



STOREY COUNTY BOARD OF COUNTY COMMISSIONERS MEETING

12/4/2018 10:00 A.M.

26 SOUTH B STREET, VIRGINIA CITY, NEVADA

AGENDA

MARSHALL MCBRIDE
CHAIRMAN

ANNE LANGER
DISTRICT ATTORNEY

JACK MCGUFFEY
VICE-CHAIRMAN

LANCE GILMAN
COMMISSIONER

VANESSA STEPHENS
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 Brothel License Board, Storey County Water and Sewer System Board and the Storey County Liquor and Gaming 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. 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. 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. The Commission Chair reserves the right to limit the time allotted for each individual to speak.

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. PLEDGE OF ALLEGIANCE
3. DISCUSSION/POSSIBLE ACTION:

Approval of the Agenda for December 4, 2018.

4. DISCUSSION/POSSIBLE ACTION:

5. **CONSENT AGENDA**

- I For possible action, approval of business license first readings:
 - A. SUGARLOAF MOUNTAIN MOTEL & MARKET - General / 430 S. "C" St ~ Virginia City, NV
 - B. NOMNIVORE LLC - General / 222 E. 8th Ave ~ Reno, NV
 - C. FIVES CINETIC CORP - General / 23400 Halstead Rd ~ Farmington Hills, MI
 - D. DEBELL WINDOW SYSTEMS, INC - Contractor / 2600 S. Virginia St ~ Reno, NV
 - E. BIGHORN SERVICES, LLC - General / 560 Juniper St ~ Elko, NV
 - F. STRATOSPHERE QUALITY LLC - General / 12024 Exit Five Pkwy ~ Fishers, IN
 - G. ANDREWS HARDING, AIA ARCHITECT - General / 111 East 14th St ~ Elmira Heights, NY
 - H. ERM-WEST, INC - General / 1277 Treat Blvd ~ Walnut Creek, CA
 - I. SMX, LLC - General / 860 W. Evergreen ~ Chicago, IL
 - J. A-1 QUALITY CARE, LLC - Contractor / 12 Sunset Way #206 ~ Henderson, NV
 - K. MANWEB SERVICES INC - Contractor / 11800 Exit Five Pkwy ~ Fishers, IN
 - L. LOOKOUT TRENDZ - Home / 368 Wagon Wheel Way ~ Dayton, NV
 - M. JHI ENGINEERING, INC - General / 018 SW. Boundary Ct Ste 200 ~ Portland, OR
 - N. AMBER'S PET FRIENDLY GROOMING - General / 269 Edith Lane ~ Dayton, NV
 - O. MICHAEL THOMAS SCHMOKER - Home / 4590 Tybo Rd ~ Reno, NV
 - P. HARGROVE SERVICES CORPORATION - General / 20 S. Royal St ~ Mobile, AL
 - Q. CBIZ RISK & ADVISORY SERVICES, LLC - General / 6050 Oak Tree Blvd ~ Cleveland, OH
 - R. PANASONIC SOLUTION TECHNOLOGIES CO., LTD - General / Tokyo, JP
 - S. SUEZ WTS ANALYTICAL INSTRUMENTS, INC - General / 6060 Spine Rd ~ Boulder, CO
 - T. ALLIED MODULAR BUILDING SYSTEMS, INC - General / 642 W. Nicolas Ave ~ Orange, CA
 - U. TRUCKEE TAHOE LUMBER COMPANY - General / 10242 Church St ~ Truckee, CA
- II For possible action, Update to Storey County Administrative Policies and Procedures including Policy 040 Annual Department Budget Request, including amendments to the policy provisions and changing the policy title to Budgeting and Budget Requests.
- III For possible action, Update to Storey County Administrative Policies and Procedures including Policy 205A Reasonable Accommodation for Victims of Domestic Violence and Policy 206A Vehicle Operators Drug and Alcohol Policy, and amend or replace corresponding forms for Policy 206A including Forms 206A F1, F2, F3, F4, F5, and F6.
- IV For possible action, Update to Storey County Administrative Policies and Procedures including Policy 1001 Disciplinary Action and Appeals, adding Policy 1000 Investigations of Alleged Misconduct; and adding and amending

corresponding forms including for verbal warning, written reprimand, last-chance-agreement, and complaints.

- V For possible action, Update to Storey County Administrative Policies and Procedures including Policy 302 Source of Candidates, Open Recruitment, Promotion, Transfer, and Eligible List to Vacancy Positions; Policy 303 Job Announcements; and Policy 304 Applications, Eligibility of Reduction of Applicants.

- VI For possible action, approval of payroll claims in the amount of \$633,702.44 and accounts payable in the amount of \$1,110,153.66.

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

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

8. **DISCUSSION/POSSIBLE ACTION:**

Discussion and consideration to approve Resolution 18-520 honoring Mark Osmer and Carol Maley, with the Virginia City RV Park, as the 2018 Storey County business of the year.

9. **DISCUSSION/POSSIBLE ACTION:**

For possible action: consideration and possible action on second reading of ordinance no. 18-299 creating the Tahoe-Reno Industrial Center Tax Increment Area pursuant to Nevada Revised Statutes Chapter 278C; considering all complaints, protests, objections and comments to the Area and the undertaking, ordering an undertaking relating to the tax increment area; creating the tax increment account for the undertaking; and ratifying action taken by County officers toward the undertaking and the tax increment area.

10. **DISCUSSION/POSSIBLE ACTION:**

For possible action: consideration and possible action on a resolution no. 18-522 approving the cooperative agreement between the County and TRI General Improvement District relating to the Tahoe-Reno Industrial Center Tax Increment Area subject to minor changes, if any, as are approved by the County Manager.

11. **DISCUSSION/POSSIBLE ACTION:**

For possible action: consideration and possible action on a resolution no. 18-521 approving the reimbursement agreement among the County and all owners of property in the Tahoe-Reno Industrial Center Tax Increment Area subject to minor changes, if any, as are approved by the County Manager.

12. **DISCUSSION/POSSIBLE ACTION:**

For possible action: consideration and possible action on a resolution no. 18-523 making certain determinations regarding excess tax increment revenues distributed

into the funds of the respective taxing agencies under Nevada Revised Statutes ("NRS") 278C.250 in connection with the Tahoe-Reno Industrial Center Tax Increment Area.

13. DISCUSSION/POSSIBLE ACTION:

Discussion/Possible Action. Adoption of 2018 Carson River Watershed Regional Floodplain Management Plan by Carson Water Subconservancy District (CWSD).

14. DISCUSSION/POSSIBLE ACTION:

Discussion/Possible Action to approve purchase of property from Virginia City Ventures Inc. of a parcel of real property identified as Lots 6, 7, and 8 of Block 210 Range H in Virginia City Nevada for the price of \$41,000.00

15. DISCUSSION/POSSIBLE ACTION:

Discussion/Possible Action to approve purchase of property from Virginia City Holdings LLC of parcels of real property identified as Lots 6 – 16 and the south half of Lot 5 Block 180, Lots 3 – 17 Block 181; Lots 1- 6 Block 200; and Lots 1-6 Block 201 all within Range H, Virginia City, Nevada and bearing Assessor Parcel Numbers 001-135-07; 001-136-01; 001-173-01 and 001-176-01 (the Property) for the price of \$445,000.00

16. DISCUSSION/POSSIBLE ACTION:

Discussion/Possible Action to approve purchase of property from Richard Correll of parcels of real property identified as all of Lots 2,3,4, and 5, in Block 210, Range H of Virginia City, Nevada, (the Property) for the price of \$83,333.00 and the conveyance of lot 6 Block 210, Range H Virginia City, Nevada.

17. DISCUSSION/POSSIBLE ACTION:

Discussion/Possible Action to approve purchase of property from Mark Charlton of parcels of real property identified as all of Lot 1, in Block 210, Range H of Virginia City, Nevada (the Property) for the price of \$21,000.00 and \$2,000.00 for a metal shed located on the Property

18. DISCUSSION/POSSIBLE ACTION:

Special Use Permit 2018-053 is a request by the applicant to allow for construction of a single family residence and accessory structures on a 19.8 acre vacant property located in the Forestry zone east of Virginia City in Six Mile Canyon. The subject property is a portion of the West ½ of the Northwest ¼ of Section 25, Township 17 North, Range 21 East, Six Mile Canyon, Storey County, Nevada and having Assessor's Parcel Number 004-321-40.

19. DISCUSSION/POSSIBLE ACTION:

The applicant requests to abandon a portion of unimproved F Street right-of-way, located within Virginia City. The right-of-way abandonment would be approximately 50-feet by 65-feet, located between Lot 5, Block 227 and Lot 5, Block 228 of Virginia City. The project also includes the dedication of an existing travelled way identified as F Street (although not currently located in the F Street right-of-way). The right-of-way abandonment is located adjacent to vacant parcels owned by the applicant at 660 S. F Street, Virginia City, Storey County, Nevada and borders Assessor's Parcel Numbers (APNs) 001-121-02 and 001-124-08.

20. DISCUSSION/POSSIBLE ACTION:

Discussion and possible action on Bill No. 109, the second reading of Ordinance No. 18-298, an ordinance amending Storey County Code chapter 15.04 Building and Construction, to adopt the 2018 International Fire Code, the 2018 International Wildland Urban Interface Code, and the 2018 Northern Nevada Amendments to the 2018 International Wildland Urban Interface Code, amending section 15.04.080 Fire District requirements, and providing for other properly related matters.

21. RECESS TO CALL TO ORDER THE FIRE DISTRICT BOARD

22. DISCUSSION/POSSIBLE ACTION:

Discussion and possible action on a Resolution No. 18-518 adopting regulations consistent with Ordinance 18-298 amending Storey County Code chapter 15.04 Buildings and Construction, to adopt the 2018 International Fire Code, the 2018 International Wildland Urban Interface Code and the 2018 Northern Nevada Amendments to the 2018 International Wildland-Urban Interface Code.

23. RECESS TO RECONVENE THE BOARD OF COUNTY COMMISSIONERS

24. DISCUSSION/POSSIBLE ACTION:

Consideration and Possible action on amendment of Resolution 18-519 to provide a new date for a public hearing on objections to the proposed lease of a portion of the County Complex located at 1705 Peru Drive to the Nevada Highway Patrol for no rent and to allow the County Manager to license temporary use of the facility to the Nevada Highway Patrol pending a final determination on the approval/disapproval of the lease.

25. DISCUSSION/POSSIBLE ACTION:

Special Use Permit Amendment 2000-222-A-6-2018 by applicant Scott Jolcover representing Comstock Mining, LLC. The applicant requests an amendment to Special Use Permit (SUP) Number 2000-222-A- 5 to modify Condition 1.2 from an affective period of 10 years to 20 years for surface and underground mining, processing, and ancillary uses in accordance with Storey County Code 17.92; the amendment also includes modifying Condition 8.5 regarding contributions toward historic preservation projects. The subject properties of the SUP are located in American Flat and Gold Hill approximately in Township 16 North, Range 20 East,

Sections 1 and 12; and Township 16 North, Range 21 East, Sections 4, 5, 6, 7, 8, and 9 MDBM, Storey County, Nevada.

26. DISCUSSION/POSSIBLE ACTION:

ITEM WITHDRAWN Discussion/Possible Action: 2018-045 Zone Map Amendment of a request by applicant Storey County, and property owners Virginia City Ventures Inc. for APN 001-172-01, Lots 6-8 of Block 210, at 575 South H Street; Richard Correll for APN 001-172-03, Lots 2-5 of Block 210, at 535 South H Street; and Mark Charlton for APN 001-172-04, Lot 1 of Block 210, at 515 South H Street, all located in Virginia City, Storey County, Nevada, and, to amend the zoning designation of said parcels which are located within portions of Sections 29 and 30, Township 17 North, Range 21 East, MDBM, from (I2) Heavy Industrial to (CR) Commercial Residential. The 2016 Storey County Master Plan map for this area designates these properties as a transition zone from Industrial to Mixed-Use Commercial Residential.

27. DISCUSSION/POSSIBLE ACTION:

Discussion and Possible Action: Annual review and evaluation of the performance of Pat Whitten, County Manager. The board may, without further notice, take administrative action against Pat Whitten, County Manager, if the board determines that such administrative action is awarded after considering the character, alleged misconduct, professional competence, or physical or mental health of the person. At the end of the annual performance evaluation, the board may modify existing goals and objectives of the county manager's job; determine whether to provide a merit increase, bonus, or other compensation adjustment; and/or take adverse administrative action up to and including termination.

28. DISCUSSION/POSSIBLE ACTION:

Approval of business license second readings:

- A. OMBOLI INTERIORS INC - Contractor / 4200 Rewana Way ~ Reno, NV
- B. ADKORE STAFFING GROUP LLC - General / 4200 W. 115th St ~ Legwood, KS
- C. MICHAEL CLAY CORPORATION - Contractor / 410 E. Minor ~ Winnemucca, NV
- D. PICKETT, KELM & ASSOCIATES - General / 4100 Duval Rd ~ Austin, TX
- E. FISHER SAND & GRAVEL, dba: ARIZONA DRILL&B-Contractor/1302 W. Drivers Way~Tempe, AZ
- F. DANNY WAYNEHAM, dba: SAWDUDE DESIGNS - General / 1130 Harmony ~ WMCA, NV
- G. PROGRESS WIRELESS - Contractor / 2133 Donald Dr #3 ~ Moraga, CA
- H. HOLDER CONSTRUCTION - Contractor / 3300 Riverwood Pkwy ~ Atlanta, GA
- I. ATLAS COPCO RENTAL LLC - General / 2306 South Battleground Rd ~ La Port, TX
- J. CHIKO AIRTEC CO., LTD - General / 2-27-24 Hakushima ~ Osaka, Japan
- K. COLIN GORDON ASSOCIATES - General / 150 North Hill Dr ~ Brisbane, CA
- L. ALPINE LOCK AND KEY, INC - General / 811 Ryland St ~ Reno, NV

M. SOUTH STAR RISK CONSULTING, LLC - General / 1059 Redfish St ~ Bayou Vista, TX
N. ENGINEERED TOOLING SYSTEMS - General / 2780 Courier NW ~ Grand Rapids, MI
O. WEIGL CONCRETE, LLC - Contractor / 3550 Barron Way ~ Reno, NV
P. PROSPECT PEAK LLC - Contractor / 177 Walnut Dr ~ Fernley, NV
Q. NEESER CONSTRUCTION - Contractor / 455 US Hwy 395 N ~ Washoe Valley, NV
R. MTEX INNOVATIVE SOLUTIONS GMBH - General / 7 Kirchstrafe ~ Roansburg, Germany
S. TYRES INTERNATIONAL INC - General / 4637 Allen Rd ~ Stow, OH
T. RYAN SESSIONS, dba: HANDYMAN SERVICE - Home Business / 7770 Opal Bluff Dr ~ Reno, NV

29. **PUBLIC COMMENT (No Action)**

30. **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 will be allowed at the end of each meeting (this comment should be limited to matters not on the agenda). Public Comment will also be allowed during each item upon which action will be taken on the agenda (this comment should be limited to the item on the agenda). Time limits on Public Comment will be at the discretion of the Chairman of the Board. Please limit your comments to three minutes.
- Storey County recognizes the needs and civil rights of all persons regardless of race, color, religion, gender, disability, family status, or nation origin.
- Pursuant to NRS 241.020(c) a member of the public may request the supporting material for the meeting from Vanessa Stephens, Storey County Clerk, at (775) 847-0969. Additionally, the supporting materials may be found at www.storeycounty.org.
- 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.

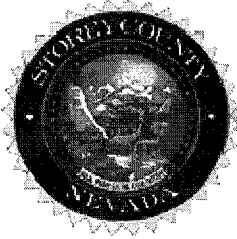
USDA is an equal opportunity provider, employer, and lender.

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, Vanessa Stephens , Clerk to the Board of Commissioners, do hereby certify that I posted, or caused to be posted, a copy of this agenda at the following locations on or before 11/29/2018; Virginia City Post Office at 132 S C St, Virginia City, NV, the 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 a 2610 Cartwright Rd, VC Highlands, NV and Lockwood Fire Department located at 431 Canyon Way, Lockwood, NV.

By Vanessa Stephens
Vanessa Stephens Clerk-Treasurer



Storey County Board of County Commissioners Agenda Action Report

Meeting date: December 4, 2018
Agenda Item Type: Regular Agenda

Estimate of Time Required: 0-5 min.

1. **Title:** Approval of the Minutes for October 29, 2018.
2. **Recommended motion:** Approve minutes as submitted.
3. **Prepared by:** Vanessa Stephens

Department: Clerk

Contact Number: 775.847.0969

4. **Staff Summary:** Minutes are attached.
5. **Supporting Materials:** See attached
6. **Fiscal Impact:** 0
7. **Legal review required:** No
8. **Reviewed by:**

_____ Department Head

Department Name: Clerk

_____ County Manager

Other Agency Review: _____

9. **Board Action:**

<input type="checkbox"/> Approved	<input type="checkbox"/> Approved with Modification
<input type="checkbox"/> Denied	<input type="checkbox"/> Continued



STOREY COUNTY BOARD OF COUNTY COMMISSIONERS MEETING

MONDAY, OCTOBER 29, 2018 10:00 A.M.

DISTRICT COURTROOM
26 SOUTH B STREET, VIRGINIA CITY, NEVADA

SPECIAL MEETING MINUTES

MARSHALL MCBRIDE
CHAIRMAN

ANNE LANGER
DISTRICT ATTORNEY

JACK MCGUFFEY
VICE-CHAIRMAN

LANCE GILMAN
COMMISSIONER

VANESSA STEPHENS
CLERK-TREASURER

ROLL CALL: Chairman McBride, Vice-Chairman McGuffey, Commissioner Gilman, County Manager Pat Whitten, Clerk/Treasurer Vanessa Stephens, Deputy District Attorney Keith Loomis, Comptroller Hugh Gallagher, Deputy Clerk/Treasurer Sarah Burnet, Planner Kathy Canfield

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

Meeting was called to order by Chairman McBride at 10:00 A.M.

2. PLEDGE OF ALLEGIANCE

Chairman McBride led those present in the Pledge of Allegiance.

3. DISCUSSION/POSSIBLE ACTION: Approval of Agenda for October 29, 2018.

Public Comment:
None

Motion: Approve Agenda for October 29, 2018, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary: Yes=3)**

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

County Manager Pat Whitten:

- The November BOCC meeting will be held Friday, November 9th at 10 A.M. in order to canvass the vote.
- A special Board meeting will be held Monday, November 19th at 9 A.M.
- The December BOCC meeting is scheduled for December 4th at 10:00 A.M.
- The annual NACO conference will be held in Minden/Gardnerville - November 13th thru 15th.
- The County's annual Christmas party will take place on Friday, December 7th.

Clerk/Treasurer Vanessa Stephens:

- Early voting will continue through this week from 8AM to 6PM, in the Slammer museum. So far turnout is about 25%. Election Day is November 6th – polls open 7AM to 7PM.

5. BOARD COMMENT (No Action – No Public Comment)

Chairman McBride:

- Saturday was a great day for the Nevada Day Parade – with huge attendance due to the perfect weather. The parade was longer than ever since it is a political year.

6. DISCUSSION/POSSIBLE ACTION: Consideration and possible action on resolution 18-516, directing the County's Engineer to prepare preliminary plans, cost estimates and related items to reimburse the costs of an undertaking for a tax increment area formed pursuant to Nevada Revised Statutes Chapter 278C.

Commissioner Gilman recused himself from discussion and vote on items 6 and 7.

Kendra Follett, of Sherman & Howard – bond counsel for the County, explained this Resolution directs the County engineer to prepare preliminary plans, cost estimates, and related items for the costs of undertaking a water project – a natural resources project under the Statute. This is the first step in creating a Tax Increment Area for Tahoe-Reno Industrial Center.

County Manager Whitten explained that a “place marker” has been included with the agenda for the possible addition of agenda updates – there are no updates and the agenda as posted is correct.

Public Comment:

None

Chairman McBride clarified that all costs incurred in putting this together – should this make it to the “finish line” – are incurred by the participants and not by the County.

Mr. Whitten: Correct. The County asked and received, an increase in deposit as this length of time has cost additional expense to the County. In addition, the County has requested reimbursement of wages for the Comptroller, the Deputy District Attorney, and the County Manager for additional time expended. The County is paid in-full at this time.

Motion: I, Commissioner Jack McGuffey, move to approve Resolution 18-516 approving the economic development financing proposal for the effluent pipeline for certain properties in the Tahoe Regional Industrial Center; directing the Clerk of the County to notify the Governor's Office of Economic Development and the Interim Finance Committee of the Nevada Legislature of the County's approval and providing other details in connection therewith,

Kendra Follett, read the title: A resolution directing the County's Engineer to prepare preliminary plans, cost estimates and related items to reimburse the costs of an undertaking for a tax increment area formed pursuant to Nevada Revised Statutes Chapter 278C.

Chairman McBride: We have a motion, I'll second your motion – it's been moved and seconded to approve Resolution, first reading of Resolution 18-516, all those in favor signify by saying aye, **Vote:** Motion carried by unanimous vote, (**Summary:** Yes=2)

Deputy District Attorney Loomis: Just for clarification, this doesn't require second reading, this is the approval – this is a resolution.

7. DISCUSSION/POSSIBLE ACTION: Consideration and possible action on resolution 18-517, provisionally ordering an undertaking for a tax increment area formed pursuant to Nevada Revised Statutes Chapter 278C; setting a time and place for a hearing on the undertaking; and providing other matters related thereto.

Kendra Follett explained this Resolution is for making a provisional order for this undertaking of a tax increment area. This calls for a public hearing on November 19th, by statute the notice must be published three times, mailed to property owners, and posted. With respect to previous action related to prior structures, both of these Resolutions provide that all actions previously taken in conflict with these current actions, are repealed to the extent of the inconsistencies. There is no need to address prior actions, these stand on their own, and this creates a new tax increment area, on the basis described before on reimbursement and advances by the County for administrative costs.

County Manager Whitten: As with Item 6, we put the same notice that specific terms were still being considered, discussed, negotiated. Nothing has changed since they were originally posted, so the documents that have always been on the website, and in your packet, are still the accurate documents.

Public Comment:

Nicole Barde, Storey County resident: Noticed a couple of companies were missing from the Resolution for the TIA that were previously in it. Blockchains and Switch are missing from this TIA document.

Mr. Whitten: Blockchains did withdraw from the tax increment area.

Ms. Follett: unable to hear

Mr. Whitten: Switch is still in, Blockchains is not.

Ms. Barde: Not that Blockchains is missing, isn't that a change from the documents last time?

Mr. Whitten: No, when I reference the accuracy of the documents – I meant to reflect on what was posted on the website, not what was previously acted upon.

Ms. Barde: Okay.

Kendra Follett, read the title: Resolution no. 18-517, a Resolution provisionally ordering an undertaking for a Tax Increment Area form pursuant to Nevada Revised Statutes Chapter 278C setting a time and place for a hearing on the undertaking and providing other matters related thereto.

Motion: I, Commissioner Jack McGuffey, move to approve Resolution 18-517, provisionally ordering for an undertaking for a tax increment area formed pursuant to Nevada Revised Statutes Chapter 278C; setting a time and place for a hearing on the undertaking; and providing other matters related thereto, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

8. DISCUSSION/POSSIBLE ACTION: Consideration and possible action on Bill 107, the first reading of Ordinance 18-284, an ordinance revising Chapter 17.84 of the Storey County Code addressing signs and billboards and amending other provisions of Title 17 Zoning Code of the Storey County Code relating to signs and billboards, and providing for other matters properly relating thereto. Additional information including, but not limited to, draft text may be obtained from the Planning Department at 775.847.1144 or planning@storeycounty.org, or viewed online at <http://storeycounty.org/517/Updates>. In addition to the provisions of the NRS, any person may complete and return to the Board a statement supporting or opposing the proposed amendments to the county code and/or zoning ordinance.

Planner Kathy Canfield said this is an overhaul of the (entire) sign ordinance, creating better flexibility for property owners and making it easier to understand.

- Workshops were held with the Planning Commission reviewing the existing sign ordinance. Amendments to the code were made based on the (workshop) discussions with major focus on Virginia City.
- This ordinance does not apply to TRIC.
- Signs that stood out were the ones not following Historic District standards – which have been identified and are not permissible in the new code.
- Modifications have been made to definitions.
- After several discussions, the Planning Commission voted to recommend approval with a couple of minor changes that have been made.

Chairman McBride asked Ms. Canfield to address the major changes.

Ms. Canfield: The signs were broken down by zoning district, identifying what signs are allowed for the CR and C zoning district. Ms. Canfield described how sign size is determined – based on the linear feet of frontage for the business. The number of signs is no longer being regulated. She explained that hanging signs must be at least 7 feet high off the walkway. Signs can now be any shape, not just rectangle. The ordinance is being made simple and easier to understand what can be done.

Election signs were also discussed by the Planning Commission. The objective was to make clear what things are regulated and what is not. Time, place, and manner are being regulated – not content. Ms. Canfield reviewed the sizes allowed which are based on location. The number of signs allowed is not regulated.

A “free speech”, County-owned area, has been identified in each of the communities.

Chairman McBride said he assumes that neon is still prohibited.

Ms. Canfield: Yes, or "neon like" signs. They can be in the interior of buildings but must be located six feet away from windows so as not to be visible from the outside.

Chairman McBride: Regarding the size of signs, is there any "grandfather clause" for signs in existence?

Ms. Canfield indicated signs existing prior to 1999 – when the previous Zoning Ordinance came into effect – are considered "grandfathered" in and are okay to stay, unless someone wants to make changes to the configuration of the sign. If the Historic District has identified a sign as having historical significance, removing or retrofitting the sign may be waived by the Planning Director. Change of ownership does affect this.

Chairman McBride asked about business signs where the business no longer exists but the signs are still on properties and are unreadable – is there a provision that the property owner come into compliance, painting the sign with something current or having it removed.

Ms. Canfield said all signs must be maintained in good condition – it needs to be fixed or it needs to come down.

Chair McBride asked about a specific sign in Gold Hill.

Ms. Canfield explained that the sign might be of historical significance. If it existed prior to 1999, it can stay as long as there is no danger to public safety.

Vice Chairman McGuffey: Regarding signs that need to be taken down or replaced, would this be something for the Nuisance Officer, who enforces?

Ms. Canfield indicated it will probably be Planning in conjunction with Community Development. The process needs to be determined.

Ms. Canfield reviewed changes in verbage relating to signs.

Public Comment:

None

Chairman McBride disclosed that he has an interest in the business district with numerous business signs, and his voting on this item will not make any difference one way or the other on future or current property owners – he has to abide by the same rules as well.

Commissioner Gilman said he would make the same disclosure as he also owns a business on C Street, and his signs will be in compliance with all others on the street.

Ms. Canfield read the title: Bill 107, the first reading of Ordinance 18-284, an ordinance revising Chapter 17.84 of the Storey County Code addressing signs and billboards and amending other

provisions of Title 17 Zoning Code of the Storey County Code relating to signs and billboards, and providing for other matters properly relating thereto.

Motion: In accordance with recommendation by staff and the Planning Commission, I, Commissioner Jack McGuffey, motion to approve first reading of Bill 107, Ordinance 18-284, an ordinance revising Chapter 17.84 of the Storey County Code addressing signs and billboards and amending other provisions of Title 17 Zoning Code of the Storey County Code relating to signs and billboards, and providing for other matters properly relating thereto, **Action:** Approve, **Moved by:** Vice Chairman McGuffey, **Seconded by:** Commissioner Gilman, **Vote:** Motion carried by unanimous vote, **(Summary:** Yes=3)

Chairman McBride thanked Ms. Canfield for her hard work and efforts in revising this ordinance.

10. PUBLIC COMMENT (No Action)

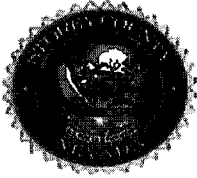
None

11. ADJOURNMENT

Chairman McBride adjourned the meeting at 10:34 A.M.

Respectfully submitted,

By: _____
Vanessa Stephens Clerk-Treasurer



Storey County Board of County Commissioners Agenda Action Report

Meeting date: 12-4-18

Estimate of time required: 0 - 5

Agenda: Consent ☒ Regular agenda ☐ Public hearing required ☐

1. **Title:** Business License First Readings -- Approval
2. **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).

3. **Prepared by:** Melissa Field

Department: Community Development

Telephone: 847-0966

4. **Staff summary:** First readings of submitted business license applications are normally approved on the consent agenda. The applications are then submitted at the next Commissioners' meeting for approval.

5. **Supporting materials:** See attached Agenda Letter

6. **Fiscal impact:**

Funds Available:

Fund:

Comptroller

7. **Legal review required:**

District Attorney

8. **Reviewed by:**

☒ Department Head

☐ County Manager

Department Name:

Other agency review:

9. **Board action:**

☐ Approved

☐ Denied

☐

Approved with Modifications

☐

Continued

Agenda Item No.

