Company agree to renegotiate the current year’s Annual Fee as well as the remaining Annual Fees for the remainder of the term of the SOW to address the excessive inflation.

The SOW6 is executed and effective as of the date last signed by the parties below.

OWNER

Storey County Water District

By: _____

Name: _____

Title: _____

Date: _____

COMPANY

Utility Service Co., Inc.

By: _____


Name: Jonathan Cato

Title: Chief Operating Officer

Date: January 14, 2026

	Storey County Liquor Licensing Board Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 20 minutes	
Agenda Item Type: Discussion/Possible Action		

- **Title:** For consideration and possible approval of the Second reading for Off-Sale/On-Sale Liquor License, in addition to request a Special Application to Liquor Board for a property not located on C Street. Applicant is Ryan Brandon, Old Corner Bar, 12 North B Street, Virginia City, NV.
- **Recommended motion:** I (insert name) motion to approve the Second reading and Special Application to Liquor Board for Off-Sale/On-Sale Liquor License. Applicant is Ryan Brandon, Old Corner Bar, 12 North B Street, Virginia City, NV.
- **Prepared by:** Erika Wall

Department: Sheriff

Contact Number: 775-847-0959

- **Staff Summary:** Second reading for Off-Sale/On-Sale Liquor License. Applicant is Ryan Brandon, Old Corner Bar, 12 North B Street.
- **Supporting Materials:** No Attachments
- **Fiscal Impact:**
- **Legal review required:** False
- **Reviewed by:**

_____ Department Head

Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved	☐ Approved with Modification
☐ Denied	☐ Continued

	Board of Storey County Commissioners Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 5	
Agenda Item Type: Discussion/Possible Action		

- **Title:** Consideration and possible approval to designate DiPietro and Thornton, CPA as the County's independent auditor for fiscal year ending June 30, 2026.
- **Recommended motion:** I Commissioner _____, approved designating DiPietro and Thornton, CPA as Storey County's independent auditor for fiscal year ending June 30, 2026.
- **Prepared by:** Jennifer McCain

Department: Comptroller

Contact Number: 7758471133

- **Staff Summary:** This item is for consideration and possible approval of the selection of Storey County's independent auditor for the fiscal year ending June 30, 2026.
- Nevada Revised Statutes require the County to obtain an annual independent audit. The audit is necessary to ensure compliance with statutory requirements, support financial transparency, and meet reporting obligations to the Nevada Department of Taxation.
- For the past several years, the County has engaged DiPietro & Thornton to perform these services. Their experience with Nevada local governments, along with their familiarity with the County's financial systems and reporting requirements, has supported continuity and efficiency in the audit process.
- Based on this review, staff recommends the continued engagement of the firm to perform the annual audit.
- **Supporting Materials:** No Attachments
- **Fiscal Impact:**
- **Legal review required:** False
- **Reviewed by:**

_____ Department Head

Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved	☐ Approved with Modification
☐ Denied	☐ Continued

	Board of Storey County Commissioners Agenda Action Report	
Meeting date: 4/21/2026 10:00 AM - BOCC Meeting	Estimate of Time Required: 0-5	
Agenda Item Type: Discussion/Possible Action		

- **Title:** For Consideration and possible approval of business license second readings:
- A. Adams Electrical Corporation – Contractor / 716 N. Carson St. ~ Carson City, NV
- B. Autenicas Carnitas Valenzuela – Food Truck / 8030 Shifting Sands ~ Reno, NV
- C. Backflow and Foliage Pros LLC – Out of County / 3044 Catham Ct. ~ Sparks, NV
- D. Badger Daylighting Corp. – Contractor / 4910 N CR 900 E. ~ Brownsburg, IN
- E. Bighorn Plumbing – Contractor / 3107 N. Deer Run Rd. Ste. 14 ~ Carson City, NV
- F. Buzzard Creek – General / 145 D S. C St. ~ Virginia City, NV
- G. Capitol Builders Hardware, Inc. – Contractor / 4699 24th St. ~ Sacramento, CA
- H. Cinderlite Trucking – Transportation / 1665 S. Sutro Terrace ~ Carson City, NV
- I. Constantino Francisdaky Cuellar – Out of County / 421 Traci Ln. ~ Moundhouse, NV
- J. Cowgirl Art Collective – General / 122 S. C St. ~ Virginia City, NV
- K. D4 Nevada, LLC – Contractor / 2842 Indian Lakes Rd. ~ Fallon, NV
- L. DataSpan Holdings, Inc. – Out of County / 3006 Skyview Cir. ~ So. Irving, TX
- M. EMPOWERED – Non-Profit / 11 Sunset Way ~ Henderson, NV
- N. Firestop Insulation & Acoustical Specialties – Contractor / 733 Butte Creek Rd. ~ Dayton, NV
- O. House Smart Construction 1182 – Out of County / 8000 Snafu Dr. ~ Stagecoach, NV
- P. Hungry Digger – Non-Profit / 5605 Old Victory Hwy ~ Lovelock, NV
- Q. Kanthal Corporation – Out of County / 119 Wooster St. ~ Bethel, CT
- R. Mark III Construction Inc., - Contractor / 5101 Florin Perkins Rd. ~ Sacramento, CA
- S. Redwood Materials, Inc. – General / 775 Innovation Way ~ McCarran, NV
- T. Temporary Wall Systems Northern Nevada – Out of County / 11700 Vista Park Dr. ~ Sparks, NV
- U. Tesla Inc. – General / 455 Denmark ~ McCarran, NV
- V. The Miner’s Table – General / 18 S. C St. ~ Virginia City, NV
- W. Ziglift Material Handling – Contractor / 12640 Allard St. ~ Santa Fe Springs, CA

• **Recommended motion:** Approval

• **Prepared by:** Ashley Mead

Department: Community Development

Contact Number: 775-847-0966

- **Staff Summary:** Second readings of submitted business license applications are normally approved unless, for various reasons, requested to be continued to the next

meeting. A follow-up letter noting those to be continued or approved will be submitted prior to the

- Commission Meeting. The business licenses are then printed and mailed to the new business license holder.

- **Supporting Materials:** See Attachments

- **Fiscal Impact:**

- **Legal review required:** False

- **Reviewed by:**

_____ Department Head

Department Name:

_____ County Manager

Other Agency Review: _____

- **Board Action:**

☐ Approved	☐ Approved with Modification
☐ Denied	☐ Continued

Storey County Community Development



110 Toll Road ~ Gold Hill Divide
P O Box 526 ~ Virginia City NV 89440

(775) 847-0966 ~ Fax (775) 847-0935
CommunityDevelopment@storeycounty.org

To: Jim Hindle, Clerk's office
Austin Osborne, County Manager

April 13, 2026
Via Email

Fr: Ashley Mead

Please add the following item(s) to the **April 21, 2026**

COMMISSIONERS Consent Agenda:

SECOND READINGS:

- A. Adams Electrical Corporation** – Contractor / 716 N. Carson St. ~ Carson City, NV
- B. Autenicas Carnitas Valenzuela** – Food Truck / 8030 Shifting Sands ~ Reno, NV
- C. Backflow and Foliage Pros LLC** – Out of County / 3044 Catham Ct. ~ Sparks, NV
- D. Badger Daylighting Corp.** – Contractor / 4910 N CR 900 E. ~ Brownsburg, IN
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Ec: Community Development
Commissioner's Office

Planning Department
Comptroller's Office

Sheriff's Office