5 I

Storey County Community Development

Business Licensing

P O Box 526 • Virginia City NV 89440 • (775) 847-0966 • Fax (775) 847-0935 • mfield@storeycounty.org

To: Vanessa Stephens, Clerk's Office
Pat Whitten, County Manager

November 21, 2018

Via email

Fr: Melissa Field

Please add the following item(s) to the **December 4, 2018, COMMISSIONERS Consent Agenda:**

LICENSING BOARD

FIRST READINGS:

- A. SUGARLOAF MOUNTAIN MOTEL & MARKET** – General / 430 S. "C" st ~ Virginia City, NV
- B. NOMNIVORE LLC** – General / 222 E. 8th Ave ~ Reno, NV
- C. FIVES CINETIC CORP** – General / 23400 Halstead Rd ~ Farmington Hills, MI
- D. DEBELL WINDOW SYSTEMS, INC** – Contractor / 2600 S. Virginia St ~ Reno, NV
- E. BIGHORN SERVICES, LLC** – General / 560 Juniper St ~ Elko, NV
- F. STRATOSPHERE QUALITY LLC** – General / 12024 Exit Five Pkwy ~ Fishers, IN
- G. ANDREWS HARDING, AIA ARCHITECT** – General / 111 East 14th St ~ Elmira Heights, NY
- H. ERM-WEST, INC** – General / 1277 Treat Blvd ~ Walnut Creek, CA
- I. SMX, LLC** – General / 860 W. Evergreen ~ Chicago, IL
- J. A-1 QUALITY CARE, LLC** – Contractor / 12 Sunset Way #206 ~ Henderson, NV
- K. MANWEB SERVICES INC** – Contractor / 11800 Exit Five Pkwy ~ Fishers, IN
- L. LOOKOUT TRENDZ** – Home / 368 Wagon Wheel Way ~ Dayton, NV
- M. JHI ENGINEERING, INC** – General / 018 SW. Boundary Ct Ste 200 ~ Portland, OR
- N. AMBER'S PET FRIENDLY GROOMING** – General / 269 Edith Lane ~ Dayton, NV
- O. MICHAEL THOMAS SCHMOKER** – Home / 4590 Tybo Rd ~ Reno, NV
- P. HARGROVE SERVICES CORPORATION** – General / 20 S. Royal St ~ Mobile, AL
- Q. CBIZ RISK & ADVISORY SERVICES, LLC** – General / 6050 Oak Tree Blvd ~ Cleveland, OH
- R. PANASONIC SOLUTION TECHNOLOGIES CO., LTD** – General / Tokyo, JP
- S. SUEZ WTS ANALYTICAL INSTRUMENTS, INC** – General / 6060 Spine Rd ~ Boulder, CO
- T. ALLIED MODULAR BUILDING SYSTEMS, INC** – General / 642 W. Nicolas Ave ~ Orange, CA
- U. TRUCKEE TAHOE LUMBER COMPANY** – General / 10242 Church St ~ Truckee, CA

Ec: Community Development
Commissioners' Office

Planning Department
Comptroller's Office

Sheriff's Office



Storey County Board of County Commissioners Agenda Action Report

Meeting date: 12/04/18

Estimate of time required: 15 min.

Agenda: Consent ☒ Regular agenda ☐ Public hearing required ☐

1. **Title:** Discussion/Possible Action. Update to Storey County Administrative Policies and Procedures including Policy 040 Annual Department Budget Request, including amendments to the policy provisions and changing the policy title to Budgeting and Budget Requests.
2. **Recommended motion:** Based on the recommendation by staff and in conformance with the Storey County Administrative Policies and Procedures, I [commissioner] motion to approve updates to Storey County Administrative Policies and Procedures including Policy 040 Annual Department Budget Request, including amendments to the policy provisions and changing the policy title to Budgeting and Budget Requests.
3. **Prepared by:** Austin Osborne

Department: Human Resources

Telephone: 847-0968
4. **Staff summary:** The purpose of the Storey County Administrative Policies and Procedures is to establish authority to implement the personnel program on a consistent basis. The Policies and Procedures require that review and necessary updates occur every five years and otherwise as needed.
5. **Supporting materials:** Enclosed markup policy updates.
6. **Fiscal impact:** None on local government.

Funds Available:

Fund:

_____ Comptroller

7. Legal review required:

_____ District Attorney

8. Reviewed by:

 Department Head

Department Name:

_____ County Manager

Other agency review: _____

9. Board action:

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

STOREY COUNTY ADMINISTRATIVE
POLICIES AND PROCEDURES

NUMBER 040
EFFECTIVE DATE: 07-03-2012
REVISED: 12/04/18
AUTHORITY: BOC
COUNTY MANAGER: PAW

SUBJECT: ~~Annual Departmental Budget Request~~
Budgeting and Budget Requests

I. PURPOSE: To establish methods and procedures for the development, presentation, adoption, administration and evaluation of departmental budget requests and the county budget. To enable the county to make financial plans for both current and capital expenditure programs and to provide program priorities for the expenditure of public funds. To provide for the control of revenues and expenditures, in order to promote prudence and efficiency in the expenditure of public funds.

II. POLICY: ~~The County Manager or his designee~~ Comptroller is authorized to develop the annual budget for approval by the ~~Board of County Commissioners~~ board in accordance with the provisions of NRS ~~Chapter 354~~. NRS 354 and NAC 354.

III. PROCEDURES:

A. Development of Draft Budget:

1. ~~The County Manager or his designee shall obtain the information in such form as the County Manager or his designee may deem necessary or desirable for the budget preparation and development.~~ During the month of January of each year the Comptroller or his/her designee will notice the County Manager and department heads to develop a draft budget proposal for the following fiscal year. The County Manager and each department head will also be provided a schedule showing deadlines for draft budget submittals and resubmittals, tentative and final map hearings and submittals, and other important dates in the budget process for the year.
2. The Comptroller will convene a core budget team consisting of himself/herself, the County Manager, the Administrative Officer and/or Personnel Director, auditors and analysts from the Comptroller's and County Manager's office, and other person(s) as applicable and appropriate for each department and fund.
3. Each department head will develop a draft budget proposal for his/her department. By a deadline set by the Comptroller pursuant to paragraph (1), the department head will submit to him/her a department budget draft proposal for preliminary review.
4. Before submittal of the tentative budget to the board, the core budget team will meet with each department head for the purpose of reviewing each proposed department budget. Discussion will occur between the parties about projected revenues, anticipated expenses, and other matters potentially affecting the county budget and department budget during the coming fiscal year. Concerns and input from each member of the core budget team and the department head will be considered in formulating the tentative budget for the county and each

department. This process may be performed in one or more meetings with the department head.

5. The tentative budget will be provided to the entire core budget team at least 5 days before it is submitted to the board for consideration in order to allow sufficient time for the budget team to review and provide comment.

~~E. The County Manager or his designee shall meet with representatives of all county departments for the purpose of formulating the County Manager's budget recommendations to the;~~

~~F. Each department head is responsible for his representatives furnishing, in a timely fashion, the information the County Manager or his designee may deem necessary to achieve the purposes of this section.~~

B. Tentative and Final Budget Preparation, Noticing, and Hearing

1. The Comptroller will prepare for the board a draft tentative budget for the ensuing fiscal year. The tentative budget must be submitted to the County Manager and core budget team, and filed for public record and be inspected by the Storey County Clerk.
2. On or before April 15 of each year, the Comptroller will submit the tentative budget to the Nevada Department of Taxation.
3. The tentative and final budgets will be prepared, submitted, noticed, and considered by the board and the Nevada Department of Taxation as set forth in NRS 354 and NAC 354.

C. The adoption of the budget by the ~~Board of Commissioners~~ board is the approval of each construction project/capitol project included in the budget.

1. The County Manager or the Comptroller ~~or his designee~~ are authorized to cancel or substitute construction project/capitol project throughout the fiscal year.
2. Any department head wishing to initiate a new project or project change, not authorized in the budget as the same may be amended from time to time, must first obtain budget change approval from the Comptroller or County Manager or ~~his designee~~ prior to its commencement.

D. Each ~~Elected Official or Department Head~~ department head must remain familiar at all times with the budget balances of his/her department.

1. No ~~employee or supervisor~~ department head or employee may obligate the county to any expenditure of money not specifically budgeted without the express written authority of the County Manager and the ~~County~~ Comptroller.
2. No ~~official or employee~~ department head or employee may spend or obligate money in excess of the total budget appropriated for that department without the expressed written authority of the County Manager and the Comptroller.
3. For cost control, any item purchased over \$1,499.99, the ~~Elected Official or Department Head~~ department head must submit a Budget Request Form 040-F to the County Manager and ~~County~~ Comptroller for approval.

4. Expenditure from a budget other than the department's own may only be made with authorization from the County Manager ~~or his designee or~~ and the County Comptroller. ~~or the persons responsible for administering or supervising such other budget.~~

E. The ~~County~~ Comptroller shall on no less than a monthly basis, review each department's expenditures for conformity with the duly approved departmental budget. Exceptions or possible over-expenditures must be noted by the Comptroller with a copy to the County Manager.

F. The Comptroller will on a quarterly basis provide a summary standing of the county budget, including for revenues and expenditures, and for each department of the county, to the board in public hearing.

IV. **Structurally Balanced Budget**

A. The county will maintain a structurally balanced budget, where recurring revenues equal or exceed recurring expenditures. The county will balance recurring operating expenditures with recurring revenues reasonably expected to continue year to year.

B. Recurring expenditures are operating costs that are funded each year such as salaries, benefits, services, supplies, and asset maintenance costs. Non-recurring expenditures are on-time expenditures and one-time costs such as acquisitions or replacement of capital assets.

C. Property taxes are examples of recurring revenue, while settlements from lawsuits or certain grants are examples of non-recurring revenue.

D. Revenues that have both recurring and non-recurring components require judgement in determining how much of the source is truly recurring. For example, building permit revenues rise in a period of high growth in the community, but can be volatile as economic conditions change. The county will review its revenue portfolio to identify revenues with potentially volatile components and avoid over reliance on these revenue sources in its budget projections.

E. The county will maintain reserves at its desired policy levels. Using reserves to balance the budget may only be considered in the context of a plan to return to structural balance. The plan to return to structural balance must include a specific length of time for replenishing the fund balance and remediating the negative impact of any other short-term balancing actions that may be taken.

V. **Pay-As-You-Go Budgeting**

A. The county will conduct its operations from existing or foreseeable revenue sources. Achieving pay-as-you-go funding requires the following practices: current direct and indirect costs for operating and maintenance will be controlled and will be funded with current revenues. Sound revenue and expenditure forecasts will be prepared annually for all operating funds as part of budget discussions.

B. The county will prepare a full Cost Allocation and Recovery Plan, compliant with the Federal Office of Management and Budget (OMB) Circular A-87 annually to prove accurate and complete estimates of the indirect service costs. The Cost Allocation Plan will be updated annually during budget development.

C. Costs attributable to the mandates of other government agencies will be included in the annual budget.

VI. Budget Performance Reporting

A. The Comptroller will submit quarterly operating reports to the County Manager and board comparing actual revenues and expenditures with budgeted revenues and expenditures.

B. Where practical, the county will develop and employ performance measures to be included in the budget.

VII. Maintenance, Repair, and Replacement Goals

A. As a goal, all equipment replacement and maintenance needs for the next 5 years will be projected and the projection will be updated each year. A maintenance and replacement schedule based on this projection will be developed and potential funding sources identified.

B. Replacement of capital outlay items will be planned to increase efficiency and productivity considering the available funds. When possible, replacement plans will be timed as stable intervals so as not to spend excessively in one year and restrictively in the next.

VIII. Maintenance of Capital Assets

A. The budget should provide sufficient funds for the regular repair and maintenance of all county capital assets. The budget should not be balanced by deferring these expenditures.

B. Future maintenance needs for all new capital facilities will be identified during the capital improvement program process. Significant maintenance and operating cost increases or decreases will be reflected in the five-year financial plan.

IX. Personnel Services

A. The county will strive to pay competitive market rates for salaries, wages, and benefits to its employees. The funding of competitive market rates will be balanced against the county's ability to fund short- and long-term costs and to maintain quality public services.

B. The county will periodically conduct a comprehensive total compensation survey of public sector employees as necessary and this survey will be the basis for determining prevailing market rates. The compensation survey will focus on public agencies and employees that are similar to Storey County.

C. The county's workforce, measured in full-time-equivalent (FTE), will not fluctuate more than 3 percent annually without corresponding changes in program service level or scope.

D. In establishing pay rates, a cost analysis of rate increases will be conducted and will include the effect of such increases on the county's share of related fringe benefits and unfunded liabilities (including non-salary benefits).

E. Long-term costs of changes in benefits packages will be estimated and fully disclosed to the board before negotiated labor agreements are affirmed.

F. No new personnel should be included in the base budget.

X. **Services and Supplies**

A. In developing the annual operating budget, total department services and supplies budgets are not to increase from the current year's total adopted budget without valid justification.

XI. **Capital Outlay and Projects**

A. A capital outlay plan will be developed and will conform to Storey County policies and procedures.

XII. **Use of Interest on Investment Earnings**

A. The amount of interest on investment earnings fluctuates depending on both the interest rate and the amount invested. It is not advisable for the county to rely on this source of revenue to fund ongoing operations given the significant fluctuations in investment earnings. Therefore, the amount of investment earnings that may be budgeted to fund operations for the next fiscal year is limited to the estimated investment earnings that would be generated from the lowest interest rate and lowest investment amount in the preceding five fiscal years by fund. Any amount in excess can only be used to fund one-time purchases or placed in an appropriate reserve account for future on-time purchases.

XIII. **Budget Management**

The budget will be managed in accordance with Nevada Local Government Budget Act contained in NRS 354.470-354.626 and NAC 354.400-354.600.

A. **Manage budgets**

1. Department heads and elected officials will manage their budgets responsibly and will be accountable for compliance with NRS 354.626 requiring that no governing body or member thereof, officer, office, department, or agency within the county may, during any fiscal year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, in excess of the amount appropriated in the budget for that function, with the exception of bond repayments, medium-term obligation repayments and any other long-term contracts expressly authorized by law.

B. **Augmentations**

1. If anticipated resources actually available during a budget period exceed those estimated, the budget may be augmented. Budget augmentations to increase the appropriation of a fund when actual resources exceed those previously budgeted must be approved by a resolution of the board at a regularly scheduled meeting. Budget augmentations become effective upon filing of the resolution with the Department of Taxation. The Comptroller will present budget augmentations to the board for approval three times annually, or as necessary.

C. **Budget augmentations for grants-in-aid, gifts, or bequests**

1. Budget augmentations resulting from grants, gifts, or bequests previously approved by the board may be approved by department heads designated to administer the budget of that function.
- D. **Budget Amendments Due to Legislative Action**
1. An amended budget due to legislative actions to increase or decrease the revenues or expenditures of a local government not anticipated in the local government's final adopted budget may be filed with the state department of taxation within 30 days of adjournment of the legislative session.
- E. **Budget Transfer Within a Function**
1. Transfers within a function may be approved by the department head designated to administer the budget of that function upon consultation with the Comptroller.
- F. **Budget Transfers Between Functions, Funds, or Contingency Accounts**
1. Budget transfers between functions, funds, or contingency accounts will be approved by the board via resolution at a regularly scheduled meeting and recorded into the official minutes of the meeting.
- G. **Budget Appropriations**
1. Budget appropriations will lapse at the end of the fiscal year and will revert to the available balance of the fund from which appropriated per NRS 354.620. Exceptions include encumbered budget for carryover purchase orders and/or carryover projects.

RESPONSIBILITY FOR REVIEW: The County Manager or his/her designee will review this policy every 5 years or sooner as necessary.



Storey County Board of County Commissioners

Agenda Action Report

Meeting date: 12/04/18

Estimate of time required: 15 min.

Agenda: Consent ☒ Regular agenda ☐ Public hearing required ☐

1. **Title:** Discussion/Possible Action. Update to Storey County Administrative Policies and Procedures including Policy 205A Reasonable Accommodation for Victims of Domestic Violence and Policy 206A Vehicle Operators Drug and Alcohol Policy, and amend or replace corresponding forms for Policy 206A including Forms 206A F1, F2, F3, F4, F5, and F6.

2. **Recommended motion:** Based on the recommendation by staff and in conformance with the Storey County Administrative Policies and Procedures, I [commissioner] motion to approve updates to Storey County Administrative Policies and Procedures including Policy 205A Reasonable Accommodation for Victims of Domestic Violence and Policy 206A Vehicle Operators Drug and Alcohol Policy, and amend or replace corresponding forms for Policy 206A including Forms 206A F1, F2, F3, F4, F5, and F6.

3. **Prepared by:** Austin Osborne

Department: Human Resources

Telephone: 847-0968

4. **Staff summary:** The purpose of the Storey County Administrative Policies and Procedures is to establish authority to implement the personnel program on a consistent basis. The Policies and Procedures require that review and necessary updates occur every five years and otherwise as needed.

5. **Supporting materials:** Enclosed markup policy updates.

6. **Fiscal impact:** None on local government.

Funds Available:

Fund:

____ Comptroller

7. **Legal review required:**

____ District Attorney

8. **Reviewed by:**

 Department Head

Department Name:

____ County Manager

Other agency review: _____

9. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

<u>STOREY COUNTY ADMINISTRATIVE</u>	<u>NUMBER</u>	<u>205A</u>
<u>POLICIES AND PROCEDURES</u>	<u>EFFECTIVE DATE:</u>	<u>12/04/18</u>
	<u>REVISED:</u>	<u>12/04/18</u>
	<u>AUTHORITY:</u>	<u>BOC</u>
	<u>COUNTY MANAGER:</u>	<u>PAW</u>

SUBJECT: Reasonable Accommodation for Victims of Domestic Violence

1.1. Reasonable Accommodation for Victims of Domestic Violence

A. Policy

It is Storey County's policy to comply proactively with the applicable employment provisions of discrimination laws, including NRS 613, which set forth requirements for employers, absent creating an undue hardship, to provide reasonable accommodation to employees who are victims of domestic violence or whose family or household members are victims of domestic violence. For the purpose of this policy, "family or household members" include the employee's spouse, domestic partner, minor child, or parent or other adult person who is related within the first degree of consanguinity or affinity to the employee, or other adult person who is or was actually residing with the employee at the time of the act which constitutes domestic violence.

B. Accommodation

1. Whenever a department head or supervisor becomes aware that an employee has a need for an accommodation due to domestic violence, s/he should promptly notify the EEO Officer (Administrative Officer and/or Personnel Director).
2. Upon learning of the employee's need for accommodation due to domestic violence, the EEO Officer shall arrange to meet with the supervisor and the employee to discuss his/her accommodation request, the need for documentation that confirms or supports the reason the employee requires the reasonable accommodations, and the impact of the proposed accommodation on the employer.
3. Reasonable accommodations may include:
 - a. Transfer or reassignment;
 - b. A modified schedule;
 - c. A new telephone number for work; or
 - d. Any other reasonable accommodations which will not create an undue hardship deemed necessary to ensure the safety of the employee, the workplace, the employer or other employees.

C. Prohibitions

The employer will not discharge, discipline, discriminate against, in any manner, or deny employment or promotion to, or threaten to take any such action against an employee because:

1. The employee requested to use hours of leave pursuant to this policy;
2. The employee participated as a witness or interested party in court proceedings related to a domestic violence act;
3. The employee requested accommodation pursuant to this policy; or
4. An act of domestic violence was committed against the employee at the workplace.

RESPONSIBILITY FOR REVIEW: The County Personnel Director and/or Administrative Officer will review this policy every 5 years or sooner as necessary.

**STOREY COUNTY ADMINISTRATIVE
POLICIES AND PROCEDURES**

NUMBER 206A
EFFECTIVE DATE: 1-18-11
REVISED: 12/04/18
AUTHORITY: BOC
COUNTY MANAGER: PAW

SUBJECT: VEHICLE OPERATORS DRUG AND ALCOHOL POLICY

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Appendices

A - Drug Specimen Collection and Testing Procedures

B - Alcohol Sample Collection and Testing Procedures

C - Violation of the DOT/FMCSA Regulations 382.507, and Civil Penalties

(49 U.S.C. §521 [b]).

Driver Disqualifications and Penalties (49 CFR §383.51)

D - Certificate of Receipt

Forms

Employee Acknowledgement Form (Form 206A-F1)

Consent to Release of Drug / Alcohol Information Drug /Alcohol Testing (Form 206A-F2)

Drug / Alcohol Test Informed Consent (Form 206A-F3)

DOT Alcohol Testing Form (Form 206A-F4)

Suggested Steps for Reasonable Suspicion Drug / Alcohol Testing (Form 206A-F5)

Documentation for Reasonable Suspicion Drug / Alcohol Testing (Form 206A-F6)

Federal Drug Testing Custody and Control Form (Current Form #OBM No. 0930-0158 is available on website www.health.org/workplace)

I. **Statement of Purpose**

The employer seeks to operate a drug- and alcohol-free workplace that is in compliance with the Federal Department of Transportation (DOT) (49 CFR Part 40) and the Federal Motor Carrier Safety Regulations (FMSCR), as prescribed by the Federal Motor Carrier Safety Administration (FMCSA) (49 CFR Parts 382, 383, 387, 390-397, and 399). Therefore, it is the policy of the employer that all employees who perform safety-sensitive functions as defined in this policy, including employees required to maintain commercial driver's licenses (CDL), be drug and alcohol free.

To further this goal, the employer has implemented this Vehicle Operators Drug and Alcohol Policy. The policy provides the employer with reasonable measures to ensure that an employee's drug or alcohol use does not jeopardize the employer's successful operations, the employer's workplace, its employees, or the general public.

II. **Coverage**

The Vehicle Operators Drug and Alcohol Policy covers all employees who are required to obtain and maintain a CDL as a qualification for their position. All employees covered by this policy are referred to as "drivers" for the purposes of this policy. A CDL is required for all drivers that operate a vehicle:

1. In excess of 26,000 pounds Gross Vehicle Weight Rating (GVWR); or
2. Designed to carry 16 or more passengers (including the driver); or
3. Of any size which is used in the transportation of a placardable amount of hazardous material.

This includes, but is not limited to: full-time, part-time, casual, intermittent, or occasional drivers. Mechanics who operate commercial vehicles to test their operations are specifically covered by this policy.

III. **Basic Information about Alcohol and Controlled Substances**

Section 382.601(b) of the FMSCR requires that all employees be provided with information concerning the effects of alcohol and controlled substances use on an individual's health, work, and personal life; signs and symptoms of an alcohol or a controlled substances problem; and available methods of intervening when an alcohol or a controlled substances problem is suspected.

1. Alcohol

a. Health Effects

- The liver is the primary site of alcohol metabolism and can be severely affected by heavy alcohol use. The three primary dangers are fatty liver, alcoholic hepatitis, and cirrhosis.
- Heavy alcohol use can also severely affect the gastrointestinal tract, contributing to inflammation of the esophagus, exacerbating peptic ulcers, and causing acute and chronic pancreatitis. It interferes with the absorption of nutrients from food and contributes to malnutrition.

- Heavy alcohol use affects the heart and vascular system, contributing to heart attacks, hypertension, and strokes.
- Either because of direct action or indirectly through the malnutrition, liver disease, and other effects it causes, alcohol depresses immune system functioning and increases the likelihood of infection.
- There is considerable evidence that alcohol abuse is associated with the incidence of cancer, particularly cancers of the liver, esophagus, nasopharynx, and larynx.
- Heavy alcohol consumption causes brain damage, manifested through dementia, blackouts, seizures, hallucinations, and peripheral neuropathy.
- Birth defects.

b. Workplace Issues

- Alcohol affects vision, reflexes, coordination, emotions, aggressiveness, and judgement, which deprives a professional driver of most of the tools s/he relies upon to perform safely.
- Hangovers also present a risk to driving behavior. The sick feeling associated with hangovers, including headaches, nausea, and other symptoms, can distract a driver's attention and lead to accidents even though alcohol may no longer be detectable in the body.

c. Signs and Symptoms of Use

- Evidence of presence of alcohol: Bottles, cans, and other containers which alcohol-containing beverages may have been purchased and/or consumed in; bottle caps from alcohol containers; bottle or can openers; drivers drinking from paper bags; odor of alcohol on containers or on driver's breath.
- Physical symptoms: Reduction of reflexes, slurred speech, loss of coordination, unsteady gait.
- Behavioral symptoms: Increased talkativeness, reduced emotional control, distorted judgment, impaired driving ability, gross effects on thinking and memory.

2. Marijuana

a. Health Effects

- When marijuana is smoked, it is irritating to the lungs. Chronic smoking causes emphysema-like conditions.
- One joint causes the heart to race and be overworked. People with undiagnosed heart conditions are at risk.
- Marijuana is commonly contaminated with a fungus called *Aspergillus*, which can cause serious respiratory tract and sinus infections.

- Marijuana smoking lowers the body's immune system response, making users more susceptible to infection.
- Chronic smoking causes changes in brain cells and brain waves.
- Decrease in fertility.
- Birth defects.
- Delayed decision making, diminished concentration, impaired short-term memory, erratic cognitive function, distortion of time estimation.

b. Workplace Issues

- The active chemical, THC, is stored in body fat and slowly released.
- Marijuana smoking has long-term effects on performance.
- Increased THC potency in modern marijuana increases the impairment.
- Combining alcohol or other depressant drugs with marijuana increases impairment.

c. Signs and Symptoms of Use

- Evidence of presence of marijuana: Plastic bags (commonly used to sell marijuana); smoking papers; roach clip holders; small pipes of bone, brass, or glass; smoking bongs; distinctive odor.
- Physical symptoms: Reddened eyes; stained fingertips from holding joints; chronic fatigue; irritating cough; chronic sore throat; accelerated heartbeat; slowed speech; impaired motor coordination; altered perception; increased appetite.
- Behavioral symptoms: Impaired memory; time-space distortions; feeling of euphoria; paranoia; false sense of power.

3. Cocaine

a. Health Effects

- Regular use may upset the chemical balance of the brain. As a result, it may speed up the aging process by causing damage to critical nerve cells.
- The onset of nervous system illnesses such as Parkinson's disease could also occur.
- Cocaine use causes the heart to beat faster and harder and rapidly increases blood pressure. In addition, cocaine causes spasms of blood vessels in the brain and heart. Both effects lead to ruptured vessels causing strokes or heart attacks.
- Strong dependency can occur with one "hit" of cocaine. Usually mental dependency occurs within days of using. Cocaine causes the strongest mental dependency of any known drug.
- Treatment success rates are lower than those of other chemical dependencies.

- Cocaine is extremely dangerous when taken with depressant drugs. Death due to overdose is rapid. The fatal effects of an overdose are not usually reversible by medical intervention.

b. Workplace Issues

- Extreme mood and energy swings create instability. Sudden noise causes a violent reaction.
- Lapses in attention and ignoring warning signals increases probability of accidents.
- High cost frequently leads to theft and/or dealing.
- Paranoia and withdrawal may create unpredictable or violent behavior.
- Performance is characterized by forgetfulness, absenteeism, tardiness and missing assignments.

c. Signs and Symptoms of Use

- Evidence of presence of cocaine: Small folded envelopes, plastic bags, or vials used to store cocaine; razor blades; cut-off drinking straws or rolled bills for snorting; small spoons; heating apparatus.
- Physical symptoms: Dilated pupils, runny or irritated nose, profuse sweating, dry mouth, tremors, needle tracks, loss of appetite, hyper-excitability, restlessness, high blood pressure, heart palpitations, insomnia, talkativeness, formication (sensing of bugs crawling on skin).
- Behavioral symptoms: Increased physical activity, depression, isolation and secretive behavior, unusual defensiveness, frequent absences, wide mood swings, difficulty in concentration, paranoia, hallucinations, confusion, false sense of power and control.

4. Opioids

a. Health Effects

- Intravenous users have a high risk of contracting hepatitis or AIDS when sharing needles.
- Increased pain tolerance. As a result, a person may more severely injure themselves and fail to seek medical attention as needed.
- Narcotic effects are multiplied when combined with other depressants causing an increased risk for an overdose.
- Because of tolerance, there is an ever increasing need for more.
- Strong mental and physical dependency occurs.
- With increased tolerance and dependency combined, there is a serious financial burden for the user.

b. Workplace Issues

- Side effects such as nausea, vomiting, dizziness, mental clouding and drowsiness place the user at high risk for an accident.
 - Causes impairment of physical and mental functions.
 - c. Signs and Symptoms of Use
 - Evidence of presence of opioids: Foil, glassine envelopes, or paper "bindles" (packets for holding drugs); balloons or prophylactics used to hold heroin; bloody tissues used to wipe the injection site; a pile of burned matches used to heat the drug prior to injection.
 - Physical symptoms: Constricted pupils, sweating, nausea, and vomiting, diarrhea, needle marks or "tracks", wearing long sleeves to cover "tracks", loss of appetite, slurred speech, slowed reflexes, depressed breathing and heartbeat, and drowsiness and fatigue.
 - Behavioral symptoms: Mood swings, impaired coordination, depression and apathy, stupor, euphoria.
5. Amphetamines
- a. Health Effects
 - Regular use causes strong psychological dependency and increased tolerance.
 - High doses may cause toxic psychosis resembling schizophrenia.
 - Intoxication may induce a heart attack or stroke due to increased blood pressure.
 - Chronic use may cause heart or brain damage due to severe constriction of capillary blood vessels.
 - Euphoric stimulation increases impulsive and risk taking behavior, including bizarre and violent acts.
 - Withdrawal may result in severe physical and mental depression.
 - Long-term heavy use can lead to malnutrition, skin disorders, ulcers, and various diseases that come from vitamin deficiencies.
 - b. Workplace Issues
 - Since the drug alleviates the sensation of fatigue, it may be abused to increase alertness during periods of overtime or failure to get rest, which can result in increased accidents.
 - With heavy use or increasing fatigue, the short-term mental or physical enhancement reverses and becomes an impairment.
 - The hangover effect of amphetamines is characterized by physical fatigue and depression, which make operation of equipment or vehicles dangerous.
 - c. Signs and Symptoms of Use

- Evidence of presence of amphetamines: Most frequently – pills, capsules, or tablets; envelopes, bags, vials for storing the drug; less frequently – syringes, needles, tourniquets.
- Physical symptoms: Dilated pupils, sweating, increased blood pressure, palpitations, rapid heartbeat, dizziness, decreased appetite, dry mouth, headaches, blurred vision, insomnia, high fever (depending on level of the dose).
- Behavioral symptoms: Confusion, panic, talkativeness, hallucinations, restlessness, anxiety, moodiness, false sense of confidence and power.

6. Phencyclidine (PCP)

a. Health Effects

- The potential for accidents and overdose emergencies is high due to the extreme mental effects combined with the anesthetic effect on the body.
- PCP, when combined with other depressants, including alcohol, increases the possibility of an overdose.
- If misdiagnosed as LSD induced, and treating with Thorazine, can be fatal.
- Irreversible memory loss, personality changes, and thought disorders may result.

b. Workplace Issues

- Not common in workplace primarily because of the severe disorientation that occurs.
- The distortions in perception and potential visual and auditory delusions make performance unpredictable and dangerous. PCP use can cause drowsiness, convulsions, paranoia, agitation, or coma.

c. Signs and Symptoms of Use

- Evidence of presence of PCP: Packets, stamps, injection paraphernalia, herbs.
- Physical symptoms: Dilated or floating pupils, blurred vision, nystagmus (jerky eye movement), drooling, muscle rigidity, profuse sweating, decreased sensitivity to pain, dizziness, drowsiness, impaired physical coordination (e.g., drunken-like walk, staggering), severe disorientation, rapid heartbeat.
- Behavioral symptoms: Anxiety, panic/fear/terror, aggressive/violent behavior, distorted perception, severe confusion and agitation, disorganization, mood swings, poor perception of time and distance, poor judgment, auditory hallucinations.

7. Intervening When an Alcohol or a Controlled Substances Problem is Suspected

No matter what the employee's position is in the organization, it is requested that any signs or symptoms of drug use or alcohol abuse be reported to the employee's immediate supervisor. Alternatively, employees may report any signs or symptoms to the Designated Employer Representative (DER).

Employees who suspect they may have a substance abuse problem are encouraged to seek counseling and rehabilitation from the employer's Employee Assistance Program (EAP) provider, a substance abuse professional (SAP), or other treatment provider. The employer's medical insurance policy may provide for payment of some or all of the treatment costs.

IV. **Education and Training**

In an ongoing effort to prevent and eliminate substance abuse in the workplace, the employer provides drivers with information and referral resources regarding substance abuse. In addition, supervisors receive a minimum of sixty (60) minutes of training on controlled substance use and sixty (60) minutes of training on alcohol misuse to include the identification of actions, appearance, and conduct of a driver that may indicate drug use and/or alcohol misuse.

V. **Safety-Sensitive Functions**

Pursuant to the FMSCA, safety-sensitive functions mean any of the following on-duty functions.

On-duty means all the time from the time a driver begins to work or is required to be in readiness to work until the time s/he is relieved from work and all responsibility for performing work. On-duty work includes:

1. All time at an employer or shipper plant, terminal, facility, or other property, or on any public property, waiting to be dispatched, unless the driver has been relieved from duty by the employer;
2. All time inspecting, servicing, or conditioning any commercial motor vehicle or equipment at any time;
3. All time spent at the driving controls of a commercial motor vehicle in operation;
4. All time, other than driving time, in or upon any commercial motor vehicle except time spent resting in a sleeper berth;
5. All time loading or unloading a vehicle, supervising or assisting in the loading or unloading, attending a vehicle being loaded or unloaded, remaining in readiness to operate the vehicle, or in giving or receiving receipts for shipments loaded or unloaded; and
6. All time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle.

VI. **Prohibited Conduct**

The following conduct is prohibited for purposes of this program. No driver shall:

1. Consume alcohol while performing safety-sensitive functions;
2. Perform a safety-sensitive function within four (4) hours after using alcohol;
3. Have an alcohol concentration of .02 or greater just before, during, and just after performing his/her safety-sensitive functions.
 - If a driver has a blood alcohol content (BAC) of .02 to .039, the driver will be immediately removed from all safety-sensitive functions for a period of twenty-four (24) hours.
 - If a driver has a BAC of .04 or greater just before, during, or just after performing a safety-sensitive function, the immediate consequences shall include the driver being removed from safety-sensitive functions and referred to an evaluation by a Substance Abuse Professional (SAP).
 - In addition, the employer may take additional disciplinary action against a driver who has a test result of .02 or greater;
4. Use alcohol for eight (8) hours following an accident or until the driver undergoes a post-accident test, whichever comes first;
5. Possess alcohol while on duty, unless the alcohol is manifested and transported as a part of the shipment;
6. Use or possess any drug, except when use is pursuant to the instructions of a physician or dentist who has advised the driver that the substance does not adversely affect the driver's ability to operate a commercial motor vehicle.

NOTE - Prescription Drugs: Drivers may take over-the-counter or prescription drugs under the guidance of a physician in the course of medical treatment.

A driver should ask his/her physician or pharmacist whether the use of the prescription drug or over-the-counter drug could adversely affect his/her ability to perform safety-sensitive functions. Drivers must follow all manufacturers' directions or package inserts when taking any over-the-counter or prescription drugs.

In addition, the employer requires a driver to report that s/he is using any over-the-counter or prescription drug if the use of the drug could affect the safe performance of his/her safety-sensitive functions;

1. Test positive for drugs;
2. Refuse to submit to a post-accident, random, reasonable suspicion, or follow-up drug or alcohol test;
3. Switch, adulterate, or commit any other misconduct pertaining to any breath, urine, or saliva sample;
4. Fail to provide an adequate sample for testing without a valid medical explanation;
5. Disclose to individuals, other than on a need-to-know basis, information pertaining to alcohol and/or drug testing referrals, results of such testing or treatment referrals;

6. Fail to sign the DOT Alcohol Testing Form (ATF) (see Form 206A-F4) or Federal Drug Testing Custody and Control Form (CCF) (see current form on website www.health.org/workplace);
7. Fail to consent and sign the Drug/Alcohol Test Informed Consent Form (see Form 206A-F3);
8. Fail to consent and sign the Consent to Release of Drug / Alcohol Information-Drug / Alcohol Testing Form (see Form 206A-2 and Form 206A-F3);
9. Fail to report to the collection site in the time allocated;
10. Leave the scene of an accident without a valid reason before submitting to a post-accident test;
11. Engage in any other conduct that clearly obstructs the testing process; and
12. Use illicit drugs on or off duty.

VII. **Consequences for Violation of the DOT/FMCSA Drug and Alcohol Policies**

The Federal DOT/FMCSA mandates certain immediate consequences whenever a driver engages in prohibited conduct. These consequences include removal from duty and referral to a SAP. In addition, it is important to note that the Employer may apply additional consequences, up to and including termination, for violation of this policy and DOT/FMCSA. A driver who is removed from performing safety-sensitive functions may be suspended, without pay.

A. **Consequences for Drivers for a Confirmed Violation of this Policy**

Specific immediate consequences shall occur whenever a driver:

1. Has a verified, positive drug test or an alcohol test result of .04 or greater.²
2. Consumes alcohol while performing or four (4) hours before performing a safety-sensitive function.

² Drivers who have a BAC of .02 to .039 will be removed immediately from performing any safety-sensitive functions for twenty-four (24) hours. The Employer may take additional disciplinary action.

³ Refusal to submit to (an alcohol or controlled substance) test means: (a) Failure to appear for any test (except a pre-employment test) within a reasonable period of time, as determined by the employer, consistent with applicable FMCSA regulation, after being directed to do so by the employer. This includes the failure of an employee (including an owner-operator) to appear for a test when called by a Consortium/Third-party Administrator (CTPA) (see 49 CFR 40.61 (a)); (b) Failure to remain at the testing site until the testing process is completed, provided that an employee who leaves the testing site before the testing process commences [see 49 CFR 40.63(c)], a pre-employment test is not deemed to have refused to test; (c) Failure to provide a urine specimen for any drug test required by 49 CFR Part 40, or Part 382, or DOT agency regulations, provided that an employee who does not provide a urine specimen, because s/he has left the testing site before the testing process commences [see 49 CFR 40.63(c)] for a pre-employment test is not deemed to have refused to test; (d) In the case of a directly observed or monitored collection in a drug test fails to permit the observation or monitoring of the driver's provision of a specimen [see 49 CFR 40.67(f) and 40.69 (g)]; (e) Failure or declines to take a second test the employer or collector has directed the driver to take; (f) Failure to undergo a medical examination or evaluation as directed by the Medical Review Officer (MRO) as part of the verification process, or as directed by the Designated Employer Representative (DER) under 49 CFR 40.193(d). In the case of a pre-employment drug test, the employee is deemed to have refused to test on this basis only if the pre-employment test is conducted following a contingent offer of employment; (g) Failure to cooperate with any part of the testing process (e.g., refuse to empty pockets when directed to do so by the collector, behave in a confrontational way that disrupts the collection process; or (h) Is reported by the MRO as having a verified, adulterated, or substituted test result.

3. Consumes alcohol within eight (8) hours following an accident or before s/he is tested, whichever occurs first.
4. Refuses to submit³ to any required random, post-accident, reasonable suspicion, or follow-up test.
5. Possesses drugs or alcohol in violation of this policy.

The immediate consequences are:

1. The driver will be immediately removed from performing all safety-sensitive functions.
2. The driver may be disciplined, up to and including termination.
3. The driver will be referred for evaluation by a SAP. When an employee has a verified, positive, adulterated or substituted test result, or has otherwise violated this policy, the employer shall not return the employee to the performance of safety-sensitive functions until or unless the employee completes the return-to-duty process provided in this policy.

If the employer decides to continue employing a driver who has violated this policy or DOT/FMSCA, the following shall occur:

1. The driver will receive, from the employer, information on resources available to the driver to resolve and evaluate any problems associated with substance abuse.
2. Before being returned to his/her safety-sensitive functions, the driver must undergo a return-to-duty drug and/or alcohol test.
3. If the driver required treatment as recommended by a SAP, the driver must complete the treatment and be re-evaluated by a SAP before submitting to a return-to-duty test.
4. If the driver required treatment as recommended by a SAP, the driver will be subject to unannounced follow-up drug and/or alcohol tests.

B. Consequences for Job Applicants

1. Applicants who fail a pre-employment test will be denied employment.
2. A current employee (who is transferring to a covered position) who fails a pre-employment test will not receive the position. In addition, the employer may refer the employee to a SAP for evaluation and treatment and may take additional disciplinary actions.

C. Failure of a Post-Accident Test

A driver who has a positive drug or alcohol test result following an accident, as provided in Section D. of this policy, will be terminated from employment.

D. DOT Penalties

NOTE: Employer discipline is likely in addition to the DOT penalties.

Any driver who violates the DOT/FMCSA drug and alcohol rules will be subject to civil or criminal penalties. (see Appendix D of this policy).

In addition, 49 CFR §383.51 also provides penalties for drug- and alcohol-related conduct of commercial motor vehicle drivers (see Appendix D of this policy).

The following are "disqualifying" offenses:

1. Driving a commercial motor vehicle while under the influence of drugs or alcohol.
2. Refusing to submit to a test as required by any state or jurisdiction in the enforcement of federal or state law.
3. Leaving the scene of an accident involving a commercial motor vehicle.

First Offenders: A driver who is convicted of driving a commercial motor vehicle while under the influence of drugs or alcohol for the first time will be disqualified for a period of one (1) year provided the vehicle was not transporting hazardous materials. If the vehicle was transporting hazardous materials, the driver will be disqualified for a period of three (3) years.

In addition, a driver who is convicted of the use of a commercial motor vehicle in the commission of a felony involving manufacturing, distributing, or dispensing drugs (controlled substances) is disqualified for life.

Second Offenders: A driver who is convicted of driving a commercial motor vehicle while under the influence of drugs or alcohol for a second time will be disqualified for life. Ten (10) years after the violation, if the driver has voluntarily enrolled in and successfully completed an appropriate treatment program, the driver may apply for reinstatement of his/her CDL.

Third Offenders: If a reinstated driver is convicted of another drug- or alcohol-related offense, s/he will be permanently disqualified for life, and will not be eligible to re-apply for a reduction of the lifetime disqualification.

E. **Employer-Imposed Penalties and Actions**

All violations of this policy (even a first offense) will serve as the basis for discipline, up to and including termination. The severity of the penalty imposed by the employer will depend on the circumstances of each case. However, drivers need to be aware that any offense, including but not limited to possession, sale or use of controlled substances or illegally used drugs on employer premises or while on duty is likely to result in immediate termination.

In addition to any disciplinary action imposed for a violation of this policy, or while such actions are held in abeyance, the employer may, at

its sole discretion, refer the driver for appropriate assessment, counseling, and/or a treatment program as applicable. However, the employer reserves the right to make the final decision.

VIII.

Alcohol and Drug Testing

The methods used to determine the presence of alcohol and/or drugs in the driver's system under the DOT/FMCSA regulations include a urine⁴, breath, and/or saliva test. All alcohol and drug testing will be conducted in accordance with DOT procedures for transportation workplace drug and alcohol testing programs, 49 CFR Part 40. Any employee who refuses to submit to discovery testing for alcohol or drugs pursuant to this policy will be deemed to have failed the test and will be subject to disciplinary action, up to and including termination. Drivers will be subject to the following types of alcohol and drug testing:

- Pre-employment testing
- Reasonable suspicion testing
- Post-accident testing
- Random testing
- Return-to-duty testing
- Follow-up testing

A. Testing Forms

1. The Federal Drug Testing Custody and Collection Form (CCF) (see current form on website <https://www.transportation.gov/sites/dot.dev/files/docs/Alcohol-Drug-Testing-Form-Suppliers.pdf>) must be used for each drug test under this policy, and the DOT Alcohol Testing Form (ATF) (see Form 206A-F4) must be used for each alcohol test under this policy.
2. Tests under the Vehicle Operators Drug and Alcohol policy must be conducted prior to and separate from any other drug or alcohol tests. The employer shall not use the CCF or the ATF in non-DOT Drug and Alcohol Testing Programs.

B. Pre-Employment Testing

1. All driver applicants⁵ whom the employer intends to hire or use to perform safety-sensitive functions must give their consent and submit to a urine drug test (see Form 206A-F4).
2. The employer may choose not to require pre-employment drug testing for a driver applicant if the employer can verify the individual:

⁴ All urinalysis tests for drugs will use the "split sample" method of collection. The driver's urine sample will be split into two specimen bottles. One will contain the primary specimen, and the other, the split specimen. The split specimen will be preserved under stringent laboratory conditions. Whenever a driver employee receives notification of a positive drug test, the driver may request that the split sample be tested in a different laboratory that is certified by the Department of Health and Human Services (DHHS). This request must be made within seventy-two (72) hours after the Medical Review Officer (MRO) gives the driver notification of the positive drug test.

⁵ Includes current employees

- a. Has participated in a valid controlled substance testing program that meets the requirements of 49 CFR Part 382, within the previous thirty (30) days; and
- b. Was tested for controlled substances within the past six (6) months from date of application with the employer while participating in the program, or participated in a random testing program within the previous twelve (12) months from the date of application with the employer.
- c. After obtaining the driver applicant's written consent via completion of the Consent to Release of Drug/Alcohol Information Drug/Alcohol Testing Form (see Form 206A-F2), the employer will verify that no former employer of the driver applicant in the preceding two (2) years has knowledge or records that the individual:
 1. Had an alcohol test with a result of .04 alcohol concentration or greater; or
 2. Had a verified positive-controlled substance test result; or
 3. Refused to be tested; or
 4. Violated other DOT drug and alcohol testing regulations.
3. With respect to a driver applicant's violation of a DOT drug and alcohol regulation, the employer shall obtain documentation of the driver applicant's successful completion of return-to-duty requirements (including follow-up tests). If the previous employer does not have information about the return-to-duty process, the employer shall obtain this information from the employee. Refer to 49 CFR 40.25 for guidance, if unable to obtain this information.
4. As the employer, the employer shall also ask the employee whether s/he has tested positive or refused to test on any pre-employment drug or alcohol test administered by an employer to which the employee applied for, but did not obtain safety-sensitive transportation work covered by Federal Highway Safety Administrator's Drug and Alcohol Testing Rules during the past two (2) years. If the employee admits that s/he had a positive test or a refusal to test, the employer shall not use the employee to perform safety-sensitive functions until and unless the employee documents successful completion of the return-to-duty process.
5. If information is requested from another employer, the employer shall, after reviewing the employee's specific written consent, immediately release the requested information to the employer making the inquiry. As an employer requesting the information required, the employer shall maintain a written confidential record of the information the employer obtained of the good faith efforts the employer made to obtain the information. The employer shall retain this information for three (3) years from the date of the employee's first performance of safety-sensitive functions for the employer.

6. (Optional) The employer may, but is not required to, conduct pre-employment alcohol testing. If such tests are conducted, the employer shall comply with the requirements of 49 CFR 382.301.

C. **Reasonable Suspicion Alcohol and/or Drug Testing**

A driver shall be required to submit to an alcohol and/or drug test when the employer has reasonable suspicion the driver has violated the prohibitions of the alcohol and/or drug policy.

- **Determining Reasonable Suspicion**

A supervisor shall determine that reasonable suspicion exists that requires the driver to undergo testing based on directly making specific contemporaneous, articulable observations concerning the appearance, behavior, speech or body odors of the driver. In addition, the observations for drug use may include indications of the chronic use and/or the withdrawal effects of controlled substances.

- **Timing of a Reasonable Suspicion Test**

- 1) Alcohol testing is authorized only if the observations are made during, just preceding, or just after the driver performs safety-sensitive functions. A driver shall be directed to undergo reasonable suspicion testing only while the driver is performing safety-sensitive functions, just before the driver is performing safety-sensitive functions, or just after the driver has ceased performing such functions.
- 2) Alcohol testing shall occur as soon as possible after the observed conditions or event. If the test is not administered within two (2) hours, the employer shall prepare and maintain on file a record stating the reasons the alcohol test was not promptly administered. If the alcohol test is not administered within eight (8) hours, the employer shall cease attempts to administer an alcohol test and shall state in the record the reasons for not administering the test.
- 3) Drug testing shall occur as soon as possible after the observed conditions or event. If the test is not administered within thirty-two (32) hours, the employer shall cease attempts to administer the drug test and shall state in the record the reasons for not administering the test.

- **Documentation of a Reasonable Suspicion Test**

A written record of the driver's conduct that creates reasonable suspicion shall be prepared and signed by the supervisor(s) who made the observations within twenty-four (24) hours of the observed behavior or before the results of the test are released, whichever is earlier (see Documentation Reasonable Suspicion Drug / Alcohol Testing Form [See Form 206A-F6]).

- **Transportation of Driver for Reasonable Suspicion Testing**

A driver who is required to submit to reasonable suspicion testing shall be transported by the employer to the location of the test. After the driver submits to the test, the employer shall provide transportation for the driver to his/her home. The driver shall be placed on leave with pay, pending test results.

D. Post-Accident Testing

No requirements in this section shall be construed to require the delay of necessary medical attention for injured people following an accident, or to prohibit a driver from leaving the scene of an accident for the period necessary to obtain assistance in responding to the accident, or to obtain necessary emergency medical care.

Drivers who are involved in an accident shall be sent for an alcohol and drug test following the accident whenever:

1. The accident involved a fatality; or
2. The driver received a citation for a moving traffic violation arising from the accident, and the accident involved:
 - a. Bodily injury to any person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident; or
 - b. One or more of the vehicles involved in the accident was towed away from the scene.

<u>Type of Accident Involved</u>	<u>Has Citation Been Issued to the CMV Driver?</u>	<u>Must be Tested by employer?</u>
<u>Human fatality</u>	<u>Yes</u> <u>No</u>	<u>Yes</u> <u>Yes</u>
<u>Bodily injury with immediate medical treatment away from the scene</u>	<u>Yes</u> <u>No</u>	<u>Yes</u> <u>No</u>
<u>Disabling damage to any motor vehicle requiring tow away</u>	<u>Yes</u> <u>No</u>	<u>Yes</u> <u>No</u>

• **The Employer's Responsibility**

- 1) The employer shall provide drivers with necessary post-accident report information, procedures, and instructions before the driver operates a commercial motor vehicle to allow drivers to comply with the testing requirements.
- 2) The employer is responsible for adhering to the following post-accident timeline, including any recording requirements.

<u>Time Lapsed</u>	<u>Action Required</u>
<u>2 hours</u>	<u>ALCOHOL – If the driver has not submitted to an alcohol test at this time, the employer will prepare and maintain on file, a statement of the reasons the test was not promptly administered.</u>
<u>8 hours</u>	<u>ALCOHOL – The employer shall cease attempts to administer an alcohol test and prepare and maintain on file, a statement of the reasons why the test was not promptly administered.</u>
<u>32 hours</u>	<u>DRUGS – If the driver has not submitted to a drug test at this time, the employer shall cease attempts to administer the test and prepare and maintain on file, a statement of the reasons why the test was not promptly administered.</u>

3) In the event that federal, state, or local officials conduct a breath or blood test for the use of alcohol and/or urine tests for the use of drugs following an accident, these tests shall be considered to meet the DOT requirements, providing the tests conform to applicable federal, state, or local testing requirements and that the results of the tests are obtained by the employer. The employer shall provide transportation for the driver to the location of the test. After the driver submits to the test, the employer shall provide transportation for the driver to his/her home.

- **Driver's Responsibility**

A driver is obligated to complete a post-accident report form, to follow the post-accident instructions supplied by the employer, and to see that the alcohol and/or drug test(s) are conducted.

- 1) A driver must submit to an alcohol test as soon as practicable, but not later than eight (8) hours after the accident.
- 2) A driver must submit to a drug test as soon as practicable, but not later than thirty-two (32) hours following the accident.
- 3) In the event a driver is so seriously injured that the driver cannot provide a blood, breath, or urine specimen at the time of the accident, the driver must provide necessary authorizations, as soon as the driver's physical condition allows, to enable the employer to obtain hospital records or other documents that indicate whether there were drugs or alcohol in the driver's system when the accident occurred.
- 4) In the event federal, state, or local officials conducted alcohol and/or drug testing following an accident as provided in Section D.3. "Employer's Responsibility," the driver will be required to sign a release allowing the employer to obtain the test results from such officials.
- 5) A driver who is subject to a post-accident test must remain readily available for testing. A driver who leaves the scene before the test is administered or who does not make himself/herself readily available may be deemed to have refused to be tested and such

refusal shall be treated as a positive test. Further, the driver, subject to a post-accident test, must refrain from consuming alcohol for eight (8) hours following the accident, or until the driver submits to an alcohol test, whichever comes first.

- 6) For safety reasons, a driver required to submit to post-accident testing will be placed on administrative leave, with pay, pending receipt of the post-accident testing result.

E. **Random Testing**

All drivers are subject to random alcohol and drug testing.

1. **Random Selection Process**

- a. The selection of drivers for random alcohol and drug testing shall be made from a random number table or a computer-based random number generator that is matched with the driver's social security number. Random testing will be unannounced and the dates for administering the tests will be spread reasonably throughout the year; and
- b. The employer will drug test, at a minimum, twenty-five percent (25%) of the average number of driver positions each calendar year. The employer will alcohol test, at a minimum, ten percent (10%) of the average number of driver positions each calendar year.

The employer utilizes a Consortium/Third-party Administrator (C/TPA) to conduct random testing for alcohol and controlled substances. The total number of drivers to be calculated shall be based on the total number of drivers covered by the C/TPA at the same minimum annual percentage rate.

2. **Timing for Random Testing**

- a. Random drug testing will be performed at any time while the driver is at work;
- b. Random alcohol testing will be performed just before, during, or just after the driver is performing safety-sensitive functions; and
- c. A driver selected for random testing shall proceed immediately to the test site. A driver who engages in conduct, which does not lead to testing as soon as possible after notification, may be considered to have refused to test and such refusal shall be treated as a positive test.

F. **Return-to-Duty Process and Testing**

1. **Referral**

A driver, who has violated a DOT Drug and Alcohol Regulation, shall be provided by the employer or through a C/TPA or other Service Agent a listing of SAPs including their names, addresses, and telephone numbers of SAPs who are readily available to the employees and acceptable to the employer.

2. SAP and Treatment Services for Employees

- a. The employer may, but is not required to, offer an employee an opportunity to return to a position performing DOT safety-sensitive functions following a violation of a DOT drug or alcohol regulation.
- b. Before the employee again performs a safety-sensitive function following a violation, the employer must ensure that the employee receives an evaluation by a SAP, and that the employee successfully complies with the SAP's evaluation recommendations.
- c. Payment for SAP evaluations and services shall be the responsibility of the employee, or as otherwise covered in the employer's health care benefits, and/or governed by existing management/labor agreements.

3. SAP Evaluation/Recommendations

- a. Once an employee with a DOT Drug and Alcohol Regulation violation has been evaluated by a SAP, neither the employee nor the employer can seek a second SAP evaluation in order to obtain another recommendation.
- b. If the employee, contrary to (a) above, does obtain a second SAP evaluation, the employer may not rely on it.

4. Changing a SAP Initial Evaluation

- a. Except as provided in (b) below, no one may change in any way the SAP's evaluation or recommendations for assistance.
- b. The SAP who made the initial evaluation may modify his/her initial evaluation and recommendations based on new or additional information (e.g., from an education or treatment program).

5. Additional Treatment, Aftercare Services

The employer, upon receiving recommendations from a SAP for an employee who has resumed the performance of safety-sensitive functions,) may, in addition to follow-up tests:

- a. Require the employee to participate in the recommended services as a part of the return-to-duty agreement with the employee;
- b. Monitor and document the employee's participation in the recommended services; and
- c. Make use of SAP and employee assistance program (EAP) services in assisting and monitoring the employee's compliance with the SAP recommendations.

G. Follow-Up Testing

If the employer decides to permit the employee to return to the performance of safety-sensitive functions, the employee must take a return-to-duty test after the SAP has determined that the employee has successfully complied with the prescribed treatment and/or education.

The employer must direct a collection under direct observation if the drug test is a return-to-duty test or follow up test.

The employee must have a negative drug test and/or an alcohol test with an alcohol concentration of less than 0.02 before resuming performance of safety-sensitive functions.

All drivers who have committed a violation of DOT Drug or Alcohol regulations will be subject to a written follow-up drug and/or alcohol testing plan prepared by the SAP. A copy of this plan shall be presented directly to the Designated Employer Representative (DER).

Follow-up testing applies during the period following completion of a treatment program. The driver will be subject to a minimum of six (6) unannounced, follow-up drug and/or alcohol tests over the following twelve (12) months following the employee's return to safety-sensitive functions.

The SAP can require additional testing up to a maximum of sixty (60) months from the date the driver returns to duty. Likewise, the SAP can terminate the additional follow-up testing that was ordered in excess of the minimum twelve (12) month period.

A driver whose follow-up alcohol test result is .02 to .039 must be removed from any safety-sensitive functions for twenty-four (24) hours. This test result is not a violation of the DOT/FMCSA regulations. The employer may also impose additional disciplinary action.

The employer shall carry out the SAP's follow-up testing requirements. The employee shall not be permitted to perform safety-sensitive functions, unless follow-up testing is completed as directed by the SAP.

The employer shall schedule follow-up tests at its discretion and shall ensure the tests are unannounced without any discernable pattern as to their timing and that the employee is not given advance notice.

There shall be no substitution of any other tests (e.g., those carried out under the random testing program) conducted on the employee for this follow-up testing requirement.

A cancelled follow-up test does not constitute a completed test. Any follow-up test that was cancelled must be re-collected.

- Timing of a Follow-Up Alcohol Test

Follow-up alcohol testing shall be conducted just before, during, or just after the driver performs safety-sensitive functions.

- Timing of a Follow-Up Drug Test

Follow-up drug testing may be performed at any time while the driver is at work. The driver does not have to be performing a safety-sensitive function.

H. Test Results (Invalid)

If the employer receives a drug test result indicating that the employee's specimen was invalid and that a second collection must take place under direct observation:

1. Immediately direct the employee to provide a new specimen under direct observation;
2. Do not attach consequences to the finding that the test was invalid, other than collecting a new specimen under direct observation;
3. Do not give any advance notice of this test requirement to the employee;
4. Instruct the collector to note on the Federal Drug Testing Custody and Control Form (CCF) the same reason (e.g. random test, post-accident test) as for the original collection.

I. Report of a Dilute Specimen

1. If the MRO informs the DER that a positive drug test was dilute, the DER shall treat the test as a verified positive test and must not direct the employee to take another test based on the fact that the specimen was dilute.
2. If the MRO informs the DER that a negative test was dilute, the employer will take the following action:
 - a. If the MRO directs the employer to conduct a recollection under direct observation (i.e., because the creatinine concentration of the specimen was equal to or greater than 2mg/dL, but less than or equal to 5mg/dL, the employer must do so immediately.
 - b. Otherwise (i.e., if the creatinine concentration of the dilute specimen is greater than 5mg/dL), the employer may, but is not required to, direct the employee to take another test immediately.
 - i. Such recollections must not be collected under direct observation, unless there is another basis for use of direct observation (see § 40.67 (b) and (c))
 - ii. The employer must treat all employees the same for this purpose. The employer may, however, establish different policies for different types of tests (e.g., conduct retests in pre-employment situations, but not in random test situations). The employer must inform their employees in advance of the employer's decisions on these matters.
 - c. The employer must ensure that the employee is given the minimum possible advance notice that he or she must go to the collection site; the employer must treat the result of the test as the test result of record. If the result of the test the employer directed the employee to take is also negative and dilute, the employer is not permitted to make the employee take an additional test because the result was dilute. Provided, however, that if the MRO directs the

employer to conduct a recollection under direct observation the employer must immediately do so.

J. Cancelled Drug or Alcohol Test

A cancelled drug or alcohol test is neither positive nor negative.

1. The employer must not attach to a cancelled test the consequences of a positive test or a violation of a DOT Drug or Alcohol Testing Regulation (e.g., removal from a safety-sensitive position).
2. The employer must not use a cancelled test as evidence of a negative test to authorize the employee to perform safety-sensitive functions (i.e., in the case of a pre-employment, return-to-duty, or a follow-up test).
3. The employer must not direct a re-collection from an employee, except when conducting a pre-employment return-to-duty or a follow-up test, or in other provisions of the regulations that require another test to be conducted as provided in 49 CFR 40.159(a) (5) when a drug test result is invalid, and 40.187(b) when a split specimen laboratory result failed to reconfirm Drug(s)/Drug Metabolite(s) not detected.
4. A cancelled test does not count toward compliance with DOT requirements for the number of tests needed to meet the employer's minimum random testing rate.
5. A cancelled DOT test does not provide a valid basis for a non-DOT test.
6. A cancelled alcohol test must be reported to the DER and treated as if the test never occurred.

K. Insufficient Amount of Urine for Drug Test

1. When a collector informs the DER that an employee has not provided a sufficient amount of urine for a drug test, the DER must, after consulting with the MRO, direct the employee to obtain within five (5) working days an evaluation from a licensed physician, who is acceptable to the MRO, and who has expertise in the medical issues raised by the employee's failure to provide a sufficient specimen.
2. When the MRO indicates to the DER that a test is cancelled due to a medical condition that has, or with a high degree of probability could have precluded the employee from providing a sufficient amount of urine, the employer shall take no further action with the employee. The employee shall remain in the random testing pool.

L. Insufficient Amount of Saliva or Breath for an Alcohol Test

1. When a STT informs the DER that the employee has not provided a sufficient amount of saliva for an alcohol-screening test, the DER must immediately arrange to administer an alcohol test to the employee using an EBT or other breath-testing device.
2. When a BAT or SAT informs the DER that the employee has not provided a sufficient amount of breath, the employer must direct the

employee to obtain, within five (5) working days, an evaluation from a licensed physician who is acceptable to the employer, and who has expertise in the medical issues raised by the employee's failure to provide a sufficient specimen. The DER must provide the physician with the following information and instructions:

- a. That the employee was required to take a DOT breath alcohol test, but was unable to provide a sufficient amount of breath to complete the test;
 - b. The consequences for refusing to take a required alcohol test include removal from performing all safety-sensitive functions, referral for evaluation by a SAP, and disciplined up to and including termination;
 - c. The physician must provide the DER with a signed statement of his/her conclusion regarding the employee's failure to provide a sufficient amount of saliva or breath for an alcohol test; and
 - d. That the physician, in his/her reasonable medical judgment, must base those conclusions on requirements listed in 49 CFR 40.265.
3. Upon receipt of the report from the examining physician, the DER must immediately inform the employee and take appropriate action based upon Federal Highway Administration Regulations.

M. Addressing "Correctable Flaws" in Alcohol Testing

1. If a BAT or STT reports to the DER that a correctable flaw has occurred, and another testing device is not available for the new test at a testing site, the DER shall make reasonable efforts to ensure that the test is conducted at another test site as soon as possible.
2. All other problems must be addressed by a BAT, STT, employer, or other Service Agent administering the process, or the test must be cancelled.

N. Fatal Flaws

The employer must cancel an alcohol test if any of the following "fatal flaws" occur. The test is cancelled and must be treated as if the test never occurred. These problems are:

1. In the case of a screening test conducted on saliva ASD or a breath tube ASD:
 - a. The STT or BAT reads the result either sooner than or later than the time allotted by the manufacturer.
 - b. The saliva ASD does not activate, or
 - c. The device is used for a test after the expiration date printed on the device or on its package.

O. Alcohol Confirmation Test Result

The employer shall take the following steps with respect to the receipt and storage of alcohol test results information:

1. If the test results are not in writing (e.g., by telephone or electronic means), the DER shall identify and record the BAT sending the results.
2. Store all test results information in a way that protects confidentiality.

P. Direct Observation

The employer must direct an immediate collection under direct observation with no advance notice to the employee, if:

1. The laboratory reported to the MRO that the specimen is invalid, and the MRO reported to the employer that there was not an adequate medical explanation for the result; or
2. The MRO reported to the employer that the original positive, adulterated, or substituted test result had to be cancelled, because the test of the split specimen could not be performed.
3. The laboratory reported to the MRO that the specimen was substituted with a creatinine concentration greater than or equal to 2mg/dL and less than 5mg/dL and the MRO reported the specimen to the employer as negative and dilute.

Q. Stand-Down Employee

The employer is prohibited from standing down an employee following the MROs receipt of a laboratory report of a confirmed positive test for a drug or drug metabolite, an adulterated test, or a substituted test pertaining to the employee prior to the MRO completing the verification process. Note: To obtain a waiver to this prohibition, the employer shall send a written request which includes all of the information required to the Federal Motor Carrier Safety Administrator, U.S. Department of Transportation, 400 Seventh Street, S.W., Washington, D.C. 20590.

R. Service Agents

1. If the employer uses a Service Agent to perform the tasks necessary to comply with the DOT drug and alcohol testing requirements, it shall ensure the Service Agent complies with 49 CFR Part 40 (Q), Roles and Responsibilities of Service Agents.
2. The employer shall ensure that Service Agents used meet qualifications required for their specialty area, and may require Service Agents to present documentation that they meet these requirements.
3. The employer shall obtain information required from their Service Agents. For example, the employer must not assume that "no news is good news" and permit an applicant to perform safety-sensitive functions before receiving the test results.
4. The employer must not permit the Service Agent to also serve as the DER.

S. Designated Employer Representative (DER)

The employer shall provide to collectors, BATs and STTs, the name and telephone number of the appropriate DER and C/TPA to contact about any problems or issues that may arise during the testing process. Drivers may direct any questions they may have about this policy to the DER. The name and work telephone number of the DER will be posted on bulletin boards at all work sites.

T. Payment for the Test of a Split Specimen

1. The employer is responsible for making sure that the MRO, first laboratory, and second laboratory perform testing of split specimens in a timely manner once the employee has made a timely request for a test or split specimen.
2. The employer must not condition compliance with this requirement on the employee's direct payment to the MRO, or laboratory, or the employee's agreement to reimburse the employer for the costs of testing. The employer may seek payment or reimbursement of all the costs for the split specimen from the employee.

U. SAP Information Provided by Agent Employer

The employer, through a C/TPA or other Service Agent, shall provide to each employee, (including an applicant or new employee) who violates a DOT Drug or Alcohol Regulation, a listing of SAPs with their addresses and phone numbers who are readily available to the employee and acceptable to the employer. The employee shall not be charged any fee for compiling or providing this list.

V. Confidentiality and Release of Information

1. The employer shall not release individual test results or medical information about an employee to third parties without the employee's specific written consent.
 - a. A third party is any person or employer to whom other subparts of 49 CFR 40 do not explicitly authorize or require the transmission of information in the course of the drug and alcohol testing process.
 - b. Specific written consent means a statement signed by the employee that s/he agrees to the release of specific information to an explicitly identified, person or employer at a particular time. Blanket releases of information (e.g., all test results) or release of information to a category of parties (e.g., other employers who are members of a C/TPA, companies to which the employee may apply for employment) are prohibited.
2. The employer may release information pertaining to an employee's drug or alcohol test without the employee's consent in certain legal proceedings as provided for in 49 CFR 40.323.

3. The employer shall, upon request of DOT agency representatives, provide the following:
 - a. Access to the employer's facilities for DOT agency drug and alcohol program functions.
 - b. All written, printed, and computer-based drug and alcohol program records and reports (including copies of name-specific records or reports), files, materials, data, documents/documentations, agreements, contracts, policies, and statements.
4. If requested by the National Transportation Safety Board as part of an accident investigation, the employer shall provide information concerning post-accident tests administered after the accident.
5. If requested by a federal, state, or local safety agency with regulatory authority over the employer or the employee, the employer shall provide drug and alcohol test records concerning the employee.

A. Record Retention Requirements

1. The employer shall keep the following records for a period of five (5) years:
 - a. Records of employee alcohol test results indicating an alcohol concentration of 0.02 or greater;
 - b. Records of employee's verified positive drug test results;
 - c. Documentation of refusals to take required alcohol and/or drug tests (including substituted or adulterated drug test results);
 - d. SAP reports; and
 - e. All follow-up tests and schedules for follow-up tests.
2. The employer shall keep records of information concerning drug and alcohol test results obtained from previous employers on employees that perform safety-sensitive functions for three (3) years.
3. The employer shall keep the following records for a period of two (2) years:
 - a. Records of the inspection, maintenance, and calibration of EBT for ; and
 - b. Records related to the alcohol and drug collection process. These include documents related to random selections, reasonable suspicion determinations, and post-accident determinations; medical evaluations for insufficient amounts of urine and breath; and supervisor and employee education and training records.
4. The employer shall keep records of negative and cancelled drug test results and alcohol results with a concentration of less than 0.02 for one (1) year.
5. The employer shall maintain these records described in 1 through 4 above in a location with controlled access.

6. If the employer decides to have their Service Agent retain these records, the employer shall ensure the records can be produced at the employer's place of business in the time required by the FMCSA (e.g., within two (2) days of a request by the FMCSA inspector).

IX.

Reservation of Rights

The employer reserves the right to interpret, change, or rescind this policy in whole or in part, with or without notice, subject to any state and federal laws and relevant collective bargaining agreements.

Provisions within the Federal Department of Transportation (DOT), Federal Motor Carrier Safety Regulations (FMCSR), and state law will supercede any conflicting language in this policy manual.

Nothing in this policy creates a binding employment contract nor modifies an existing contract.

X.

DEFINITIONS

For the purposes of the Vehicle Operators Drug and Alcohol Policy, the following definitions shall apply:

Adulterated Specimen. A specimen that has been altered, as evidenced by test results showing either a substance that is not a normal constituent for that type of specimen or showing an abnormal concentration of an endogenous substance.

Air Blank. In evidential breath testing devices (EBTs) using gas chromatography technology, a reading of the device's internal standard. In all other EBTs, a reading of ambient air containing no alcohol.

Alcohol. The intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohols including methyl or isopropyl alcohol.

Alcohol Concentration. The alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath.

Alcohol Confirmation Test. A subsequent test using an EBT following a screening test with a result of 0.02 or greater that provides quantitative data about the alcohol concentration.

Alcohol Test. A test using an evidential breath test device (EBT) or a non-evidential breath test device (such as a saliva test); the method of testing used to detect the level of alcohol. Both a screening test and a confirmation test must be used to establish a positive test result.

Alcohol Screening Test. An analytic procedure to determine whether an employee may have a prohibited concentration of alcohol in a breath or saliva specimen.

Alcohol Testing Site. A place selected by the employer where employees present themselves for the purpose of providing breath or saliva for an alcohol test.

Alcohol Use. The drinking or swallowing of any beverage, liquid mixture, or preparation (including any medication) containing alcohol.

Aliquot. A fractional part of a specimen used for testing. It is taken as a sample representing the whole specimen.

Blind Specimen or Blind Performance Test Specimen. A specimen submitted to a laboratory for quality control testing purposes, with a fictitious identifier, so that the laboratory cannot distinguish it from an employee specimen.

Blood Alcohol Concentration (BAC). The alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an evidential breath test.

Breath Alcohol Technician (BAT). A person who instructs and assists employees in the alcohol testing process and operates an evidential breath-testing device.

Cancelled Test. *A drug or alcohol test that has a problem identified that cannot be or has not been corrected, or which 49 CFR Part 40 otherwise requires to be cancelled. A cancelled test is neither a positive nor a negative test.*

Chain of Custody. *The procedure used to document the handling of the urine specimen from the time the employee gives the specimen to the collector until the specimen is destroyed. This procedure uses the Federal Drug Testing Custody and Control Form (CCF) (see current form on website: <https://www.transportation.gov/sites/dot.dev/files/docs/Alcohol-Drug-Testing-Form-Suppliers.pdf>).*

Collection Container. *A container into which the employee urinates to provide the specimen for a drug test.*

Collection Site. *A place selected by the employer where employees present themselves for the purpose of providing a urine specimen for a drug test.*

Collector. *A person who instructs and assists employees at a collection site, who receives and makes an initial inspection of the specimen provided by those employees, and who initiates and completes the Federal Drug Testing Custody and Control Form (CCF) (see current form on website <https://www.transportation.gov/sites/dot.dev/files/docs/Alcohol-Drug-Testing-Form-Suppliers.pdf>).*

Commercial Motor Vehicle. *A motor vehicle used in commerce to transport passengers or property, if the motor vehicle: (1) has a gross vehicle weight rating (GVWR) in excess of 26,000 pounds, or (2) is designed to carry 16 or more passengers (including the driver), or (3) of any size, which is used in the transportation of a placardable amount of hazardous material.*

Confirmation Test. *For alcohol testing, means a second test using an evidential breath test device, following a screening test with a result of .02 or greater, that provides quantitative data of alcohol concentration.*

For drug testing, means a second analytical procedure to identify the presence of a specific drug or metabolite that is independent of the screen test, and that uses a different technique and chemical principle from that of the screen test in order to ensure reliability and accuracy, generally a Gas Chromatography/Mass Spectrometry (GC/MS).

Confirmatory Drug Test. *A second analytical procedure performed on a different aliquot of the original specimen to identify and quantify the presence of a specific drug or drug metabolite.*

Confirmatory Validity Test. *A second test performed on a different aliquot of the original urine specimen to further support a validity test result.*

Confirmed Drug Test. *A confirmation test result received by an MRO from a laboratory.*

Consortium/Third-party Administrator (C/TPA). *A service agent that provides or coordinates the provision of a variety of drug and alcohol testing services to employers. C/TPAs typically perform administrative tasks concerning the*

operation of the employers' drug and alcohol testing programs. This term includes, but is not limited to, groups of employers who join together to administer, as a single entity, the DOT drug and alcohol testing programs of its members.

Designated Employer Representative (DER). An employee authorized by the employer to take immediate action(s) to remove employees from safety-sensitive functions and to make required decisions in the testing and evaluation processes. The DER also receives test results and other communications for the employer. Service agents cannot act as DERs.

Dilute Specimen. A urine specimen with creatinine and specific gravity values that are lower than expected for human urine.

DOT, the Department, DOT Agency. These terms encompass all DOT agencies, including, but not limited to, the United States Coast Guard (USCG), the Federal Aviation Administration (FAA), the Federal Railroad Administration (FRA), the Federal Motor Carrier Safety Administration (FMCSA), the Federal Transit Administration (FTA), the National Highway Traffic Safety Administration (NHTSA), the Research and Special Programs Administration (RSPA), and the Office of the Secretary (OST). These terms include any designee of a DOT agency.

Driver. Any person who operates a commercial motor vehicle. This includes, but is not limited to: full-time, regularly employed drivers; casual, intermittent, or occasional drivers; leased drivers; and independent, owner-operator contractors who are either directly employed by, or under lease to, an employer or who operate a commercial motor vehicle at the direction of, or with the consent of the employer.

Drugs. The drugs for which tests are required are: marijuana, cocaine, amphetamines, phencyclidine (PCP), and opioids.

Drug Test. A urinalysis (urine) test that includes specimen collection and testing by a Department of Health and Human Services (DHHS) certified laboratory. Both a screening test and a confirmation test must be used to establish a positive test result.

Employee. Any person who is designated in a DOT agency regulation as subject to drug testing and/or alcohol testing. The term includes individuals currently performing safety-sensitive functions designated in DOT agency regulations and applicants for employment subject to pre-employment testing. For purposes of drug testing, the term "employee" has the same meaning as the term "donor" as found on CCF and related guidance materials produced by the Department of Health and Human Services.

Employer. A person or entity employing one or more employees (including an individual who is self-employed) subject to DOT agency regulations requiring compliance with this policy. The term includes an employer's officers, representatives, and management personnel. Service agents are not employers for the purposes of this policy.

Evidential Breath Testing Device (EBT). A device approved by the National Highway Traffic Safety Administration (NHTSA) for the evidential testing of breath at the .02 and .04 alcohol concentrations, placed on NHTSA's Conforming Products List (CPL) for "Evidential Breath Measurement Devices," and identified on the CPL as conforming with the model specifications.

HHS. The Department of Health and Human Services or any designee of the Secretary, Department of Health and Human Services.

Illegally Used Drug. Any prescribed drug that is legally obtainable, but has not been legally obtained or is not being used for prescribed purposes, all designer drugs, and any other over-the-counter or non-drug substances (e.g., airplane glue) being used for other than their intended purpose. (Note: A designer drug is a man-made drug, or combination of drugs, which is similar in basic scientific properties to a drug or controlled substance and is produced in a clandestine laboratory.)

Initial Drug Test (Screening Drug Test) The test used to differentiate a negative specimen from one that requires further testing for drugs or drug metabolites.

Initial Specimen Validity Test. The first test used to determine if a urine specimen is adulterated, diluted, substituted, or invalid.

Invalid Drug Test. The result reported by an HHS-certified laboratory in accordance with the criteria established by HHS Mandatory Guidelines when a positive, negative, adulterated, or substituted result cannot be established for a specific drug or specimen validity test.

Laboratory. Any U.S. laboratory certified by HHS under the National Laboratory Certification Program as meeting the minimum standards of Subpart C of the HHS Mandatory Guidelines for Federal Workplace Drug Testing Programs; or, in the case of foreign laboratories, a laboratory approved for participation by DOT under this part.

Limit of Detection (LOD). The lowest concentration at which a measurand can be identified, but (for quantitative assays) the concentration cannot be accurately calculated.

Limit of Quantitation. For quantitative assays, the lowest concentration at which the identity and concentration of the measurand can be accurately established.

Medical Review Officer (MRO). A person who is a licensed physician and who is responsible for receiving and reviewing laboratory results generated by an employer's drug testing program and evaluating medical explanations for certain drug test results.

Negative Result. The result reported by an HHS-certified laboratory to an MRO when a specimen contains no drug or the concentration of the drug is less than the cutoff concentration for the drug or drug class and the specimen is a valid specimen.

Non-negative Specimen. A urine specimen that is reported as adulterated, substituted, positive (for drug(s) or drug metabolites(s)), and/or invalid.

Office of Drug and Alcohol Policy and Compliance (ODAPC). The office in the Office of the Secretary, DOT, that is responsible for coordinating drug and alcohol testing program matters within the Department, and providing information concerning the implementation of 49 CFR Part 40.

Oxidizing Adulterant. A substance that acts alone or in combination with other substances to oxidize drugs or drug metabolites to prevent the detection of the drug or drug metabolites, or affects the reagents in either the initial or confirmatory drug test.

Positive Result. The result reported by an HHS-certified laboratory when a specimen contains a drug or drug metabolite equal to or greater than the cutoff concentrations.

Reasonable Suspicion of Drug and/or Alcohol Use. Reasonable suspicion means such suspicion that will justify a supervisor in referring a driver for an alcohol and/or drug test. It is the amount of suspicion sufficient to convince a trained supervisor under the circumstances to believe that:

- a. The driver has violated the Vehicle Operators Drug and Alcohol policy; or
- b. The actions, appearance, or conduct of an on-duty driver are indicative of the use of drugs or alcohol.

The suspicion must be based in fact on specific, contemporaneous, articulable observations by a trained supervisor(s) concerning the appearance, behavior, speech, or body odors of the driver.

For reasonable suspicion of alcohol misuse, such observations must be made during, just preceding, or just after the period of the work day that the driver is performing a safety-sensitive function. Reasonable suspicion is more than mere speculation but less than absolute certainty.

Reconfirmed. The result reported for a split specimen when the second laboratory is able to corroborate the original result reported for the primary specimen.

Rejected for Testing. The result reported by an HHS-certified laboratory when no tests are performed for a specimen because of a fatal flaw or a correctable flaw that is not corrected.

Screening Test. In alcohol testing, it means an analytical procedure to determine whether a driver may have a prohibited concentration in his/her system (breath or saliva test). In drug testing, it means an immunoassay screen to eliminate "negative" urine specimens from further consideration.

Screening Test Technician (STT). A person who instructs and assists employees in the alcohol testing process and operates an Alcohol Screening Device (ASD).

Service Agent. Any person or entity, other than an employee of the employer, who provides services specified under this part (49 CFR Part 40) to employers and/or employees in connection with DOT drug and alcohol testing requirements.

This includes, but is not limited to, collectors, BATs, STTs, laboratories, MROs, SAPs, and C/TPAs. To act as service agents, persons and employers must meet the qualifications set forth in applicable sections of 49 CFR Part 40. Service agents are not employers for purposes of 49 CFR Part 40.

Split Specimen Collection. A collection in which the urine collected is divided into two separate specimen bottles, the primary specimen (Bottle A) and the split specimen (Bottle B).

Stand-down. The practice of temporarily removing an employee from the performance of safety-sensitive functions based only on a report from a laboratory to the MRO of a confirmed positive test for a drug or drug metabolite, an adulterated test, or a substituted test, before the MRO has completed verification of the test result.

Substance Abuse Professional (SAP). A licensed physician, or a licensed or certified psychologist, social worker, employee assistance professional, state-licensed or certified marriage and family therapist, or drug and alcohol counselor (certified by an organization listed at <https://www.transportation.gov/odapc/sap>) with knowledge of and clinical experience in the diagnosis and treatment of drug- and alcohol-related disorders. (Note: To act as SAP under the DOT drug testing program, the individual must meet the requirements for credentials, basic knowledge, qualification training, continuing education, and documentation listed in 49 CFR 40.281.)

Substituted Specimen. A urine specimen with creatinine and specific gravity values that are so diminished or so divergent that they are not consistent with normal human urine.

Verified Test. A drug test result or validity testing result from an HHS-certified laboratory that has undergone review and final determination by the MRO.

RESPONSIBILITY FOR REVIEW: The County Personnel Director and/or Administrative Officer will review this policy every 5 years or sooner as necessary.

I. — Statement of Purpose

Storey County is the employer referenced throughout this policy.

The employer seeks to operate a drug and alcohol-free workplace that is in compliance with the Federal Department of Transportation (DOT) (49 CFR Part 40) and the Federal Motor Carrier Safety Regulations (FMSCR), as prescribed by the Federal Motor Carrier Safety Administration (FMCSA) (49 CFR Parts 382, 383, 387, 390-397, and 399). Therefore, it is the policy of the employer that all employees who perform safety-sensitive functions as defined in this policy, including employees required to maintain commercial driver's licenses (CDL), be drug and alcohol-free.

To further this goal, the employer has implemented this Vehicle Operators Drug and Alcohol Policy. The Policy provides the employer with reasonable measures to ensure that an employee's drug or alcohol use does not jeopardize the employer's successful operations, the employer's workplace, its employees, or the general public.

II. — Coverage

The Vehicle Operators Drug and Alcohol Policy covers all employees who are required to obtain and maintain a CDL as a qualification for their position. All employees covered by this Policy are referred to as "drivers" for the purposes of this Policy. A CDL is required for all drivers that operate a vehicle:

1. In excess of 26,000 pounds Gross Vehicle Weight Rating (GVWR); or
2. Designed to carry 16 or more passengers (including the driver); or
3. Of any size which is used in the transportation of a placardable amount of hazardous material.

This includes, but is not limited to: full-time, part-time, casual, intermittent, or occasional drivers. Mechanics who operate commercial vehicles to test their operations are specifically covered by this Policy.

III. Education and Training

In an ongoing effort to prevent and eliminate substance abuse in the workplace, the employer provides drivers with information and referral resources regarding substance abuse. In addition, supervisors receive a minimum of sixty (60) minutes of training on controlled substance use and sixty (60) minutes of training on alcohol misuse to include the identification of actions, appearance, and conduct of a driver that may indicate drug use and/or alcohol misuse.

IV. Safety Sensitive Functions

Pursuant to the FMSCA, safety sensitive functions mean any of the following on-duty functions:

On-duty means all the time from the time a driver begins to work or is required to be in readiness to work until the time s/he is relieved from work and all responsibility for performing work. On-duty work includes:

1. All time at an employer or shipper plant, terminal, facility, or other property, or on any public property, waiting to be dispatched, unless the driver has been relieved from duty by the employer;
2. All time inspecting, servicing, or conditioning any commercial motor vehicle or equipment at any time;
3. All time spent at the driving controls of a commercial motor vehicle in operation;
4. All time, other than driving time, in or upon any commercial motor vehicle except time spent resting in a sleeper berth;
5. All time loading or unloading a vehicle, supervising or assisting in the loading or unloading, attending a vehicle being loaded or unloaded, remaining in readiness to operate the vehicle, or in giving or receiving receipts for shipments loaded or unloaded; and
6. All time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle.

V. Prohibited Conduct

The following conduct is prohibited for purposes of this program. No driver shall:

1. Consume alcohol while performing safety-sensitive functions;
2. Perform a safety-sensitive function within four (4) hours after using alcohol;
3. Have an alcohol concentration of .04 or greater just before, during, and just after performing his/her safety-sensitive functions.
 - If a driver has a blood alcohol content (BAC) of .02 to .039, the driver will be immediately removed from all safety-sensitive functions for a period of twenty-four (24) hours.
 - If a driver has a BAC of .04 or greater just before, during, or just after performing a safety-sensitive function, the immediate consequences shall include the driver being removed from safety-sensitive functions and referred to an evaluation by a Substance Abuse Professional (SAP).In addition, the employer may take additional disciplinary action against a driver who has a test result of .02 or greater;
4. Use alcohol for eight (8) hours following an accident or until the driver undergoes a post-accident test, whichever comes first;
5. Possess alcohol while on duty, unless the alcohol is manifested and transported as a part of the shipment;

6. Use or possess any drug, except when use is pursuant to the instructions of a physician or dentist who has advised the driver that the substance does not adversely affect the driver's ability to operate a commercial motor vehicle.

— NOTE—Prescription Drugs: Drivers may take over-the-counter or prescription drugs under the guidance of a physician in the course of medical treatment.

— A driver should ask his/her physician or pharmacist whether the use of the prescription drug or over-the-counter drug could adversely affect his/her ability to perform safety-sensitive functions. Drivers must follow all manufacturers' directions or package inserts when taking any over-the-counter or prescription drugs.

— In addition, the employer requires a driver to report that s/he is using any over-the-counter or prescription drug if the use of the drug could affect the safe performance of his/her safety-sensitive functions;

7. Test positive for drugs;

8. Refuse to submit to a post-accident, random, reasonable suspicion, or follow-up drug or alcohol test;

9. Switch, adulterate, or commit any other misconduct pertaining to any breath, urine, or saliva sample;

10. Fail to provide an adequate sample for testing without a valid medical explanation;

11. Disclose to individuals, other than on a need-to-know basis, information pertaining to alcohol and/or drug testing referrals, results of such testing or treatment referrals;

12. Fail to sign the DOT Alcohol Testing Form (ATF) (see Form 206-F4) or Federal Drug Testing Custody and Control Form (CCF) (see current form on website www.health.org/workplace);

13. Fail to consent and sign the Drug/Alcohol Test Informed Consent Form (see Form 206A-F3);

14. Fail to consent and sign the Consent to Release of Drug / Alcohol Information-Drug / Alcohol Testing Form (see Form 206A-F-2);

15. Fail to report to the collection site in the time allocated;

16. Leave the scene of an accident without a valid reason before submitting to a post-accident test;

17. Engage in any other conduct that clearly obstructs the testing process; and

18. Use illicit drugs on or off duty.

Appendices—Contact HR Dept for Copy

A—Drug Specimen Collection and Testing Procedures

B—Alcohol Sample Collection and Testing Procedures

C—Violation of the DOT/FMCSA Regulations 382.507, and Civil Penalties
(49 U.S.C. §521 [b]),

—Driver Disqualifications and Penalties (49 CFR §383.51)

D—Certificate of Receipt

VI.—Consequences for Violation of the DOT/FMCSA Drug and Alcohol Policies

The Federal DOT/FMCSA mandate certain immediate consequences whenever a driver engages in prohibited conduct. These consequences include removal from duty and referral to a SAP. *In addition, it is important to note that the Employer may apply additional consequences, up to and including termination, for violation of this Policy and DOT/FMCSA.* A driver who is removed from performing safety-sensitive functions may be suspended, without pay.

A. Consequences for Drivers for a Confirmed Violation of this Policy

Specific immediate consequences shall occur whenever a driver:

1. Has a verified, positive drug test¹ or an alcohol test result of .04 or greater.²

2. Consumes alcohol while performing or four (4) hours before performing a safety-sensitive function.

3. Consumes alcohol within eight (8) hours following an accident or before s/he is tested, whichever occurs first.
4. Refuses to submit³ to any required random, post-accident, reasonable suspicion, or follow-up test.
5. Possesses drugs or alcohol in violation of this Policy.

The immediate consequences are:

1. The driver will be immediately removed from performing all safety-sensitive functions.
2. The driver may be disciplined, up to and including termination.
3. The driver will be referred for evaluation by a SAP. When an employee has a verified, positive, adulterated or substituted test result, or has otherwise violated this Policy, the employer shall not return the employee to the performance of safety-sensitive functions until or unless the employee completes the return-to-duty process provided in this Policy.

If the employer decides to continue employing a driver who has violated this Policy or DOT/FMCSA, the following shall occur:

1. The driver will receive, from the employer, information on resources available to the driver to resolve and evaluate any problems associated with substance abuse.
2. Before being returned to his/her safety-sensitive functions, the driver must undergo a return-to-duty drug and/or alcohol test.
3. If the driver required treatment as recommended by a SAP, the driver must complete the treatment and be re-evaluated by a SAP before submitting to a return-to-duty test.
4. If the driver required treatment as recommended by a SAP, the driver will be subject to unannounced follow-up drug and/or alcohol tests.

B. Consequences for Job Applicants

1. Applicants who fail a pre-employment test will be denied employment.
2. A current employee (who is transferring to a covered position) who fails a pre-employment test will not receive the position. In addition, the employer may refer the employee to a SAP for evaluation and treatment and may take additional disciplinary actions.

C. Failure of a Post-Accident Test

A driver who has a positive drug or alcohol test result following an accident, as provided in Section VII. D. of this Policy will be terminated from employment.

D. DOT Penalties

NOTE: Employer discipline is likely in addition to the DOT penalties.

Any driver who violates the DOT/FMCSA drug and alcohol rules will be subject to civil or criminal penalties. (see *Appendix D* of this Policy).

In addition, 49 CFR §383.51 also provides penalties for drug and alcohol-related conduct of commercial motor vehicle drivers (see *Appendix D* of this Policy).

The following are "disqualifying" offenses:

1. Driving a commercial motor vehicle while under the influence of drugs or alcohol.
2. Refusing to submit to a test as required by any state or jurisdiction in the enforcement of federal or state law.
3. Leaving the scene of an accident involving a commercial motor vehicle.

First Offenders: A driver who is convicted of driving a commercial motor vehicle while under the influence of drugs or alcohol for the first time will be disqualified for a period of one (1) year provided the vehicle was not transporting hazardous materials. If the vehicle was transporting hazardous materials, the driver will be disqualified for a period of three (3) years.

~~In addition, a driver who is convicted of the use of a commercial motor vehicle in the commission of a felony involving manufacturing, distributing, or dispensing drugs (controlled substances) is disqualified for life.~~

~~*Second Offenders:* A driver who is convicted of driving a commercial motor vehicle while under the influence of drugs or alcohol for a second time will be disqualified for life. Ten (10) years after the violation, if the driver has voluntarily enrolled in and successfully completed an appropriate treatment program, the driver may apply for reinstatement of his/her CDL.~~

~~*Third Offenders:* If a reinstated driver is convicted of another drug-related or alcohol-related offense, s/he will be permanently disqualified for life, and will not be eligible to re-apply for a reduction of the lifetime disqualification.~~

~~E. Employer-Imposed Penalties and Actions~~

~~All violations of this Policy (even a first offense) will serve as the basis for discipline, up to and including termination. The severity of the penalty imposed by the employer will depend on the circumstances of each case. However, drivers need to be aware that any offense, including but not limited to possession, sale or use of controlled substances or illegally used drugs on employer premises or while on duty is likely to result in immediate termination.~~

~~In addition to any disciplinary action imposed for a violation of this Policy, or while such actions are held in abeyance, the employer may, at its sole discretion, refer the driver for appropriate assessment, counseling, and/or a treatment program as applicable. However, the employer reserves the right to make the final decision.~~

~~VII. Alcohol and Drug Testing~~

~~The methods used to determine the presence of alcohol and/or drugs in the driver's system under the DOT/FMCSA regulations include a urine⁴, breath, and/or saliva test. All alcohol and drug testing will be conducted in accordance with DOT procedures for transportation workplace drug and alcohol testing programs, 49 CFR Part 40. Any employee who refuses to submit to discovery testing for alcohol or drugs pursuant to this Policy will be deemed to have failed the test and will be subject to disciplinary action, up to and including termination. Drivers will be subject to the following types of alcohol and drug testing:~~

- ~~• Pre-employment testing~~
- ~~• Reasonable cause testing~~
- ~~• Post-accident testing~~
- ~~• Random testing~~
- ~~• Return-to duty testing~~
- ~~• Follow-up testing~~

A. Testing Forms

1. ~~The Federal Drug Testing Custody and Collection Form (CCF) (see current form on website www.health.org/workplace) must be used for each drug test under this Policy, and the DOT Alcohol Testing Form (ATF) (see Form 206A F-4) must be used for each alcohol test under this Policy.~~
2. ~~Tests under the Vehicle Operators Drug and Alcohol Policy must be conducted prior to and separate from any other drug or alcohol tests. The employer shall not use the CCF or the ATF in non-DOT Drug and Alcohol Testing Programs.~~

B. Pre-Employment Testing

1. ~~All driver applicants⁵ whom the employer intends to hire or use to perform safety-sensitive functions must give their consent and submit to a urine drug test (see Form 206A F-4).~~
2. ~~The employer may choose not to require pre-employment drug testing for a driver applicant if the employer can verify the individual:~~

~~⁴ All urinalysis tests for drugs will use the "split sample" method of collection. The driver's urine sample will be split into two specimen bottles. One will contain the primary specimen; and the other, the split specimen. The split specimen will be preserved under stringent laboratory conditions. Whenever a driver employee receives notification of a positive drug test, the driver may request that the split sample be tested in a different laboratory that is certified by the Department of Health and Human Services (DHHS). This request must be made within seventy-two (72) hours after the Medical Review Officer (MRO) gives the driver notification of the positive drug test.~~

- a. ~~Has participated in a valid controlled substance testing program that meets the requirements of 49 CFR Part 382, within the previous thirty (30) days; and~~
- b. ~~Was tested for controlled substances within the past six (6) months from date of application with the employer while participating in the program, or participated in a random testing program within the previous twelve (12) months from the date of application with the employer.~~
- c. ~~After obtaining the driver applicant's written consent via completion of the Consent to Release of Drug / Alcohol Information Drug / Alcohol Testing Form (see Form 206A F-2), the employer will verify that no former employer of the driver applicant in the preceding two (2) years has knowledge or records that the individual:~~
 1. ~~Had an alcohol test with a result of .04 alcohol concentration or greater; or~~
 2. ~~Had a verified positive controlled substance test result; or~~
 3. ~~Refused to be tested; or~~
 4. ~~Violated other DOT drug and alcohol testing regulations.~~
3. ~~With respect to a driver applicant's violation of a DOT drug and alcohol regulation, the employer shall obtain documentation of the driver applicant's successful completion of return-to-duty requirements (including follow-up tests). If the previous employer does not have information about the return-to-duty process, the employer shall obtain this information from the employee. Refer to 49 CFR 40.25 for guidance, if unable to obtain this information.~~
4. ~~As the employer, the employer shall also ask the employee whether s/he has tested positive or refused to test on any pre-employment drug or alcohol test administered by an employer to which the employee applied for, but did not obtain safety-sensitive transportation work covered by Federal Highway Safety Administrator's Drug and Alcohol Testing Rules during the past two (2) years. If the employee admits that s/he had a positive test or a refusal to test, the employer shall not use the employee to perform safety-sensitive functions until and unless the employee documents successful completion of the return-to-duty process.~~
5. ~~If information is requested from another employer, the employer shall, after reviewing the employee's specific written consent, immediately release the requested information to the employer making the inquiry.~~

~~As an employer requesting the information required, the employer shall maintain a written confidential record of the information the employer obtained of the good faith efforts the employer made to~~

obtain the information. The employer shall retain this information for three (3) years from the date of the employee's first performance of safety-sensitive functions for the employer.

⁵ Includes current employees

6. The employer may, but is not required to, conduct pre-employment alcohol testing. If such tests are conducted, the employer shall comply with the requirements of 49 CFR 382.301.

C. Reasonable Suspicion Alcohol and/or Drug Testing

A driver shall be required to submit to an alcohol and/or drug test when the employer has reasonable suspicion the driver has violated the prohibitions of the alcohol and/or drug policy.

• *Determining Reasonable Suspicion*

A supervisor shall determine that reasonable suspicion exists that requires the driver to undergo testing based on directly making specific contemporaneous, articulable observations concerning the appearance, behavior, speech or body odors of the driver. In addition, the observations for drug use may include indications of the chronic use and/or the withdrawal effects of controlled substances.

• *Timing of a Reasonable Suspicion Test*

- 1) Alcohol testing is authorized only if the observations are made during, just preceding, or just after the driver performs safety-sensitive functions. A driver shall be directed to undergo reasonable suspicion testing only while the driver is performing safety-sensitive functions, just before the driver is performing safety-sensitive functions, or just after the driver has ceased performing such functions.
- 2) Alcohol testing shall occur as soon as possible after the observed conditions or event. If the test is not administered within two (2) hours, the employer shall prepare and maintain on file a record stating the reasons the alcohol test was not promptly administered. If the alcohol test is not administered within eight (8) hours, the employer shall cease attempts to administer an alcohol test and shall state in the record the reasons for not administering the test.
- 3) Drug testing shall occur as soon as possible after the observed conditions or event. If the test is not administered within thirty-two (32) hours, the employer shall cease attempts to administer the drug test and shall state in the record the reasons for not administering the test.

• *Documentation of a Reasonable Suspicion Test*

A written record of the driver's conduct that creates reasonable suspicion shall be prepared and signed by the supervisor(s) who made the observations within twenty-four (24) hours of the observed behavior or before the results of the test are released, whichever is earlier (see *Documentation Reasonable Suspicion Drug / Alcohol Testing Form [See Form 206A-F6]*).

• *Transportation of Driver for Reasonable Suspicion Testing*

A driver who is required to submit to reasonable suspicion testing shall be transported by the employer to the location of the test. After the driver submits to the test, the employer shall provide transportation for the driver to his/her home. The driver shall be placed on leave with pay, pending test results.

D. Post-Accident Testing

No requirements in this section shall be construed to require the delay of necessary medical attention for injured people following an accident, or to prohibit a driver from leaving the scene of an accident

for the period necessary to obtain assistance in responding to the accident, or to obtain necessary emergency medical care.

~~Drivers who are involved in an accident shall be sent for an alcohol and drug test following the accident whenever:~~

- ~~1. The accident involved a fatality; or~~
- ~~2. The driver received a citation for a moving traffic violation⁶ arising from the accident, and the accident involved:
 - ~~a. Bodily injury to any person who, as a result of the injury, immediately receives medical treatment away from the scene of the accident; or~~
 - ~~b. One or more of the vehicles involved in the accident was towed away from the scene.~~~~

Type of Accident Involved	Has Citation Been Issued to the CMV Driver?	Must Test be by employer?
Human fatality	Yes No	Yes Yes
Bodily injury with immediate medical treatment away from the scene	Yes No	Yes No
Disabling damage to any motor vehicle requiring tow away	Yes No	Yes No

• ~~The Employer's Responsibility~~

- ~~1. The employer shall provide drivers with necessary post-accident report information, procedures, and instructions before the driver operates a commercial motor vehicle to allow drivers to comply with the testing requirements.~~
- ~~2. The employer is responsible for adhering to the following post-accident timeline, including any recording requirements.~~

Time Lapsed	Action Required
2 hours	ALCOHOL — If the driver has not submitted to an alcohol test at this time, the employer will prepare and maintain on file, a statement of the reasons the test was not promptly administered.
8 hours	ALCOHOL — The employer shall cease attempts to administer an alcohol test and prepare and maintain on file, a statement of the reasons why the test was not promptly administered.
32 hours	DRUGS — If the driver has not submitted to a drug test at this time, the employer shall cease attempts to administer the test and prepare and maintain on file, a statement of the reasons why the test was not promptly administered.

- ~~3. In the event that federal, state, or local officials conduct a breath or blood test for the use of alcohol and/or urine tests for the use of drugs following an accident, these tests shall be considered to meet the DOT requirements, providing the tests conform to applicable federal, state, or local testing requirements and that the results of the tests are obtained by the employer. The employer shall provide transportation for the driver to the location of the test.~~

After the driver submits to the test, the employer shall provide transportation for the driver to his/her home.

• ~~Driver's Responsibility~~

~~A driver is obligated to complete a post-accident report form, to follow the post-accident instructions supplied by the employer, and to see that the alcohol and/or drug test(s) are conducted.~~

- ~~1. A driver must submit to an alcohol test as soon as practical, but not later than eight (8) hours after the accident.~~
- ~~2. A driver must submit to a drug test as soon as practical, but not later than thirty-two (32) hours following the accident.~~
- ~~3. In the event a driver is so seriously injured that the driver cannot provide a blood, breath, or urine specimen at the time of the accident, the driver must provide necessary authorizations, as soon as the driver's physical condition allows, to enable the employer to obtain hospital records or other documents that indicate whether there were drugs or alcohol in the driver's system when the accident occurred.~~
- ~~4. In the event federal, state, or local officials conducted alcohol and/or drug testing following an accident as provided in Section D.3, "Employer's Responsibility," the driver will be required to sign a release allowing the employer to obtain the test results from such officials.~~
- ~~5. A driver who is subject to a post-accident test must remain readily available for testing. A driver who leaves the scene before the test is administered or who does not make himself/herself readily available may be deemed to have refused to be tested and such refusal shall be treated as a positive test. Further, the driver, subject to a post-accident test, must refrain from consuming alcohol for eight (8) hours following the accident, or until the driver submits to an alcohol test, whichever comes first.~~
- ~~6. For safety reasons, a driver required to submit to post-accident testing will be placed on leave of absence, with pay, pending receipt of the post-accident testing result.~~

~~E. Random Testing~~

~~All drivers are subject to random alcohol and drug testing.~~

~~1. Random Selection Process~~

- ~~a. The selection of drivers for random alcohol and drug testing shall be made from a random number table or a computer-based random number generator that is matched with the driver's social security number. Random testing will be unannounced and the dates for administering the tests will be spread reasonably throughout the year; and~~
- ~~b. The employer will drug test, at a minimum, fifty percent (50%) of the average number of driver positions each calendar year. The employer will alcohol test, at a minimum, ten percent (10%) of the average number of driver positions each calendar year.~~
- ~~(Optional) The employer utilizes a Consortium/Third-party Administrator (C/TPA) to conduct random testing for alcohol and controlled substances. The total number of drivers to be calculated shall be based on the total number of drivers covered by the C/TPA at the same minimum annual percentage rate.~~

~~2. Timing for Random Testing~~

- ~~a. Random drug testing will be performed at any time while the driver is at work;~~
- ~~b. Random alcohol testing will be performed just before, during, or just after the driver is performing safety-sensitive functions; and~~
- ~~c. A driver selected for random testing shall proceed immediately to the test site. A driver who engages in conduct, which does not lead to testing as soon as possible after notification, may be considered to have refused to test and such refusal shall be treated as a positive test.~~

F. ~~Return-to-Duty Process and Testing~~

1. ~~Referral~~

~~A driver, who has violated a DOT Drug and Alcohol Regulation, shall be provided by the employer or through a C/TPA or other Service Agent a listing of SAP's including their names, addresses, and telephone numbers of SAP's who are readily available to the employees and acceptable to the employer.~~

2. ~~SAP and Treatment Services for Employees~~

- ~~a. The employer may, but is not required to, offer an employee an opportunity to return to a position performing DOT safety-sensitive functions following a violation of a DOT drug or alcohol regulation.~~
- ~~b. Before the employee again performs a safety-sensitive function following a violation, the employer must ensure that the employee receives an evaluation by a SAP, and that the employee successfully complies with the SAP's evaluation recommendations.~~
- ~~c. Payment for SAP evaluations and services shall be the responsibility of the employee, or as otherwise covered in the employer's health care benefits, and/or governed by existing management/labor agreements.~~

3. ~~SAP Evaluation/Recommendations~~

- ~~a. Once an employee with a DOT Drug and Alcohol Regulation violation has been evaluated by a SAP, neither the employee nor the employer can seek a second SAP evaluation in order to obtain another recommendation.~~
- ~~b. If the employee, contrary to (a) above, does obtain a second SAP evaluation, the employer may not rely on it.~~

4. ~~Changing a SAP Initial Evaluation~~

- ~~a. Except as provided in (b) below, no one may change in any way the SAP's evaluation or recommendations for assistance.~~
- ~~b. The SAP who made the initial evaluation may modify his/her initial evaluation and recommendations based on new or additional information (e.g., from an education or treatment program).~~

5. ~~Additional Treatment, Aftercare Services~~

~~The employer, upon receiving recommendations from a SAP for an employee who has resumed the performance of safety-sensitive functions,) may, in addition to follow-up tests:~~

- ~~a. Require the employee to participate in the recommended services as a part of the return-to-duty agreement with the employee;~~
- ~~b. Monitor and document the employee's participation in the recommended services; and~~
- ~~c. Make use of SAP and employee assistance program (EAP) services in assisting and monitoring the employee's compliance with the SAP recommendations.~~

G. ~~Follow-Up Testing~~

~~If the employer decides to permit the employee to return to the performance of safety-sensitive functions, the employee must take a return-to-duty test after the SAP has determined that the employee has successfully complied with the prescribed treatment and/or education. The employer must direct a collection under direct observation if the drug test is a return-to-duty test or follow up test.~~

~~The employee must have a negative drug test and/or an alcohol test with an alcohol concentration of less than 0.02 before resuming performance of safety-sensitive functions.~~

~~All drivers who have committed a violation of DOT Drug or Alcohol Regulations will be subject to a written follow-up drug and/or alcohol testing plan prepared by the SAP. A copy of this plan shall be presented directly to the Designated Employer Representative (DER).~~

Follow-up testing applies during the period following completion of a treatment program. The driver will be subject to a minimum of six (6) unannounced, follow-up drug and/or alcohol tests over the following twelve (12) months following the employee's return to safety-sensitive functions.

The SAP can require additional testing up to a maximum of sixty (60) months from the date the driver returns to duty. Likewise, the SAP can terminate the additional follow-up testing that was ordered in excess of the minimum twelve (12) month period.

A driver whose follow-up alcohol test result is .02 to .039 must be removed from any safety-sensitive functions for twenty-four (24) hours. This test result is not a violation of the DOT/FMCSA regulations. The employer may also impose additional disciplinary action.

The employer shall carry out the SAP's follow-up testing requirements. The employee shall not be permitted to perform safety-sensitive functions, unless follow-up testing is completed as directed by the SAP.

The employer shall schedule follow-up tests at its discretion and shall ensure the tests are unannounced without any discernable pattern as to their timing and that the employee is not given advance notice.

There shall be no substitution of any other tests (e.g., those carried out under the random testing program) conducted on the employee for this follow-up testing requirement.

A cancelled follow-up test does not constitute a completed test. Any follow-up test that was cancelled must be re-collected.

- *Timing of a Follow-Up Alcohol Test*

- Follow-up alcohol testing shall be conducted just before, during, or just after the driver performs safety-sensitive functions.

- *Timing of a Follow-Up Drug Test*

Follow-up drug testing may be performed at any time while the driver is at work. The driver does not have to be performing a safety-sensitive function.

II. Test Results (Invalid)

If the employer receives a drug test result indicating that the employee's specimen was invalid and that a second collection must take place under direct observation:

1. Immediately direct the employee to provide a new specimen under direct observation;
2. Do not attach consequences to the finding that the test was invalid, other than collecting a new specimen under direct observation;
3. Do not give any advance notice of this test requirement to the employee;
4. Instruct the collector to note on the *Federal Drug Testing Custody and Control Form (CCF)* the same reason (e.g. random test, post-accident test) as for the original collection.

I. Report of a Dilute Specimen

1. If the MRO informs the DER that a positive drug test was dilute, the DER shall treat the test as a verified positive test and must not direct the employee to take another test based on the fact that the specimen was dilute.

2. If the MRO informs the DER that a negative test was dilute, the employer will take the following action:

- a. If the MRO directs the employer to conduct a recollection under direct observation (i.e., because the creatinine concentration of the specimen was equal to or greater than 2mg/dL, but less than or equal to 5mg/dL, the employer must do so immediately.

- b. Otherwise (i.e., if the creatinine concentration of the dilute specimen is greater than 5mg/dL), the employer may, but is not required to, direct the employee to take another test immediately.

i. ~~Such recollections must not be collected under direct observation, unless there is another basis for use of direct observation (see § 40.67 (b) and (c)).~~

ii. ~~The employer must treat all employees the same for this purpose. The employer may, however, establish different policies for different types of tests (e.g., conduct retests in pre-employment situations, but not in random test situations). The employer must inform their employees in advance of the employer's decisions on these matters.~~

c. ~~The employer must ensure that the employee is given the minimum possible advance notice that he or she must go to the collection site; the employer must treat the result of the test as the test result of record. If the result of the test the employer directed the employee to take is also negative and dilute, the employer is not permitted to make the employee take an additional test because the result was dilute. Provided, however, that if the MRO directs the employer to conduct a recollection under direct observation the employer must immediately do so.~~

J. Cancelled Drug or Alcohol Test

A cancelled drug or alcohol test is neither positive nor negative.

1. ~~The employer must not attach to a cancelled test the consequences of a positive test or a violation of a DOT Drug or Alcohol Testing Regulation (e.g., removal from a safety-sensitive position).~~
2. ~~The employer must not use a cancelled test as evidence of a negative test to authorize the employee to perform safety-sensitive functions (i.e., in the case of a pre-employment, return-to-duty, or a follow-up test).~~
3. ~~The employer must not direct a re-collection from an employee, except when conducting a pre-employment return-to-duty or a follow-up test, or in other provisions of the regulations that require another test to be conducted as provided in 49 CFR 40.159(a)(5) when a drug test result is invalid, and 40.187(b) when a split specimen laboratory result failed to reconfirm Drug(s)/Drug Metabolite(s) not detected.~~
4. ~~A cancelled test does not count toward compliance with DOT requirements for the number of tests needed to meet the employer's minimum random testing rate.~~
5. ~~A cancelled DOT test does not provide a valid basis for a non-DOT test.~~
6. ~~A cancelled alcohol test must be reported to the DER and treated as if the test never occurred.~~

K. Insufficient Amount of Urine for Drug Test

1. ~~When a collector informs the DER that an employee has not provided a sufficient amount of urine for a drug test, the DER must, after consulting with the MRO, direct the employee to obtain within five (5) working days an evaluation from a licensed physician, who is acceptable to the MRO, and who has expertise in the medical issues raised by the employee's failure to provide a sufficient specimen.~~
2. ~~When the MRO indicates to the DER that a test is cancelled due to a medical condition that has, or with a high degree of probability could have precluded the employee from providing a sufficient amount of urine, the employer shall take no further action with the employee. The employee shall remain in the random testing pool.~~

L. Insufficient Amount of Saliva or Breath for an Alcohol Test

1. ~~When a STT informs the DER that the employee has not provided a sufficient amount of saliva for an alcohol screening test, the DER must immediately arrange to administer an alcohol test to the employee using an EBT or other breath-testing device.~~

2. ~~When a BAT or SAT informs the DER that the employee has not provided a sufficient amount of breath, the employer must direct the employee to obtain, within five (5) working days, an evaluation from a licensed physician who is acceptable to the employer, and who has expertise in the medical issues raised by the employee's failure to provide a sufficient specimen. The DER must provide the physician with the following information and instructions:~~

- a. ~~That the employee was required to take a DOT breath alcohol test, but was unable to provide a sufficient amount of breath to complete the test;~~
- b. ~~The consequences for refusing to take a required alcohol test include removal from performing all safety sensitive functions, referral for evaluation by a SAP, and disciplined up to and including termination;~~
- c. ~~The physician must provide the DER with a signed statement of his/her conclusion regarding the employee's failure to provide a sufficient amount of saliva or breath for an alcohol test; and~~
- d. ~~That the physician, in his/her reasonable medical judgment, must base those conclusions on requirements listed in 49 CFR 40.265.~~

3. ~~Upon receipt of the report from the examining physician, the DER must immediately inform the employee and take appropriate action based upon Federal Highway Administration Regulations.~~

M. ~~Addressing "Correctable Flaws" in Alcohol Testing~~

1. ~~If a BAT or STT reports to the DER that a correctable flaw has occurred, and another testing device is not available for the new test at a testing site, the DER shall make reasonable efforts to ensure that the test is conducted at another test site as soon as possible.~~
2. ~~All other problems must be addressed by a BAT, STT, employer, or other Service Agent administering the process, or the test must be cancelled.~~

N. ~~Fatal Flaws~~

~~The employer must cancel an alcohol test if any of the following "fatal flaws" occur. The test is cancelled and must be treated as if the test never occurred. These problems are:~~

1. ~~In the case of a screening test conducted on saliva ASD or a breath tube ASD:~~
 - a. ~~The STT or BAT reads the result either sooner than or later than the time allotted by the manufacturer.~~
 - b. ~~The saliva ASD does not activate, or~~
 - c. ~~The device is used for a test after the expiration date printed on the device or on its package.~~

O. ~~Alcohol Confirmation Test Result~~

~~The employer shall take the following steps with respect to the receipt and storage of alcohol test results information:~~

1. ~~If the test results are not in writing (e.g., by telephone or electronic means), the DER shall identify and record the BAT sending the results.~~
2. ~~Store all test results information in a way that protects confidentiality.~~

P. ~~Direct Observation~~

~~The employer must direct an immediate collection under direct observation with no advance notice to the employee, if:~~

1. ~~The laboratory reported to the MRO that the specimen is invalid, and the MRO reported to the employer that there was not an adequate medical explanation for the result; or~~
2. ~~The MRO reported to the employer that the original positive, adulterated, or substituted test result had to be cancelled, because the test of the split specimen could not be performed.~~

3. ~~The laboratory reported to the MRO that the specimen was substituted with a creatinine concentration greater than or equal to 2mg/dL and less than 5mg/dL and the MRO reported the specimen to the employer as negative and dilute.~~

Q. ~~Stand-Down-Employee~~

~~The employer is prohibited from standing down an employee following the MRO's receipt of a laboratory report of a confirmed positive test for a drug or drug metabolite, an adulterated test, or a substituted test pertaining to the employee prior to the MRO completing the verification process. Note: To obtain a waiver to this prohibition, the employer shall send a written request which includes all of the information required to the Federal Motor Carrier Safety Administrator, U.S. Department of Transportation, 400 Seventh Street, S.W., Washington, D.C. 20590.~~

R. ~~Service Agents~~

1. ~~If the employer uses a Service Agent to perform the tasks necessary to comply with the DOT drug and alcohol testing requirements, it shall ensure the Service Agent complies with 49 CFR Part 40 (Q), Roles and Responsibilities of Service Agents.~~
2. ~~The employer shall ensure that Service Agents used meet qualifications required for their specialty area, and may require Service Agents to present documentation that they meet these requirements.~~
3. ~~The employer shall obtain information required from their Service Agents. For example, the employer must not assume that "no news is good news" and permit an applicant to perform safety-sensitive functions before receiving the test results.~~
4. ~~The employer must not permit the Service Agent to also serve as the DER.~~

S. ~~Designated Employer Representative (DER)~~

~~The employer shall provide to collectors, BAT's and STT's, the name and telephone number of the appropriate DER and C/TPA to contact about any problems or issues that may arise during the testing process.~~

T. ~~Payment for the Test of a Split Specimen~~

1. ~~The employer is responsible for making sure that the MRO, first laboratory, and second laboratory perform testing of split specimens in a timely manner once the employee has made a timely request for a test or split specimen.~~
2. ~~The employer must not condition compliance with this requirement on the employee's direct payment to the MRO, or laboratory, or the employee's agreement to reimburse the employer for the costs of testing. The employer may seek payment or reimbursement of all the costs for the split specimen from the employee.~~

U. ~~SAP Information Provided by Agent Employer~~

~~The employer, through a C/TPA or other Service Agent, shall provide to each employee, (including an applicant or new employee) who violates a DOT Drug or Alcohol Regulation, a listing of SAP's with their addresses and phone numbers who are readily available to the employee and acceptable to the employer. The employee shall not be charged any fee for compiling or providing this list.~~

V. ~~Confidentiality and Release of Information~~

1. ~~The employer shall not release individual test results or medical information about an employee to third parties without the employee's specific written consent.~~
 - a. ~~A third party is any person or employer to whom other subparts of 49 CFR 40 do not explicitly authorize or require the transmission of information in the course of the drug and alcohol testing process.~~
 - b. ~~Specific written consent means a statement signed by the employee that s/he agrees to the release of specific information to an explicitly identified, person or employer at a particular~~

time. Blanket releases of information (e.g., all test results) or release of information to a category of parties (e.g., other employers who are members of a C/TPA, companies to which the employee may apply for employment) are prohibited.

2. The employer may release information pertaining to an employee's drug or alcohol test without the employee's consent in certain legal proceedings as provided for in 49 CFR 40.323.
3. The employer shall, upon request of DOT agency representatives, provide the following:
 - a. Access to the employer's facilities for DOT agency drug and alcohol program functions.
 - b. All written, printed, and computer-based drug and alcohol program records and reports (including copies of name-specific records or reports), files, materials, data, documents/documentations, agreements, contracts, policies, and statements.
4. If requested by the National Transportation Safety Board as part of an accident investigation, the employer shall provide information concerning post-accident tests administered after the accident.
5. If requested by a federal, state, or local safety agency with regulatory authority over the employer or the employee, the employer shall provide drug and alcohol test records concerning the employee.

W. Record Retention Requirements

1. The employer shall keep the following records for a period of five (5) years:
 - a. Records of employee alcohol test results indicating an alcohol concentration of 0.02 or greater;
 - b. Records of employee's verified positive drug test results;
 - c. Documentation of refusals to take required alcohol and/or drug tests (including substituted or adulterated drug test results);
 - d. SAP reports; and
 - e. All follow-up tests and schedules for follow-up tests.
2. The employer shall keep records of information concerning drug and alcohol test results obtained from previous employers on employees that perform safety-sensitive functions for three (3) years.
3. The employer shall keep records of the inspection, maintenance, and calibration of EBT for two (2) years.
4. The employer shall keep records of negative and cancelled drug test results and alcohol results with a concentration of less than 0.02 for one (1) year.
5. The employer shall maintain these records described in 1 through 4 above in a location with controlled access.
6. If the employer decides to have their Service Agent retain these records, the employer shall ensure the records can be produced at the employer's place of business in the time required by the FMCSA (e.g., within two (2) days of a request by the FMCSA inspector).

VIII. Reservation of Rights

The employer reserves the right to interpret, change, or rescind this Policy in whole or in part, with or without notice, subject to any state and federal laws and relevant collective bargaining agreements.

Provisions within the Federal Department of Transportation (DOT), Federal Motor Carrier Safety Regulations (FMCSR), and state law will supersede any conflicting language in this policy manual.

Nothing in this Policy creates a binding employment contract nor modifies an existing contract.

i. DEFINITIONS

For the purposes of the Vehicle Operators Drug and Alcohol Policy, the following definitions shall apply:

~~Adulterated Specimen.~~ A specimen that has been altered, as evidenced by test results showing either a substance that is not a normal constituent for that type of specimen or showing an abnormal concentration of an endogenous substance.

~~Air Blank.~~ In evidential breath testing devices (EBT's) using gas chromatography technology, a reading of the device's internal standard. In all other EBT's, a reading of ambient air containing no alcohol.

~~Alcohol.~~ The intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohols including methyl or isopropyl alcohol.

~~Alcohol Concentration.~~ The alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath.

~~Alcohol Confirmation Test.~~ A subsequent test using an EBT following a screening test with a result of 0.02 or greater that provides quantitative data about the alcohol concentration.

~~Alcohol Test.~~ A test using an evidential breath test device (EBT) or a non-evidential breath test device (such as a saliva test); the method of testing used to detect the level of alcohol. Both a screening test and a confirmation test must be used to establish a positive test result.

~~Alcohol Screening Test.~~ An analytic procedure to determine whether an employee may have a prohibited concentration of alcohol in a breath or saliva specimen.

~~Alcohol Testing Site.~~ A place selected by the employer where employees present themselves for the purpose of providing breath or saliva for an alcohol test.

~~Alcohol Use.~~ The drinking or swallowing of any beverage, liquid mixture, or preparation (including any medication) containing alcohol.

~~Aliquot.~~ A fractional part of a specimen used for testing. It is taken as a sample representing the whole specimen.

~~Blind Specimen or Blind Performance Test Specimen.~~ A specimen submitted to a laboratory for quality control testing purposes, with a fictitious identifier, so that the laboratory cannot distinguish it from an employee specimen.

~~Blood Alcohol Concentration (BAC).~~ The alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an evidential breath test.

~~Breath Alcohol Technician (BAT).~~ A person who instructs and assists employees in the alcohol testing process and operates an evidential breath testing device.

~~Canceled Test.~~ A drug or alcohol test that has a problem identified that cannot be or has not been corrected, or which 49 CFR Part 40 otherwise requires to be cancelled. A cancelled test is neither a positive nor a negative test.

~~Chain of Custody.~~ The procedure used to document the handling of the urine specimen from the time the employee gives the specimen to the collector until the specimen is destroyed. This procedure uses the *Federal Drug Testing Custody and Control Form (CCF)* (see current form on website www.health.org/workplace).

~~Collection Container.~~ A container into which the employee urinates to provide the specimen for a drug test.

~~Collection Site.~~ A place selected by the employer where employees present themselves for the purpose of providing a urine specimen for a drug test.

~~Collector.~~ A person who instructs and assists employees at a collection site, who receives and makes an initial inspection of the specimen provided by those employees, and who initiates and completes the *Federal Drug Testing Custody and Control Form (CCF)* (see current form on website www.health.org/workplace).

Commercial Motor Vehicle. A motor vehicle used in commerce to transport passengers or property, if the motor vehicle: (1) has a gross vehicle weight rating (GVWR) in excess of 26,000 pounds, or (2) is designed to carry 16 or more passengers (including the driver), or (3) of any size, which is used in the transportation of a placardable amount of hazardous material.

Confirmation Test. For alcohol testing, means a second test using an evidential breath test device, following a screening test with a result of .02 or greater, that provides quantitative data of alcohol concentration.

For drug testing, means a second analytical procedure to identify the presence of a specific drug or metabolite that is independent of the screen test, and that uses a different technique and chemical principle from that of the screen test in order to ensure reliability and accuracy, generally a Gas Chromatography/Mass Spectrometry (GC/MS).

Confirmatory Drug Test. A second analytical procedure performed on a different aliquot of the original specimen to identify and quantify the presence of a specific drug or drug metabolite.

Confirmatory Validity Test. A second test performed on a different aliquot of the original urine specimen to further support a validity test result.

Confirmed Drug Test. A confirmation test result received by an MRO from a laboratory.

Consortium/Third-party Administrator (C/TPA). A service agent that provides or coordinates the provision of a variety of drug and alcohol testing services to employers. C/TPA's typically perform administrative tasks concerning the operation of the employers' drug and alcohol testing programs. This term includes, but is not limited to, groups of employers who join together to administer, as a single entity, the DOT drug and alcohol testing programs of its members.

Designated Employer Representative (DER). An employee authorized by the employer to take immediate action(s) to remove employees from safety-sensitive functions and to make required decisions in the testing and evaluation processes. The DER also receives test results and other communications for the employer. Service agents cannot act as DER's.

Dilute Specimen. A urine specimen with creatinine and specific gravity values that are lower than expected for human urine.

DOT, the Department, DOT Agency. These terms encompass all DOT agencies, including, but not limited to, the United States Coast Guard (USCG), the Federal Aviation Administration (FAA), the Federal Railroad Administration (FRA), the Federal Motor Carrier Safety Administration (FMCSA), the Federal Transit Administration (FTA), the National Highway Traffic Safety Administration (NHTSA), the Research and Special Programs Administration (RSPA), and the Office of the Secretary (OST). These terms include any designee of a DOT agency.

Driver. Any person who operates a commercial motor vehicle. This includes, but is not limited to: full-time, regularly employed drivers; casual, intermittent, or occasional drivers; leased drivers; and independent, owner-operator contractors who are either directly employed by, or under lease to, an employer or who operate a commercial motor vehicle at the direction of, or with the consent of the employer.

Drugs. The drugs for which tests are required are: marijuana, cocaine, amphetamines, phenylethylamine (PCP), and opiates.

Drug Test. A urinalysis (urine) test that includes specimen collection and testing by a Department of Health and Human Services (DHHS) certified laboratory. Both a screening test and a confirmation test must be used to establish a positive test result.

Employee. Any person who is designated in a DOT agency regulation as subject to drug testing and/or alcohol testing. The term includes individuals currently performing safety-sensitive functions designated in DOT agency regulations and applicants for employment subject to pre-employment testing. For purposes of drug testing, the

term "employee" has the same meaning as the term "donor" as found on CCF and related guidance materials produced by the Department of Health and Human Services.

Employer. A person or entity employing one or more employees (including an individual who is self-employed) subject to DOT agency regulations requiring compliance with this Policy. The term includes an employer's officers, representatives, and management personnel. Service agents are not employers for the purposes of this Policy.

Evidential Breath Testing Device (EBT). A device approved by the National Highway Traffic Safety Administration (NHTSA) for the evidential testing of breath at the .02 and .04 alcohol concentrations, placed on NHTSA's Conforming Products List (CPL) for "Evidential Breath Measurement Devices," and identified on the CPL as conforming with the model specifications.

HHS. The Department of Health and Human Services or any designee of the Secretary, Department of Health and Human Services.

Illegally Used Drug. Any prescribed drug that is legally obtainable, but has not been legally obtained or is not being used for prescribed purposes, all designer drugs, and any other over-the-counter or non-drug substances (e.g., airplane glue) being used for other than their intended purpose. (Note: A designer drug is a man-made drug, or combination of drugs, which is similar in basic scientific properties to a drug or controlled substance and is produced in a clandestine laboratory.)

Initial Drug Test (Screening Drug Test) The test used to differentiate a negative specimen from one that requires further testing for drugs or drug metabolites.

Initial Specimen Validity Test. The first test used to determine if a urine specimen is adulterated, diluted, substituted, or invalid.

Invalid Drug Test. The result reported by an HHS-certified laboratory in accordance with the criteria established by HHS Mandatory Guidelines when a positive, negative, adulterated, or substituted result cannot be established for a specific drug or specimen validity test.

Laboratory. Any U.S. laboratory certified by HHS under the National Laboratory Certification Program as meeting the minimum standards of Subpart C of the HHS Mandatory Guidelines for Federal Workplace Drug Testing Programs; or, in the case of foreign laboratories, a laboratory approved for participation by DOT under this part.

Limit of Detection (LOD). The lowest concentration at which a measurand can be identified, but (for quantitative assays) the concentration cannot be accurately calculated.

Limit of Quantitation. For quantitative assays, the lowest concentration at which the identity and concentration of the measurand can be accurately established.

Medical Review Officer (MRO). A person who is a licensed physician and who is responsible for receiving and reviewing laboratory results generated by an employer's drug testing program and evaluating medical explanations for certain drug test results.

Negative Result. The result reported by an HHS-certified laboratory to an MRO when a specimen contains no drug or the concentration of the drug is less than the cutoff concentration for the drug or drug class and the specimen is a valid specimen.

Non-negative Specimen. A urine specimen that is reported as adulterated, substituted, positive (for drug(s) or drug metabolites(s)), and/or invalid.

Office of Drug and Alcohol Policy and Compliance (ODAPC). The office in the Office of the Secretary, DOT, that is responsible for coordinating drug and alcohol testing program matters within the Department, and providing information concerning the implementation of 49 CFR Part 40.

~~Oxidizing Adulterant. A substance that acts alone or in combination with other substances to oxidize drugs or drug metabolites to prevent the detection of the drug or drug metabolites, or affects the reagents in either the initial or confirmatory drug test.~~

~~Positive Result. The result reported by an HHS-certified laboratory when a specimen contains a drug or drug metabolite equal to or greater than the cutoff concentrations.~~

~~Reasonable Suspicion of Drug and/or Alcohol Use. Reasonable suspicion means such suspicion that will justify a supervisor in referring a driver for an alcohol and/or drug test. It is the amount of suspicion sufficient to convince a trained supervisor under the circumstances to believe that:~~

~~a. The driver has violated the Vehicle Operators Drug and Alcohol Policy; or~~

~~b. The actions, appearance, or conduct of an on-duty driver are indicative of the use of drugs or alcohol.~~

~~The suspicion must be based in fact on specific, contemporaneous, articulable observations by a trained supervisor(s) concerning the appearance, behavior, speech, or body odors of the driver.~~

~~For reasonable suspicion of alcohol misuse, such observations must be made during, just preceding, or just after the period of the work day that the driver is performing a safety-sensitive function. Reasonable suspicion is more than mere speculation but less than absolute certainty.~~

~~Reconfirmed. The result reported for a split specimen when the second laboratory is able to corroborate the original result reported for the primary specimen.~~

~~Rejected for Testing. The result reported by an HHS-certified laboratory when no tests are performed for a specimen because of a fatal flaw or a correctable flaw that is not corrected.~~

~~Screening Test. In alcohol testing, it means an analytical procedure to determine whether a driver may have a prohibited concentration in his/her system (breath or saliva test). In drug testing, it means an immunoassay screen to eliminate "negative" urine specimens from further consideration.~~

~~Screening Test Technician (STT). A person who instructs and assists employees in the alcohol testing process and operates an Alcohol Screening Device (ASD).~~

~~Service Agent. Any person or entity, other than an employee of the employer, who provides services specified under this part (49 CFR Part 40) to employers and/or employees in connection with DOT drug and alcohol testing requirements. This includes, but is not limited to, collectors, BAT's, STT's, laboratories, MRO's, SAP's, and C/TPA's. To act as service agents, persons and employers must meet the qualifications set forth in applicable sections of 49 CFR Part 40. Service agents are not employers for purposes of 49 CFR Part 40.~~

~~Split Specimen Collection. A collection in which the urine collected is divided into two separate specimen bottles, the primary specimen (Bottle A) and the split specimen (Bottle B).~~

~~Stand-down. The practice of temporarily removing an employee from the performance of safety-sensitive functions based only on a report from a laboratory to the MRO of a confirmed positive test for a drug or drug metabolite, an adulterated test, or a substituted test, before the MRO has completed verification of the test result.~~

~~Substance Abuse Professional (SAP). A person who evaluates employees who have violated a DOT drug and alcohol regulation and makes recommendations concerning education, treatment, follow-up testing, and aftercare. (Note: To act as SAP under the DOT drug testing program, the individual must meet the requirements for credentials, basic knowledge, qualification training, continuing education, and documentation listed in 49 CFR 40.281.)~~

~~Substituted Specimen. A urine specimen with creatinine and specific gravity values that are so diminished or so divergent that they are not consistent with normal human urine.~~

Verified Test. A drug test result or validity testing result from an HHS-certified laboratory that has undergone review and final determination by the MRO.

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**STOREY COUNTY
FORM 206A F1
12/04/18**

**FORM 206A1
VEHICLE OPERATORS DRUG AND ALCOHOL POLICY
EMPLOYEE ACKNOWLEDGEMENT FORM**

EMPLOYEE CERTIFICATION:

I hereby certify that Storey County and/or the Storey County Fire Protection District has provided me with a copy of its Drug and Alcohol policy for compliance with the Department of Transportation (DOT) Drug and Alcohol Regulations, that I have read and understand the policy, and that I agree to abide by the terms and conditions of the policy. I also understand that nothing in this policy is intended to create a contract, and I agree that no such contract is created by this policy.

Date

Employee Signature

**VEHICLE OPERATORS DRUG AND ALCOHOL POLICY
CONSENT TO RELEASE OF DRUG / ALCOHOL INFORMATION
DRUG / ALCOHOL TESTING**

I _____, authorize Storey County and/or the Storey County Fire Protection District to contact my former employer:

Name (Printed) _____

Previous Employer: _____

Street: _____

Telephone: _____

City, State, Zip: _____

Fax No.: _____

to obtain from them any relevant information regarding drug and/or alcohol use matters listed below. Further, I authorize the release of information from my former employer for the preceding two (2) years regarding drug and/or alcohol use matters listed below. I request you respond to the following questions as whether I:

1. Had an alcohol test with a result of .04 alcohol concentration or greater;
☐ Yes ☐ No
2. Had a verified positive controlled substance test result;
☐ Yes ☐ No
3. Refused to be tested for alcohol or controlled substance;
☐ Yes ☐ No
4. Violated other Department of Transportation (DOT) Drug and/or Alcohol testing regulations.
☐ Yes ☐ No

If yes, to any of the above, I further authorize the release of documentation, if any, on my successful completion of a return-to-duty requirements, including follow-up tests.

In exchange for employer's consideration of my employment application, I release the individual company or institution and all individuals providing the information or acquiring the information, including employer, from all claims, liability, and damages whatsoever in furnishing, obtaining, or using said information including, but not limited to, claims for defamation, libel, slander, infliction of emotional distress, and interference with current or prospective economic relations.

I authorize the release of this information to:

Employer Name

Attention: _____ on or before _____
Employer Designated Employer Representative Date

Applicant/Employee Signature Date

Witness Name (Printed)

Witness Signature

Date

(Note: Obtain a release for each former employer for preceding two years)

**VEHICLE OPERATORS DRUG AND ALCOHOL POLICY
DRUG / ALCOHOL TEST INFORMED CONSENT**

I, _____, pursuant to a request by my department director
(Printed Name)
and, as a condition of employment with the employer, hereby give my consent to this request to perform a comprehensive test to determine the absence or presence of alcohol and/or drugs (employer: circle one or both) pursuant to employer policy on drug and alcohol in compliance with Department of Transportation (DOT) and Federal Motor Carrier Safety Administration (FMCSA) regulations.

I give my consent to release the results of the test(s) and other related medical information to individuals within the employer who have a need to know of the drug and alcohol testing results and to the use of all such reports or other medical information by the employer in its assessment of my employment application and/or employment status.

I understand that:

The department director and/or a medical review officer may request proof that I am taking a controlled substance as directed pursuant to a lawful prescription issued in my name. If requested, I must provide such proof within 72 hours.

The employer will pay the cost of all required drug and/or alcohol tests.

I will be notified of a positive test result in writing. The letter of notification will identify the particular substance found and its concentration level.

I have the right to request a retest of the initial specimen at a licensed laboratory of my choice, at my own expense, if I have a positive test for drugs or alcohol. The results of the retest shall be provided to me by the department director.

A positive test for illegal drugs or alcohol, or my refusal to authorize the test(s) by signing this form, or take the specified test(s), or produce a specimen may result in the following action:

Applicants - Rejection of my employment application for safety-sensitive positions.

Employees - Referral to an Employee Assistance Program (EAP) and/or disciplinary action, up to and including termination.

Check One:

- ☐ I consent to a drug and/or alcohol test
- ☐ I do not consent to a drug and/or alcohol test

Applicant/Employee Signature

Date

Witness Printed Name

Witness Signature

Date

EMPLOYER: If applicable, attach documentation for reasonable suspicion drug/alcohol testing.

**U.S. Department of Transportation (DOT)
Alcohol Testing Form**

(The instructions for completing this form are on page 2 of this form)

Affix
Or
Print
Screening Results
Here

Affix
With
Tampar Evident
Tape

Affix
Or
Print
Screening Results
Here

Affix
With
Tampar Evident
Tape

Affix
Or
Print
Screening Results
Here

Affix
With
Tampar Evident
Tape

STEP 1: TO BE COMPLETED BY ALCOHOL TECHNICIAN

A: Employee Name: _____
(Print) (First, M.I., Last)
B: SSN or Employee ID No. _____
C: Employer Name _____
Street _____
City, ST ZIP _____
DER Name and Telephone No. _____
DER Name _____ DER Phone Number _____
D: Reason for Test: ☐ Random ☐ Reasonable Susp ☐ Post-Accident ☐ Return to Duty ☐ Follow-up ☐ Pre-employment

STEP 2: TO BE COMPLETED BY EMPLOYEE

I certify that I am about to submit to alcohol testing required by U.S. Department of Transportation regulations and that the identifying information provided on the form is true and correct.

Signature of Employee Date: Month Day Year

STEP 3: TO BE COMPLETED BY ALCOHOL TECHNICIAN

(If the technician conducting the screening test is not the same technician who will be conducting the confirmation test, each technician must complete his/her own form.) I certify that I have conducted alcohol testing on the above named individual in accordance with the procedures established in the U.S. Department of Transportation regulation, 49 CFR Part 40, that I am qualified to operate the testing device(s) identified, and that the results are as recorded.

TECHNICIAN: ☐ BAT ☐ STT DEVICE: ☐ SALIVA ☐ BREATH* 15-Minute Wait: ☐ Yes ☐ No

SCREENING TEST: (For BREATH DEVICE* write in the space below only if the testing device is not designed to print.)

Test #	Testing Device Name	Device Serial # OR Lot # & Exp. Date	Activation Time	Reading Time	Result
--------	---------------------	--------------------------------------	-----------------	--------------	--------

CONFIRMATION TEST: Results MUST be affixed to each copy of this form or printed directly onto the form.

REMARKS:

Alcohol Technician's Company _____ Company Street Address _____
(PRINT) Alcohol Technician's Name (First, M.I., Last) _____ Company City, State, Zip _____ Phone Number _____
Signature of Alcohol Technician _____ Date: Month Day Year

STEP 4: TO BE COMPLETED BY EMPLOYEE IF TEST RESULT IS 0.02 OR HIGHER

I certify that I have submitted to the alcohol test, the results of which are accurately recorded on this form. I understand that I must not drive, perform safety-sensitive duties, or operate heavy equipment because the results are 0.02 or greater.

Signature of Employee Date: Month Day Year

COPY 1 - ORIGINAL - FORWARD TO THE EMPLOYER
COPY 2 - EMPLOYEE RETAINS
COPY 3 - ALCOHOL TECHNICIAN RETAINS

OMB No. 2105-0529

**Instructions for Completing the
U.S. Department of Transportation (DOT) Alcohol Testing Form**

NOTE: Use a ballpoint pen, press hard, and check all copies for legibility.

STEP 1 The Breath Alcohol Technician (BAT) or Screening Test Technician (STT) completes the information required in this step. Be sure to print the employee's name and check the box identifying the reason for the test.

NOTE: If the employee refuses to provide SSN or I.D. number, be sure to indicate this in the remarks section in STEP 3. Proceed with STEP 2.

STEP 2 Instruct the employee to read, sign, and date the employee certification statement in STEP 2.

NOTE: If the employee refuses to sign the certification statement, do not proceed with the alcohol test. Contact the designated employer representative (DER).

STEP 3 The BAT or STT completes the information required in this step and checks the type of device (saliva or breath) being used. After conducting the alcohol screening test, do the following (as appropriate):

Enter the information for the screening test (test number, testing device name, testing device serial number, or lot number and expiration date, time of test with any device-dependent activation times, and the results) on the front of the Alcohol Testing Form (ATF). For a breath testing device capable of printing, the information may be part of the printed record.

NOTE: Be sure to enter the result of the test exactly as it is indicated on the breath testing device, e.g., 0.00, 0.02, 0.04, etc.

Affix the printed information to the front of the form in the space provided, or to the back of the form, in a tamper-evident manner (e.g., tape), or the device may print the results directly on the ATF. If the results of the screening test are less than 0.02, print, sign your name, and enter today's date in the space provided. The test process is complete.

If the results of the screening test are 0.02 or greater, a confirmation test must be administered in accordance with DOT regulations. An EVIDENTIAL BREATH TESTING device that is capable of printing confirmation test information must be used in conducting this test.

Ensure that a waiting period of at least 15 minutes occurs before the confirmation test begins. Check the box indicating that the waiting period lasted at least 15 minutes.

After conducting the alcohol confirmation test, affix the printed information to the front of the form in the space provided, or to the back of the form in a tamper-evident manner (e.g., tape), or the device may print the results directly on the ATF. Print, sign your name, and enter the date in the space provided. Go to STEP 4.

STEP 4 If the employee has a breath alcohol confirmation test result of 0.02 or higher, instruct the employee to read, sign, and date the employee certification statement in STEP 4.

NOTE: If the employee refuses to sign the certification statement in STEP 4, be sure to indicate this in the remarks line in STEP 3.

Immediately notify the DER if the employee has a breath alcohol confirmation test result of 0.02 or higher.

Forward Copy 1 to the employer. Give Copy 2 to the employee. Retain Copy 3 for BAT/STT records.

PAPERWORK REDUCTION ACT NOTICE (as required by 5 CFR 1320.21)

Public reporting burden for this collection of information is estimated for each respondent to average: 1 minute/employee, 4 minutes/Breath Alcohol Technician. Individuals may send comments regarding these burden estimates, or any other aspect of this collection of information, including suggestions for reducing the burden, to U.S. Department of Transportation, Drug and Alcohol Policy and Compliance, Room 10403, 400 Seventh St., SW, Washington, D.C. 20590. Please note that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control number associated with the collection is 2105-0529.

VEHICLE OPERATORS DRUG AND ALCOHOL POLICY
SUGGESTED STEPS FOR REASONABLE SUSPICION
DRUG / ALCOHOL TESTING

- _____ 1. Keep the situation confidential.
- _____ 2. Carefully review employer's policy on drug and alcohol testing to include all applicable forms.
- _____ 3. If practical, without endangering the safety of the employee and others or unduly delaying your response, consult with your human resources specialist or legal counsel about the actions you will be taking.
- _____ 4. Have a second supervisor present whenever possible throughout the process.
- _____ 5. Union representation? Check any requirements of the contract.
- _____ 6. Complete the employer's documentation for Reasonable Suspicion Drug/Alcohol Testing.
- _____ 7. Meet with the employee to inform him/her of your observations and request them to take a drug and/or alcohol test.
- _____ 8. Request that the employee complete the Drug/Alcohol Test Informed Consent form.
- _____ 9. Provide the employee transportation to the testing site and provide transportation after the test or, if the employee refuses to be tested, to his/her home.
- _____ 10. If the employee refuses to be tested, inform him/her that s/he may be disciplined, up to and including termination.
- _____ 11. If the test is positive, inform the employee in writing.
- _____ 12. If the test is positive, determine what disciplinary action to take.
- _____ 13. If the test is positive and the employee was not terminated, refer him/her for evaluation by a substance abuse counselor and rehabilitation, as appropriate.

Note: Time is of the essence. If you have reasonable suspicion, proceed immediately by completing the Documentation For Reasonable Suspicion Drug/Alcohol Testing Form and proceed with the testing process.

**VEHICLE OPERATORS DRUG AND ALCOHOL POLICY
DOCUMENTATION FOR REASONABLE SUSPICION
DRUG / ALCOHOL TESTING**

This form is to be used to document the reasons for requesting that an employee be asked to submit to a medical evaluation, or drug or alcohol screen test pursuant to Federal Department of Transportation (DOT) and Federal Motor Carrier Safety Administration (FMCSA) regulations. All questions that apply should be answered. Additional pages, if necessary, should be attached with any other relevant documents.

Employee Name: _____

Date of Incident: _____

Time Started to Work: _____ **Time Relieved of Duty:** _____

Location Last Worked: _____

1. Is employee in a position that performs safety-sensitive functions? ☐ Yes ☐ No

2. Was there an incident? ☐ Yes ☐ No

a. If yes, describe the event (include date and time, employee's actions, and extent of any injury to any person(s) or property).

b. If no, describe observation which led to consideration of reasonable suspicion testing.

3. Attendance (There must be other indicators of a violation in addition to attendance.)

a. Number of days missed before or after regularly scheduled days off in the last two months:

b. Total absences in the last two months: _____

c. Times tardy in the last two months: _____

d. Times employee left early in last two months: _____

4. Performance Level

Has there been a recent change in the employee's level of performance?

☐ Yes ☐ No

If yes, describe:

5. Other Witnesses:

Name (Please Print)

Name (Please Print)

STOREY COUNTY
FORM 206A-6
2018

6. Observation of Employee: Date: _____ Time: _____

Reasonable Suspicion must be based on directly observing specific contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odors of the driver. In addition, the observations for drug use may include indications of the chronic and the withdrawal effects of controlled substances.

(Check all that apply)

- a. **WALKING:** ☐ Falling ☐ Holding On ☐ Staggering
 ☐ Stumbling ☐ Swaying ☐ Unsteady
 ☐ Unable to Walk
- b. **STANDING:** ☐ Rigid ☐ Staggering ☐ Sagging at Knees
 ☐ Swaying ☐ Unable to Stand ☐ Feet Wide Apart
- c. **SPEECH:** ☐ Mute ☐ Incoherent ☐ Rambling
 ☐ Shouting ☐ Silent ☐ Slobbering
 ☐ Slow ☐ Slurred ☐ Whispering
- d. **DEMEANOR:** ☐ Calm ☐ Cooperative ☐ Crying
 ☐ Sleepy ☐ Confrontational ☐ Fighting
 ☐ Polite ☐ Sarcastic ☐ Silent
 ☐ Talkative ☐ Excited
- e. **ACTIONS:** ☐ Calm ☐ Drowsy ☐ Erratic
 ☐ Hostile ☐ Fighting ☐ Polite
 ☐ Irritable ☐ Profane ☐ Resisting
 ☐ Communications ☐ Threatening ☐ Hyperactive
- f. **EYES:** ☐ Bloodshot ☐ Closed ☐ Dilated
 ☐ Droopy ☐ Glassy ☐ Watery
- g. **FACE:** ☐ Flushed ☐ Pale ☐ Sweaty
- h. **APPEARANCE/ CLOTHING:**
 ☐ Unruly ☐ Having Odor ☐ Dirty
 ☐ Messy ☐ Neat ☐ Partially Dressed
 ☐ Bodily Excrement Stains on Clothing
- i. **BREATH:** ☐ Alcohol Odor ☐ Faint Alcohol Odor ☐ No Alcohol Odor
 ☐ Marijuana Odor ☐ Faint Marijuana Odor ☐ No Marijuana Odor
- j. **MOVEMENTS:** ☐ Fumbling ☐ Hyperactive ☐ Jerky
 ☐ Nervous ☐ Normal ☐ Slow
- k. **EATING/ CHEWING:**
 ☐ Candy ☐ Gum ☐ Mints
 ☐ Nothing

OTHER: _____

Supervisor Name (please print): _____

Supervisor Signature: _____

Date: _____

Approved for alcohol testing: [] Yes [] No

Approved for drug testing: [] Yes [] No

**VEHICLE OPERATORS DRUG
AND ALCOHOL POLICY
EMPLOYEE
ACKNOWLEDGEMENT**

NUMBER: 206A F1
EFFECTIVE DATE: 1-18-11
REVISED;
AUTHORITY: BOC
COUNTY MANAGER:

EMPLOYEE CERTIFICATION:

I hereby certify that the Storey County has provided me with a copy of its Drug and Alcohol policy for compliance with the Department of Transportation (DOT) Drug and Alcohol Regulations, that I have read and understand the policy, and that I agree to abide by the terms and conditions of the policy. I also understand that nothing in this policy is intended to create a contract, and I agree that no such contract is created by this policy.

Date

Employee Signature

Print Name

**VEHICLE OPERATORS DRUG
AND ALCOHOL POLICY
CONSENT TO RELEASE OF
DRUG / ALCOHOL
INFORMATION
DRUG / ALCOHOL TESTING**

NUMBER: 206A F2
EFFECTIVE DATE: 1-18-11
REVISED;
AUTHORITY: BOC
COUNTY MANAGER: [Signature]

I _____, authorize Storey County to contact my former employer:
Name (Printed)

Previous Employer: _____
Street: _____ Telephone: _____
City, State, Zip: _____ Fax No.: _____

to obtain from them any relevant information regarding drug and/or alcohol use matters listed below. Further, I authorize the release of information from my former employer for the preceding two (2) years regarding drug and/or alcohol use matters listed below. I request you respond to the following questions as whether I:

1. Had an alcohol test with a result of .04 alcohol concentration or greater;
☐ Yes ☐ No
2. Had a verified positive controlled substance test result;
☐ Yes ☐ No
3. Refused to be tested for alcohol or controlled substance;
☐ Yes ☐ No
4. Violated other Department of Transportation (DOT) Drug and/or Alcohol testing regulations.
☐ Yes ☐ No

If yes, to any of the above, I further authorize the release of documentation, if any, on my successful completion of a return-to-duty requirements, including follow-up tests.

In exchange for Storey County's consideration of my employment application, I release the individual company or institution and all individuals providing the information or acquiring the information, including Storey County, from all claims, liability, and damages whatsoever in furnishing, obtaining, or using said information including, but not limited to, claims for defamation, libel, slander, infliction of emotional distress, and interference with current or prospective economic relations.

I authorize the release of this information to:

Storey County

Attention: _____ on or before _____
Holli Kiechler, Administrative Officer/HR Director Date

Applicant/Employee Signature _____ Date

Witness Name (Printed) _____ Witness Signature _____ Date

(Note: Obtain a release for each former employer for preceding two years)

**VEHICLE OPERATORS DRUG AND
ALCOHOL POLICY
DRUG / ALCOHOL TEST INFORMED
CONSENT**

NUMBER: 206A F3
EFFECTIVE DATE: 1-18-11
REVISED;
AUTHORITY: BOC
COUNTY MANAGER: PAW

I, _____, pursuant to a request by my department director
(Printed Name)
and, as a condition of employment with the Storey County, hereby give my consent to this request
to perform a comprehensive test to determine the absence or presence of alcohol and/or drugs
(employer: circle one or both) pursuant to Storey County policy on drug and alcohol in
compliance with Department of Transportation (DOT) and Federal Motor Carrier Safety
Administration (FMCSA) regulations.

I give my consent to release the results of the test(s) and other related medical information to
individuals within the Storey County who have a need to know of the drug and alcohol testing
results and to the use of all such reports or other medical information by Storey County in its
assessment of my employment application and/or employment status.

I understand that:

The department director and/or a medical review officer may request proof that I am taking a
controlled substance as directed pursuant to a lawful prescription issued in my name. If
requested, I must provide such proof within 72 hours.

Storey County will pay the cost of all required drug and/or alcohol tests.

I will be notified of a positive test result in writing. The letter of notification will identify the
particular substance found and its concentration level.

I have the right to request a retest of the initial specimen at a licensed laboratory of my choice, at
my own expense, if I have a positive test for drugs or alcohol. The results of the retest shall be
provided to me by the department director.

A positive test for illegal drugs or alcohol, or my refusal to authorize the test(s) by signing this
form, or take the specified test(s), or produce a specimen may result in the following action:

Applicants - Rejection of my employment application for safety-sensitive positions.

Employees - Referral to an Employee Assistance Program and/or disciplinary action, up to and
including termination.

Check One:

- ☐ I consent to a drug and/or alcohol test
☐ I do not consent to a drug and/or alcohol test

Applicant/Employee Signature

Date

Witness Printed Name

Witness Signature

Date

EMPLOYER: If applicable, attach documentation for reasonable suspicion
drug/alcohol testing.

206A - F4

FEDERAL DRUG TESTING CUSTODY AND CONTROL FORM



SPECIMEN ID NO

1234567

LAB ACCESSION NO.

STEP 1: COMPLETED BY COLLECTOR OR EMPLOYER REPRESENTATIVE

A. Employer Name, Address, I.D. No.

B. MRO Name, Address, Phone and Fax No

C. Donor SSN or Employee I.D. No.

D. Reason for Test: ☐ Pre-employment ☐ Random ☐ Reasonable Suspicion/Cause ☐ Post Accident
☐ Return to Duty ☐ Follow-up ☐ Other (specify) _____

E. Drug Tests to be Performed: ☐ THC, COC, PCP, OPI, AMP ☐ THC & COC Only ☐ Other (specify) _____

F. Collection Site Address:

Collector Phone No

Collector Fax No

STEP 2: COMPLETED BY COLLECTOR

Read specimen temperature within 4 minutes. Is temperature between 90° and 100° F? ☒ Yes ☐ No, Enter Remark

Specimen Collection:

☐ Split ☐ Single ☐ None Provided (Enter Remark) ☐ Observed (Enter Remark)

REMARKS

STEP 3: Collector affixes bottle seal(s) to bottle(s). Collector dates seal(s). Donor initials seal(s). Donor completes STEP 5 on Copy 2 (MRO Copy)

STEP 4: CHAIN OF CUSTODY - INITIATED BY COLLECTOR AND COMPLETED BY LABORATORY

I certify that the specimen given to me by the donor identified in the certification section on Copy 2 of this form was collected, labeled, sealed and released to the Delivery Service noted in accordance with applicable Federal requirements.

☒ Signature of Collector

Time of Collection

SPECIMEN BOTTLE(S) RELEASED TO:

(Print) Collector's Name (Last, First, MI, Last)

Date (Mo./Day/Year)

Name of Delivery Service Transporting Specimen to Lab

RECEIVED AT LAB:

☒ Signature of Accredited

Date (Mo./Day/Year)

Primary Specimen Bottle Seal Intact

☐ Yes ☐ No, Enter Remark Below

SPECIMEN BOTTLE(S) RELEASED TO:

STEP 5a: PRIMARY SPECIMEN TEST RESULTS - COMPLETED BY PRIMARY LABORATORY

☐ NEGATIVE

☐ DILUTE

☐ REJECTED FOR TESTING

☐ POSITIVE for:

☐ MARIJUANA METABOLITE

☐ COCAINE METABOLITE

☐ PCP

☐ CODEINE

☐ MORPHINE

☐ BAC/ALCOHOL/PHLE

☐ AMPHETAMINE

☐ METHAMPHETAMINE

☐ ADULTERATED

☐ SUBSTITUTED

☐ (INVALID RESULT)

REMARKS

TEST LAB (if different from above)

I certify that the specimen identified on this form was examined upon receipt, handled using chain of custody procedures, analyzed, and reported in accordance with applicable Federal requirements.

☒ Signature of Collector

(Print) Collector's Name (Last, First, MI, Last)

Date (Mo./Day/Year)

STEP 5b: SPLIT SPECIMEN TEST RESULTS - (IF TESTED) COMPLETED BY SECONDARY LABORATORY

☐ RECONFIRMED

☐ FAILED TO RECONFIRM - REASON

I certify that the split specimen identified on this form was examined upon receipt, handled using chain of custody procedures, analyzed, and reported in accordance with applicable Federal requirements.

☒

Laboratory Name

Laboratory Address

Signature of Collector

(Print) Collector's Name (Last, First, MI, Last)

Date (Mo./Day/Year)



1234567

SPECIMEN ID NO.

A



1234567

SPECIMEN BOTTLE SEAL

Date (Mo./Day/Year)

Donor's Initials



1234567

SPECIMEN ID NO.

B (SPLIT)



1234567

SPECIMEN BOTTLE SEAL

Date (Mo./Day/Year)

Donor's Initials

COPY 1 - LABORATORY

Drug Form Part 1
Use only for the 5-810
Not to Use For Collection
Follow PMS Guide For Colors

FEDERAL DRUG TESTING CUSTODY AND CONTROL FORM



SPECIMEN ID NO

1234567

LAB ACCESSION NO

STEP 1: COMPLETED BY COLLECTOR OR EMPLOYER REPRESENTATIVE

A. Employer Name, Address, I.D. No.

B. MRO Name, Address, Phone and Fax No.

C. Donor SSN or Employee I.D. No.

D. Reason for Test: ☐ Pre-employment ☐ Random ☐ Reasonable Suspicion/Cause ☐ Post Accident
☐ Return to Duty ☐ Follow-up ☐ Other (specify) _____E. Drug Tests to be Performed: ☐ THC, COC, PCP, OPI, AMP ☐ THC & COC Only ☐ Other (specify) _____

F. Collection Site Address:

Collector Phone No. _____

Collector Fax No. _____

STEP 2: COMPLETED BY COLLECTOR

Read specimen temperature within 4 minutes. Is temperature between 90° and 100° F? ☒ Yes ☐ No, Enter Remark _____

Specimen Collection:

☐ Split ☐ Single ☐ None Provided (Enter Remark) _____ ☐ Observed (Enter Remark) _____

REMARKS

STEP 3: Collector affixes bottle seal(s) to bottle(s). Collector dates seal(s). Donor initials seal(s). Donor completes STEP 5 on Copy 2 (MRO Copy)

STEP 4: CHAIN OF CUSTODY - INITIATED BY COLLECTOR AND COMPLETED BY LABORATORY

I certify that the specimen given to me by the donor identified in the certification section on Copy 2 of this form was collected, labeled, sealed and released to the Delivery Service noted in accordance with applicable Federal requirements

☒

Signature of Collector

Date of Collection

AM

PM

Date (Mo/Day/Yr)

(PRINT) Collector's Name (First, MI, Last)

SPECIMEN BOTTLE(S) RELEASED TO:

Name of Delivery Service Transporting Specimen to Lab

RECEIVED AT LAB:

☒

Signature of Accceptor

Date of Receipt

(PRINT) Accceptor's Name (First, MI, Last)

Primary Specimen
Bottle Seal Intact☐ Yes
☐ No, Enter Remark Below _____

SPECIMEN BOTTLE(S) RELEASED TO:

STEP 5: COMPLETED BY DONOR

I certify that I provided my urine specimen to the collector; that I have not adulterated it in any manner; each specimen bottle used was sealed with a tamper-evident seal in my presence; and that the information provided on this form and on the label affixed to each specimen bottle is correct.

☒

Signature of Donor

(PRINT) Donor's Name (First, MI, Last)

Date (Mo/Day/Yr)

Daytime Phone No. () - () - ()

Evening Phone No. () - () - ()

Date of Birth

Mo Day Yr

Should the results of the laboratory tests for the specimen identified by this form be confirmed positive, the Medical Review Officer will contact you to ask about prescriptions and over-the-counter medications you may have taken. Therefore, you may want to make a list of those medications for your own records. THIS LIST IS NOT NECESSARY. If you choose to make a list, do so either on a separate piece of paper or on the back of your copy (Copy 5). —DO NOT PROVIDE THIS INFORMATION ON THE BACK OF ANY OTHER COPY OF THIS FORM. TAKE COPY 5 WITH YOU.

STEP 6: COMPLETED BY MEDICAL REVIEW OFFICER - PRIMARY SPECIMEN

In accordance with applicable Federal requirements, my determination/verification is:

☐ NEGATIVE ☐ POSITIVE ☐ TEST CANCELLED ☐ REFUSAL TO TEST BECAUSE:
☐ DILUTE ☐ ADULTERATED ☐ SUBSTITUTED

REMARKS

☒

Signature of Medical Review Officer

(PRINT) Medical Review Officer's Name (First, MI, Last)

Date (Mo/Day/Yr)

STEP 7: COMPLETED BY MEDICAL REVIEW OFFICER - SPLIT SPECIMEN

In accordance with applicable Federal requirements, my determination/verification for the split specimen (if tested) is:

☐ RECONFIRMED ☐ FAILED TO RECONFIRM - REASON _____☒

Signature of Medical Review Officer

(PRINT) Medical Review Officer's Name (First, MI, Last)

Date (Mo/Day/Yr)

COPY 2 - MEDICAL REVIEW OFFICER COPY

Drug Form Part 2
Face Ink: 000 BLK / 000 RED
Date: 05-08-00
Not to be used for Columbia:
Follow PMS Guide For ColorsCOPY 2 - MEDICAL REVIEW OFFICER COPY
COPY 3 - COLLECTOR COPY
COPY 4 - EMPLOYER COPY
COPY 5 - DONOR COPY

**VEHICLE OPERATORS DRUG
AND ALCOHOL POLICY
SUGGESTED STEPS FOR
REASONABLE SUSPICION
DRUG / ALCOHOL TESTING**

NUMBER: 206A F5
EFFECTIVE DATE: 1-18-11
REVISED;
AUTHORITY: BOC
COUNTY MANAGER: 206A F5

- _____ 1. Keep the situation confidential.
- _____ 2. Carefully review employer's policy on drug and alcohol testing to include all applicable forms.
- ~~_____ 3. If practical, without endangering the safety of the employee and others or unduly delaying your response, consult with your human resources specialist or legal counsel about the actions you will be taking.~~
- _____ 4. Have a second supervisor present whenever possible throughout the process.
- _____ 5. Union representation? Check any requirements of the contract.
- _____ 6. Complete the employer's documentation for Reasonable Suspicion Drug/Alcohol Testing.
- _____ 7. Meet with the employee to inform him/her of your observations and request them to take a drug and/or alcohol test.
- _____ 8. Request that the employee complete the Drug/Alcohol Test Informed Consent form.
- _____ 9. Provide the employee transportation to the testing site and provide transportation after the test or, if the employee refuses to be tested, to his/her home.
- _____ 10. If the employee refuses to be tested, inform him/her that s/he may be disciplined, up to and including termination.
- _____ 11. If the test is positive, inform the employee in writing.
- _____ 12. If the test is positive, determine what disciplinary action to take.
- _____ 13. If the test is positive and the employee was not terminated, refer him/her for evaluation by a substance abuse counselor and rehabilitation, as appropriate.

Note: Time is of the essence. If you have reasonable suspicion, proceed immediately by completing the Documentation For: Reasonable Suspicion Drug/Alcohol Testing Form and proceed with the testing process.

**VEHICLE OPERATORS DRUG
AND ALCOHOL POLICY
DOCUMENTATION FOR
REASONABLE SUSPICION
DRUG / ALCOHOL TESTING**

NUMBER: 206A F6
EFFECTIVE DATE: 1-18-11
REVISED;
AUTHORITY: BOC
COUNTY MANAGER: *[Signature]*

This form is to be used to document the reasons for requesting that an employee be asked to submit to a medical evaluation, or drug or alcohol screen test pursuant to Federal Department of Transportation (DOT) and Federal Motor Carrier Safety Administration (FMCSA) regulations. All questions that apply should be answered. Additional pages, if necessary, should be attached with any other relevant documents.

Employee Name: _____

Date of Incident: _____

Time Started to Work: _____ Time Relieved of Duty: _____

Location Last Worked: _____

1. Is employee in a position that performs safety-sensitive functions? ☐ Yes ☐ No

2. Was there an incident? ☐ Yes ☐ No

a. If yes, describe the event (include date and time, employee's actions, and extent of any injury to any person(s) or property).

b. If no, describe observation which led to consideration of reasonable suspicion testing.

3. Attendance (There must be other indicators of a violation in addition to attendance.)

a. Number of days missed before or after regularly scheduled days off in the last two months:

b. Total absences in the last two months: _____

c. Times tardy in the last two months: _____

d. Times employee left early in last two months: _____

4. Performance Level

Has there been a recent change in the employee's level of performance?

☐ Yes ☐ No

If yes, describe:

5. Other Witnesses:

Name (Please Print)

Name (Please Print)



Storey County Board of County Commissioners Agenda Action Report

Meeting date: 12/04/18

Estimate of time required: 15 min.

Agenda: Consent ☒ Regular agenda ☐ Public hearing required ☐

1. **Title:** Discussion/Possible Action. Update to Storey County Administrative Policies and Procedures including Policy 1001 Disciplinary Action and Appeals, adding Policy 1000 Investigations of Alleged Misconduct; and adding and amending corresponding forms including for verbal warning, written reprimand, last-chance-agreement, and complaints.
2. **Recommended motion:** Based on the recommendation by staff and in conformance with the Storey County Administrative Policies and Procedures, I [commissioner] motion to approve updates to Storey County Administrative Policies and Procedures including Policy 1001 Disciplinary Action and Appeals, adding Policy 1000 Investigations of Alleged Misconduct; and adding and amending corresponding forms including for verbal warning, written reprimand, last-chance-agreement, and complaints.

3. **Prepared by:** Austin Osborne

Department: Human Resources

Telephone: 847-0968

4. **Staff summary:** The purpose of the Storey County Administrative Policies and Procedures is to establish authority to implement the personnel program on a consistent basis. The Policies and Procedures require that review and necessary updates occur every five years and otherwise as needed.

5. **Supporting materials:** Enclosed markup policy updates.

6. **Fiscal impact:** None on local government.

Funds Available:

Fund:

___ Comptroller

7. **Legal review required:**

___ District Attorney

8. **Reviewed by:**

 Department Head

Department Name:

___ County Manager

Other agency review: _____

9. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

**STOREY COUNTY ADMINISTRATIVE
POLICIES AND PROCEDURES**

NUMBER 1000
EFFECTIVE DATE: 12/04/18
REVISED:
AUTHORITY: BOC
COUNTY MANAGER: PAW

SUBJECT: INVESTIGATIONS OF ALLEGED MISCONDUCT

POLICY: *To perform and manage investigations of complaints of harassment, discrimination, retaliation, and safety and ethical allegations of misconduct in a timely manner in order to ensure that prohibited actions and behaviors cease immediately and in order to protect the parties involved in the investigation process.*

1.1 Purpose

When an employee makes an informal or formal complaint, the employer will take prompt steps to stop the alleged conflict, protect involved parties, and begin investigations. Under many laws [e.g., Title VII, the Americans with Disabilities Act (ADA), the Age Discrimination in Employment Act (ADEA), the Occupational Safety and Health Act (OSHA), the Sarbanes-Oxley Act, state and local nondiscrimination laws], employers are legally obligated to investigate complaints (harassment, discrimination, retaliation, safety and ethical) in a timely manner. In addition, reasonable action is required to be taken by the employer to ensure illegal actions and behaviors cease immediately.

Responsiveness to a complaint and an investigation will not only yield the best information and evidence, but it will also enhance both the investigator's and the employer's credibility. Investigations can help the organization identify and resolve internal problems before they become widespread. Storey County takes all complaints seriously, and will conduct appropriate, reasonable, and prompt investigations.

1.2 Investigation Process

No investigation should be undertaken without the Administrative Officer and/or Personnel Director. The following steps will be taken as soon as the employer receives a verbal or written complaint that warrants an investigation.

a. Maintain Confidentiality

The employer will protect the confidentiality of employee claims to the best of its ability and in accordance with law. At the same time, the employer must conduct a prompt and an effective investigation. It may not be possible to keep all information completely confidential. The employer should explain to the complaining party and all individuals involved in the investigation that all information gathered will remain confidential to the extent possible for a thorough investigation. It should also be explained to the parties that to conduct a prompt and effective investigation, some information may be revealed to the accused and potential witnesses, but that information will be shared only on a need-to-know basis. An employer cannot promise absolute confidentiality to any party involved in the investigation.

b. Provide Interim Protection

The employer may take immediate measures for the protection of the accuser or the complainant. Separating the complainant from the accused may be done to guard against continued harassment or retaliation. Actions such as a schedule changes, transfers, or leave of absence may be necessary, and are not done for retaliatory purposes.

In certain instances where an elected official is accused of misconduct against an employee employed by him/her, and where the elected official refuses to make changes to his/her schedule or otherwise create separation from the complainant in the workplace, and there is a need to separate the parties in order to protect the complainant, the complainant may be subject to temporary schedule changes, transfers, or leave of absence during the investigation. The employer and the accuser must attempt to work together to arrive at an amenable solution.

The status of protective action may be changed at any time by the Administrative Officer and/or Personnel Director during the investigation.

c. Select an Investigator

An investigator will be chosen by the Administrative Officer and/or Personnel Director in conjunction with the County Manager or other appropriate personnel, such as the District Attorney.

The employer may use the resources of experienced HR professionals, internal security, legal counsel (inside or outside), a third-party investigator, or the employer may use a team approach.

1.3 Determination

Upon receipt of the completed investigation report, the Administrative Officer and/or Personnel Director will review the entire investigative file, the employee's personnel file, and any other relevant materials. The Administrative Officer and/or Personnel Director may return the entire investigation to the assigned investigator for further investigation of action. Once the investigation report is to the satisfaction of the Administrative Officer and/or Personnel Director, s/he will review the report and its findings, and will provide to the department head, County Manager, or other appropriate person potentially taking disciplinary action against the employee.

Any decisions to impose disciplinary action against any regular employee must conform to the procedures set forth in Policy 1001 Disciplinary Action and Appeals.

1.4 Closure of Investigation

Once a decision is made, the Personnel Director and/or Administrative Officer will notify both the complainant and the accused that the investigation is complete, that the employer took the complaint seriously, and that the employer took appropriate action. The employer is not obligated to disclose to the complainant what actions were taken against the accused.

The Administrative Officer and/or Personnel Director should set a time frame to follow up with the complainant to ensure there are no other issues and that no retaliation has been endured. The employer should encourage communication and follow-up until the complainant is comfortable again. Finally, the Administrative Officer and/or Personnel Director should remind all parties to preserve confidentiality as appropriate.

When necessary, the employer must take reasonable action that is appropriate to the situation.

1.5 Archiving

The Administrative Officer and/or Personnel Director will maintain confidentiality of all materials related to the investigation and will store the materials separately from the employee's personnel file.

RESPONSIBILITY FOR REVIEW: The County Personnel Director and/or Administrative Officer will review this policy every 5 years or sooner as necessary.

**STOREY COUNTY ADMINISTRATIVE
POLICIES AND PROCEDURES**

NUMBER 1001
EFFECTIVE DATE: 01-06-09
REVISED: 08-03-10
REVISED: 4-05-11/12-04-18
AUTHORITY: BOC
COUNTY MANAGER: PAW

SUBJECT: DISCIPLINARY ACTIONS AND APPEALS

POLICY: ~~Discipline and Appeal~~ Storey County takes seriously all complaints of misconduct under its policies. Storey County will accept and address all complaints of misconduct in accordance with this policy. It is also the policy of the county to ensure that complaints of misconduct can be reported without concern for reprisal or retaliation.

1.1 Purpose

This policy provides guidelines for noticing potential discipline, providing due process, disciplining, and providing for appeals of discipline in a justified and fair manner. Investigations of alleged misconduct will conform to Policy 1000 Investigations of Alleged Misconduct. This policy, except Sections 1.2 and 1.3 does not apply to elected officials, department heads, or the County Manager, and it is not intended to create due process rights for those specific individuals. Department heads and the County Manager are at-will employees, and nothing in this policy is intended to create due process rights for those individuals.

1.2 Justification for Discipline

Disciplinary action, up to and including termination, may be taken against an employee for unsatisfactory performance or for misconduct including, but not limited to, the following:

- a. Conduct unbecoming an employee in the employer's service, or discourteous treatment of members of the public or a fellow employee, or any other act of omission or commission that impacts negatively on the public's perception of the integrity or credibility of the employer or erodes the public confidence in the employer.
- b. Falsification of or making a material omission on forms, records, or reports including applications, time cards, and other employer records.
- c. Absence from work without permission or without notification to an appropriate supervisor or manager, habitual absence or tardiness, or misuse of sick leave.
- d. Unauthorized possession, removal, or use of the employer's property including, but not limited to, funds, records, keys, confidential information of any kind, equipment, supplies, or any other materials.
- e. Disseminating confidential information to unauthorized persons within and outside the workplace.
- f. Insubordination, refusing to follow directions, or other disrespectful conduct directed toward a supervisor or manager.

- g. Sexual harassment or other prohibited behavior directed toward another employee, member of the public, vendor, or anyone doing business with the employer, or anyone present on premises owned or controlled by the employer.
- h. Actual or threatened physical violence including, but not limited to, intimidation, overt or subtle threats, harassment, stalking, or any form of coercion, except as may be required of a peace officer in the course of his/her duties.
- i. Possession or inappropriate use of drugs or alcohol on property owned or controlled by the employer or while on duty or during an on-call status.
- j. Possession, bringing, or aiding others in bringing unauthorized firearms, weapons, hazardous biological material or chemicals, or other dangerous substances onto property owned or controlled by the employer.
- k. Violation of safety or health policies or practices, or engaging in conduct that creates a safety or health hazard to other employees, the public, vendors, or him/herself.
- l. Dishonesty, including intentionally or negligently providing false information, intentionally falsifying records, employment applications, or other documents.
- m. Willfully or intentionally violating or failing to comply with the employer's policies, rules, regulations, and/or procedures.
- n. Unsatisfactory work performance.
- o. Failure to demonstrate professionalism, courtesy, tact, and discretion in all interactions with coworkers, supervisors, and the public; use common sense discretion; remain safe, socially moral, lawful, affective, adaptive, and efficient.

1.3 Forms of Disciplinary Action

- a. Disciplinary action includes, but is not limited to, one or more of the following:
 - i. Verbal warning (document time, date, and subject)
 - ii. Written reprimand
 - iii. Suspension (~~*See note below~~)
 - iv. Pay reduction
 - v. Demotion
 - vi. Termination (Reference: Section D Public Hearing for Dismissed Employees of Counties, Cities and Incorporated Towns and Unincorporated Towns)
- b. ~~An Elected Official, Dept. Head or Supervisor~~ department head or the County Manager who is intending to administer impose disciplinary action of the above items B.1(e-f) 1.3(a)(iii-vi) shall first consult with the County Administrative Officer and/or Personnel Director ~~or the County Manager~~ before any action is taken, ~~this is to insure in order to ensure that all policies and~~ procedures have been followed correctly.
- c. Employees' signed copies of the above items section B.1, ~~(a-f)~~ 1.3(a)(i-vi) must be placed in employees master personnel file, and a copy provided to employees. The discipline will remain in the employee's master personnel file for the following durations or otherwise if specified in a collective bargaining agreement, and in accordance with records retention statutes. When the discipline is eligible to be removed

from the master personnel file, the employee may submit a request in writing to the Human Resources office for the file to be removed from that file. The Human Resources office will have 30 days from receipt of the request to remove the discipline subject to removal.

- i. Verbal warning – 12 months;
 - ii. Written reprimand – 18 months;
 - iii. Suspension – 24 months;
 - iv. Pay reduction – permanent;
 - v. Demotion – permanent;
 - vi. Termination – permanent.
- d. *Note: FLSA Exempt employees are subject to the following rules regarding disciplinary pay deductions and unpaid suspensions:
- i. Pay deductions may only be made in cases of violations of safety rules of major significance, including those rules related to the prevention of serious danger in the workplace or to other employees. An example would be violating a rule that prohibits smoking around flammable material. Deductions can be made in any amount.
 - ii. Unpaid suspensions may be imposed for infractions of workplace conduct rules, such as rules prohibiting sexual harassment, workplace violence, drug or alcohol use, or for violating state or federal laws. The suspension must be for serious misconduct, not for performance issues. Suspensions must be in full-day increments.
 - iii. Suspensions for performance issues must be made in full-week increments.

1.4 Investigation

An investigation of any employee may be conducted in response to a complaint or allegation that the employee engaged in activity or behavior that violated county administrative policies. The investigation will be performed in accordance with Policy 1000 Investigations of Alleged Misconduct. The investigation of law enforcement personnel will also conform to NRS 289.

1.5 Due Process

The employee may utilize due process provided for in this policy or s/he may utilize due process, such as the grievance process, set forth in the applicable collective bargaining agreement, but the employee may not utilize both processes.

Unless designated otherwise in a contract or collective bargaining agreement, prior to taking disciplinary action involving suspension reduction in pay, demotion, or termination against any regular ~~an~~ employee, the employer will take action intended to ensure that the employee is afforded due process. Due process in regard to employment-related disciplinary action includes, among other actions, making certain the employee is provided notice of the reason for the disciplinary action and is given the opportunity to provide a response to the proposed disciplinary action prior to an appropriate supervisor making a final decision regarding the disciplinary action.

A. Written Notice of Intent to Discipline

Unless designated otherwise in a contract or collective bargaining agreement, in situations where the proposed disciplinary action involves a suspension, a reduction in pay, a demotion, and/or termination, written notice of the proposed disciplinary action will be hand-delivered or sent certified mail to the employee. The notice will include the following information:

1. The nature of the disciplinary action proposed;
2. The effective date of the proposed disciplinary action;
3. A statement of the proposed disciplinary action with documentation, statements, and/or other evidence supporting the proposed disciplinary action;
4. A statement advising the employee of his/her right to file a written response, or to submit a written request for a pre-disciplinary conference with the Personnel Director and/or Administrative Officer within ~~five (5)~~ work days of receipt of the notice of proposed disciplinary action; and
5. A statement that the employee's failure to file a written response or request a pre-disciplinary conference in a timely manner, or to appear at the pre-disciplinary conference after requesting such, will constitute a forfeiture of the employee's rights to any further appeal. (Reference: Section ~~D-1.6~~ Public Hearing for Dismissed Employees of Counties, Cities and Incorporated Towns and Unincorporated Towns Pursuant to NRS)

B. Employee Review of Allegation and Evidence

If the regular employee requests, s/he will be given the opportunity, as soon as practical, to review the documents or other evidence, if any (except for ~~confidential and attorney-client~~ privileged documents), on which the proposed disciplinary action is based. If the employee requests, the ~~employer~~ Administrative Officer and/or Personnel Director will provide a copy of the documents used to support the proposed disciplinary action, including names of witnesses.

The Administrative Officer and/or Personnel Director may choose to restrict the employee to "in-camera" (in chambers) review only, in which s/he may review the documents under close supervision of the Administrative Officer and/or Personnel Director, or his/her designee, may be allowed to take notes, but may not be allowed to photocopy, photograph, video, record, duplicate, or otherwise keep the documents or materials. The employee may have up to two representative present during the review and the representative(s) may review the documents with the employee, as allowed by the employee, under the same restrictions.

C. Pre-Disciplinary Conference Prior to Implementation

When the ~~regular~~ employee requests a conference after receipt of the proposed disciplinary ~~process action~~, but prior to any disciplinary action being imposed, the ~~Personnel Director and/or~~ Administrative Officer and/or Personnel Director will schedule a meeting with the employee and his/her representative(s) (if the employee requests a representative(s) be present) and the department head in a timely manner to review the reason for and basis of the proposed disciplinary action. At this conference,

the ~~employer-department head, and the Administrative Officer and/or Personnel Director~~ will also provide the employee with an opportunity to present relevant information which may impact the nature or severity of the proposed disciplinary action.

The pre-disciplinary process is intended to provide the employee opportunity to present to the department head, and the Administrative Officer and/or Personnel Director a written or oral response after having the opportunity to review the supporting materials and prior to imposed discipline. The employee must consider the following:

1. The response is not intended to be an adversarial or formal hearing;
2. Although the employee may be represented by one or more uninvolved representative and/or by legal counsel, the response is not intended to accommodate the presentation of testimony or witnesses;
3. The employee may suggest that further investigation could be conducted or the employee may offer any additional information or mitigating factors for the department head and the Administrative Officer and/or Personnel Director to consider;
4. In the event that the Administrative Officer and/or Personnel Director decides to cause further investigation, the employee will be provided with a summary of the investigation results prior to imposed discipline;
5. The employee may, thereafter, have the opportunity to further respond orally or in writing to the department head and the Administrative Officer and/or Personnel Director on the limited issues of information raised in any subsequent materials.

D. Implementation of Discipline

No later than ~~five (5)~~ work days from receipt of the employee's written response or conclusion of the pre-disciplinary conference, the ~~Personnel Director and/or Administrative Officer~~ department head, after consultation with the Administrative Officer and/or Personnel Director, will issue a written decision to the affected employee. The written decision will inform the employee that:

1. The proposed disciplinary action will be implemented; or
2. The proposed disciplinary action will be modified, with an explanation; or
3. The proposed disciplinary action ~~is~~ will be rescinded, with an explanation; or
4. That additional time is needed for the employer to review new evidence and/or to interview additional witnesses brought forth by the employee during the pre-disciplinary conference [see section (C) Pre-Disciplinary Conference].

Nothing in this policy, regardless of whether discipline is or is not administered, shall preclude or prevent the department head or the Administrative Officer and/or Personnel Director from requiring the subject employee to undergo additional training and professional development, participate in an Employee Assistance Program (EAP) to address job-related matters and consistence with business necessity, or undergo follow-up or ongoing consultation with the Human Resources office or other employee improvement program that is intended to correct and improve employee behavior or performance.

Disciplinary action for law enforcement personnel will also conform to NRS 289.

E. Resignation or Retirement Prior to Discipline

In the event that the accused employee tenders a written resignation or notice of retirement prior to the imposition of discipline, the situation shall be noted in the file, except as may be limited by NRS 289 for law enforcement personnel. The tender of a resignation or retirement by itself will not serve as the grounds for the termination of any pending investigation or discipline.

F. Appeal

1. Unless the employee utilizes the appeal process set forth in a contract or the applicable collective bargaining agreement, The-the affected regular-classified employee may appeal the disciplinary action to the County Manager by filing a written appeal with the ~~Personnel Director and/or Administrative Officer~~ and/or Personnel Director within five (5) work days of the effective date of the disciplinary action.

In the event that a conflict of interest exists with the County Manager in the case involving discipline, the Administrative Officer and/or Personnel Director will seek a qualified County Manager or City Manager from a jurisdiction outside of Storey County, preferably a county with reasonably similar staff numbers and other organizational characteristics to Storey County, located in the State of Nevada, to serve as the appellate.

2. The written appeal must state the basis of the appeal and contain a specific admission or denial of each of the material statements in the decision. If an employee fails to file a written appeal conforming to these requirements within ~~the prescribed time limit 5 work days as shown in subsection (1) above,~~ s/he is deemed to have waived the right to appeal. (Reference: Section ~~D-1.6~~ Public Hearing for Dismissed Employees of Counties, Cities and Incorporated Towns and Unincorporated Towns Pursuant to NRS.)
3. After ~~an~~ the employee has submitted a timely appeal to the ~~Personnel Director and/or Administrative Officer~~ and/or Personnel Director, the ~~Personnel Director and/or Administrative Officer~~ and/or Personnel Director will set a date for a disciplinary appeal hearing. At such hearing, the employee will have the right to be represented by an attorney or other representative retained by the employee, to present evidence and argument in response to the disciplinary action, and to question and cross-examine adverse witnesses. The hearing may be conducted informally without conforming to the formal rules of evidence and such informality of the hearing process shall not invalidate the decision rendered. The County Manager will issue to the parties a decision within 5 work days following such hearing. ~~within five (5) work days.~~ The decision of the County Manager is final. ~~and may only be appealed as provided for in a collective bargaining agreement or as provided under NRS 245.065. (Counties) or NRS 268.405 (Cities) or NRS 269.083 (Unincorporated Towns).~~

1.6 Public Hearing for Dismissed Employees Pursuant to NRS of Counties, Cities and Incorporated Towns, and Unincorporated Towns

~~Statutes for counties (NRS 245.065), cities and incorporated towns (NRS 268.405), and unincorporated towns (NRS 269.083) provide for a public hearing for a dismissed employee who~~

has been employed for 12 months or more (except those employees exempted from the merit system, i.e., city/county manager, city/county administrator, department heads). Such dismissed employee is not required to utilize an established pre-disciplinary conference and appeal process before requesting a public hearing. The employee must request in writing the public hearing within 30 days of receipt of written notification of dismissal. The public hearing will occur within 15 days of receipt of such request.

In accordance with NRS 245.065, when an employee of a county, other than a department head or the County Manager, who has been employed by the county for 12 or more months is dismissed from employment, the employee may request within 15 days of the date of dismissal a written statement specifically setting forth the reasons for the dismissal. Within 15 days of the date of the request the employee so dismissed shall be furnished the written statement. Within 30 days after receipt of the written statement, the dismissed employee may, in writing, request a public hearing before the board of county commissioners to determine the reasonableness of the action. The board of county commissioners shall grant the dismissed employee a public hearing within 15 days after receipt of the written request. At the public hearing, technical rules of evidence do not apply. Such dismissed employee is not required to utilize the established pre-disciplinary conference and appeal process in this policy before requesting a public hearing.

1.7 Administrative Leave During Disciplinary Proceeding

By notifying the employee in writing, the ~~employer~~ Administrative Officer and/or Personnel Director may place an employee (including department heads and the County Manager) on administrative leave, with or without pay pending an investigation of alleged misconduct or performance deficiencies, prior to or during a disciplinary proceeding, or during the review of the employee's response to a proposed disciplinary action. The notice of administrative leave will include a statement that the leave is not a disciplinary action. An employee placed on administrative leave without pay who is later reinstated without disciplinary action being imposed will be reimbursed for any pay and benefits lost during the administrative leave.

1.8 False Accusations

An employee who has been found to have intentionally filed a false report of wrongdoing may be subject to discipline up to and including termination.

RESPONSIBILITY FOR REVIEW: The County Personnel Director and/or Administrative Officer will review this policy every 5 years or sooner as necessary.

**STOREY COUNTY
PERSONNEL OFFICE
LAST CHANCE
PERFORMANCE/BEHAVIOR
AGREEMENT**

Number	1001 F3
Effective Date	01-06-09
Revised:	01-02-18
Authority:	BOC
County Manager	PAW

The parties agree to the following:

Effective _____, this Agreement is entered into as a condition of continuing employment for _____ (~~Employee~~), hereinafter "Employee," in his/her position as _____ with _____ (~~Employer~~), hereinafter, "Employer." In lieu of terminating his/her employment, Employee agrees to refrain from inappropriate conduct and/or performance standards as follows:

Employee understands that his/her continued employment is dependent upon him/her meeting certain conditions and demonstrating effective performance of his/her duties as _____ (position). Failure to do so will result in immediate termination of employment.

1. Employee will be suspended without pay from _____ through _____ 20_____.
2. Employee must access the services of the Employee Assistance Program (EAP). If the Employee requires treatment as recommended through the EAP, s/he must complete the treatment as certified by the EAP (*optional*). Employee agrees to allow Employer to receive confirmation that terms of treatment have been satisfied.
3. Employee will be expected to report to work following suspension at his/her regularly scheduled time and date and be able and prepared to work. Should s/he be unable to report to work, s/he will provide notice as soon as possible but not later than _____ (a.m./p.m.) the day of his/her shift. Additionally, if for any reason s/he will be unable to report at the regularly scheduled shift start time, s/he will likewise provide advance notice.
4. Employee will follow all oral and written policies, procedures, directives, and instructions communicated from management or the supervisor. If s/he disagrees for any reason with these directives, s/he is required to follow the directive and later discuss his/her concerns with the appropriate manager, except when work safety is a concern. Where work safety is a concern, s/he is required to report this issue to _____ before complying with the directive.
5. Employee understands that in an effort to assist him/her in making the necessary performance improvements, his/her work will be closely monitored and supervised and s/he will accept such supervision as a necessary part of his/her continued employment.
6. Employee understands that if s/he fails to meet the conditions of this Agreement, s/he will be terminated from employment. Meeting the conditions means that Employee will demonstrate continued and sustained improvement in the areas of concern and that s/he will comply with all the performance and conduct standards expected of all City/County/District employees.
7. Employee understands that this Agreement is not a contract or guarantee of continued employment for any specified period of time.
8. Employer may immediately terminate Employee's employment for violations of this Agreement. The Union and Employee waive the right to challenge through the grievance

procedure or other means any termination or other discipline imposed under the terms of this Agreement.

9. Employee understands and agrees that s/he has been afforded sufficient time to consider this Agreement and that signing this Agreement was of his/her own free will and with the benefit of Union representation.
10. This Agreement shall be valid and binding from the date of its signing for two (2) years. Employee's disciplinary record will remain in effect during and subsequent to the term of this Agreement in accordance with the terms of the Employer's personnel policies/collective bargaining agreement.

Dated: _____

(Employer)

By: _____

(Employee)

Employee Representative

By: _____



STOREY COUNTY HUMAN RESOURCES

FORM: 1001F3
CREATED: 01/06/19
REVISED: 08/21/18 -12/04/18
AUTHORITY: BOCC
COUNTY MANAGER: PAW

Last Chance Performance / Behavior Agreement

Effective [date], this Agreement is entered into as a condition of continuing employment for (Employee's name) hereinafter "Employee," in his/her position as (Employee's current job title) with (Employer) hereinafter, "Employer." In lieu of terminating his/her employment, Employee agrees to refrain from inappropriate conduct and/or performance standards as follows:

**STOREY COUNTY
PERSONNEL OFFICE
LAST CHANCE
PERFORMANCE/BEHAVIOR
AGREEMENT**

Number	1001 F3
Effective Date	01-06-09
Revised:	01-02-18
Authority:	BOC
County Manager	PAW

The parties agree to the following:

Effective _____, this Agreement is entered into as a condition of continuing employment for _____ (**Employee**), hereinafter "Employee," in his/her position as _____ with _____ (**Employer**), hereinafter, "Employer." In lieu of terminating his/her employment, Employee agrees to refrain from inappropriate conduct and/or performance standards as follows:

Employee understands that his/her continued employment is dependent upon him/her meeting certain conditions and demonstrating effective performance of his/her duties as _____ (position). Failure to do so will result in immediate termination of employment.

1. Employee will be suspended without pay from _____ through _____ 20____.
2. Employee must access the services of the Employee Assistance Program (EAP). If the Employee requires treatment as recommended through the EAP, s/he must complete the treatment as certified by the EAP (*optional*). Employee agrees to allow Employer to receive confirmation that terms of treatment have been satisfied.
3. Employee will be expected to report to work following suspension at his/her regularly scheduled time and date and be able and prepared to work. Should s/he be unable to report to work, s/he will provide notice as soon as possible but not later than _____ (a.m./p.m.) the day of his/her shift. Additionally, if for any reason s/he will be unable to report at the regularly scheduled shift start time, s/he will likewise provide advance notice.
4. Employee will follow all oral and written policies, procedures, directives, and instructions communicated from management or the supervisor. If s/he disagrees for any reason with these directives, s/he is required to follow the directive and later discuss his/her concerns with the appropriate manager, except when work safety is a concern. Where work safety is a concern, s/he is required to report this issue to _____ before complying with the directive.
5. Employee understands that in an effort to assist him/her in making the necessary performance improvements, his/her work will be closely monitored and supervised and s/he will accept such supervision as a necessary part of his/her continued employment.
6. Employee understands that if s/he fails to meet the conditions of this Agreement, s/he will be terminated from employment. Meeting the conditions means that Employee will demonstrate continued and sustained improvement in the areas of concern and that s/he will comply with all the performance and conduct standards expected of all City/County/District employees.
7. Employee understands that this Agreement is not a contract or guarantee of continued employment for any specified period of time.
8. Employer may immediately terminate Employee's employment for violations of this Agreement. The Union and Employee waive the right to challenge through the grievance

procedure or other means any termination or other discipline imposed under the terms of this Agreement.

9. Employee understands and agrees that s/he has been afforded sufficient time to consider this Agreement and that signing this Agreement was of his/her own free will and with the benefit of Union representation.
10. This Agreement shall be valid and binding from the date of its signing for two (2) years. Employee's disciplinary record will remain in effect during and subsequent to the term of this Agreement in accordance with the terms of the Employer's personnel policies/collective bargaining agreement.

Dated: _____

(Employer)

By: _____

(Employee)

Employee Representative

By: _____



STOREY COUNTY HUMAN RESOURCES

FORM: 1001F3
CREATED: 01/06/19
REVISED: 08/21/18 -12/04/18
AUTHORITY: BOCC
COUNTY MANAGER: PAW

Last Chance Performance / Behavior Agreement

Effective [date], this Agreement is entered into as a condition of continuing employment for (Employee's name) hereinafter "Employee," in his/her position as (Employee's current job title) with (Employer) hereinafter, "Employer." In lieu of terminating his/her employment, Employee agrees to refrain from inappropriate conduct and/or performance standards as follows:

Employee understands that his/her continued employment is dependent upon him/her meeting the conditions set forth in this Agreement and demonstrating effective performance of his/her duties. Failure to do so will result in immediate termination of employment, subject to all due process rights to which the employee would be entitled but not those denied by this Agreement.

Check all boxes that apply and provide explanation.

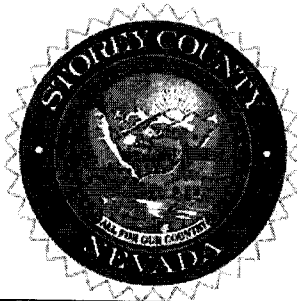
- ☐ Employee will be suspended without pay from _____ through _____ 20 ____ . (See section 8 below)
- ☐ Employee must undergo training and/or professional development. That training and/or professional development specifically includes:
- ☐ Employee must participate in an Employee Assistance Program (EAP) to address job-related matters and/or consistence with business necessity. Employee agrees to allow Employer to receive confirmation that terms of the EAP assignment have been satisfied. The specific job-related matters and/or consistence with business necessity include:
- ☐ Employee must participate in consultation with the Human Resources office and/or his/her supervisor to improve behavior or performance. Specifically, the employee will:

In addition:

1. Employee will be expected to report to work following suspension (if applicable) at his/her regularly scheduled time and shift after the assigned suspension, and be able and prepared to work. Return to work will occur on: _____ (Date/Time)
2. Employee will follow all verbal and written policies, procedures, directives, and instructions communicated from his/her supervisor or the department head. If s/he disagrees for any reason with these directives, s/he is required to follow the directives and later discuss his/her concerns with the supervisor or department head, except when work safety is a concern. Where work safety is a concern, s/he is required to report this issue to the supervisor, department head, and Human Resources office immediately and before complying with the directive.
3. Employee understands that in an effort to assist him/her in making the necessary performance improvements, his/her work will be closely monitored and supervised and s/he will accept such supervision as a necessary part of his/her continued employment.
4. It is understood and agreed that the Employee's status is "at-will" during the term of this Agreement and that the Employee can be terminated at any time and for any reason or for no reason at all, and with no rights given to due process or appeal, including that which may be contained in policy or in a collective bargaining agreement.
5. Employee understands that this Agreement is not a contract or guarantee of continued employment for any specified period of time.
6. The Union (if applicable) and Employee waive all rights set forth in a collective bargaining agreement and otherwise to challenge through the grievance procedure or other means any termination or other discipline imposed under the terms of this Agreement, unless otherwise provided for by law.
7. Employee understands and agrees that s/he has been afforded 72 hours to consider this Agreement and that signing this Agreement was of his/her own free will and with the benefit of representation, if so desired.
8. This Agreement shall be valid and binding for two years from the date of its signing, unless a shorter period of time is expressly specified in this Agreement.
9. Employee's disciplinary record will remain in effect during the entire duration of this Agreement. Following the term of this Agreement, the disciplinary record will remain in effect in accordance with the terms of the Employer's personnel policies or the applicable collective bargaining agreement.

<u>Employee's Department Head:</u> _____	<u>Date:</u> _____
<u>Employee's Direct Supervisor (if other than Department Head):</u> _____	<u>Date:</u> _____
<u>Employee:</u> _____	<u>Date:</u> _____
<u>Employee Representative(s) (if applicable):</u> _____ _____	<u>Date:</u> _____ _____
<u>Human Resources Director:</u> _____	<u>Date:</u> _____

Cc.: Employee's personnel file



STOREY COUNTY HUMAN RESOURCES

FORM: 1001G
REVISED: 08/21/18-12/04/18
AUTHORITY: BOCC
COUNTY MANAGER: PAW

Policy Violation Complaint Form

While this information will be shared on a need-to-know basis, Storey County cannot promise or guarantee confidentiality.

Attach additional pages as needed.

1. Today's Date:
2. Name of the Complainant:
3. Department of the Complainant:
4. Phone Number of the Complainant:
5. E-mail of the Complainant:
6. Name of the Accused:
7. Department of the Accused:
8. Relationship of the Accused to the Complainant (manager, co-worker, client, etc.):
9. Phone Number of the Accused:
10. E-mail of the Accused:
11. Date of Incident(s) (If more than one event, please report each event on a separate form and attach together.):
12. Where did the specific event occur?
13. Please explain the events that occurred.

14. How did you react to the situation? What action did you take?
15. Did you talk with anyone about the event? Please explain whom and what was shared.
16. Describe the adverse impacts that you believe you have endured as a result of the event.
17. Were there any witnesses to this specific event? (If yes, please provide their names and other identifying information such as department, affiliation, etc.)
18. Is there any physical evidence that supports your complaint? If so, please describe or attach copy of evidence or supporting material.
19. What is your desired outcome from this complaint?

The information provided in this complaint is true and correct to the best of my knowledge. I am willing to cooperate fully in the investigation of my complaint and provide whatever evidence Storey County deems relevant.

Complainant's Signature:

Today's Date:

Please return this form to the Human Resources office.



Storey County Board of County Commissioners

Agenda Action Report

Meeting date: 12/04/18

Estimate of time required: 15 min.

Agenda: Consent ☒ Regular agenda ☐ Public hearing required ☐

1. **Title:** Discussion/Possible Action. Update to Storey County Administrative Policies and Procedures including Policy 302 Source of Candidates, Open Recruitment, Promotion, Transfer, and Eligible List to Vacancy Positions; Policy 303 Job Announcements; and Policy 304 Applications, Eligibility of Reduction of Applicants.
2. **Recommended motion:** Based on the recommendation by staff and in conformance with the Storey County Administrative Policies and Procedures, I [commissioner] motion to approve updates to Storey County Administrative Policies and Procedures including Policy 302 Source of Candidates, Open Recruitment, Promotion, Transfer, and Eligible List to Vacancy Positions; Policy 303 Job Announcements; and Policy 304 Applications, Eligibility of Reduction of Applicants.
3. **Prepared by:** Austin Osborne

Department: Human Resources

Telephone: 847-0968

4. **Staff summary:** The purpose of the Storey County Administrative Policies and Procedures is to establish authority to implement the personnel program on a consistent basis. The Policies and Procedures require that review and necessary updates occur every five years and otherwise as needed.

5. **Supporting materials:** Enclosed markup policy updates.

6. **Fiscal impact:** None on local government.

Funds Available:

Fund:

_____ Comptroller

7. **Legal review required:**

_____ District Attorney

8. **Reviewed by:**

 Department Head

Department Name:

_____ County Manager

Other agency review: _____

9. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

**STOREY COUNTY ADMINISTRATIVE
POLICIES AND PROCEDURES**

NUMBER 302
EFFECTIVE DATE: 08-19/08
REVISED: 01-20-09/ 08-04-15
12/04/18
AUTHORITY: BOC
COUNTY MANAGER: PAW

SUBJECT: Source of Candidates; Open Recruitment; Promotion; Transfer and Eligible List to Vacant Positions

1. PURPOSE

~~To establish a standard policy regarding open recruitment, promotion, transfer and eligible list of employees to vacant positions.~~ It is recognized that the role of the department is critical in the hiring process and that utilizing the subject matter expertise of those in the hiring department will help ensure the selection of the most appropriately qualified candidate for each position. Therefore, the county will involve department management in the recruitment, examination, and selection process.

2. POLICY

2.1 Filling Positions

Regular positions may be filled by applicants selected from an existing eligible applicant pool. If no eligible applicant pool has been established or the pool contains no qualified applicants, the employer may initiate a recruitment (promotional from within or open to outside the organization) to create or renew an eligible applicant pool. Applications from present employees may be considered for open positions before non-employee applicants are considered. For open recruitments, the position vacancy announcement will be posted internally and externally.

The general policy of the county is to fill vacant or new positions from within the organization when possible, depending upon qualifications and interest of existing regular full-time, part-time, and casual employees. Employees are encouraged to apply for any vacancy for which they may qualify.

Promotional recruitments limit consideration of applicants to qualified employees currently working within a single department of the employer (departmental/promotional) or to qualified employees currently working within the employer (employer-wide/promotional). These internal recruitments are limited to employees in regular part-time and regular full-time status. Preference may be given to post-probationary employees with 12 or more months of service to the employer.

When deciding what type of recruitment to initiate, the employer will consider such factors as the impact of the decision on the employer's efforts to have a workforce which is representative of:

- a. The local population;
- b. The qualifications and level of responsibility required by the position;
- c. The extent to which the knowledge and skills required for the position can readily be acquired on the job;
- d. The qualifications of employees potentially available for placement on a promotional list;
- e. The effects on retention of present employees; and
- f. The likelihood of attracting well-qualified outside applicants.

After the employer has determined how it will announce the vacancy, it will develop a recruitment plan by determining the applicant pool it wishes to target and in what geographic region it will advertise; determining what types of media (e.g., internet, newspapers, trade journals) will be used to advertise and ensuring outreach efforts reach diverse applicant groups.

The following apply in recruiting and establishing applicant pools.

- a. ~~Applications from exiting employees may be considered for open positions before non-employee applicants are considered.~~
- b. ~~An applicant's past performance, qualifications, potential, abilities, knowledge of the job duties, and job experience are important factors considered in the selection.~~
- c. ~~Where all factors are considered substantially equal among two or more qualified employee applicants, seniority may be considered.~~
- d. ~~The internal or external announcement for the position will be posted on bulletin boards within the occupied county office buildings for a period of no less than 15 calendar days prior to the last date for application or the date scheduled for testing, whichever is earlier (specification see Policy 303).~~
- e. ~~Internal transfers* or promotional vacancies are limited to existing full-time, part-time, and casual employees, not including reserves or volunteers, with at least 9 months of service and no longer in the required orientation/probation period. See also Policy 313 Casual Intermittent Employees.~~

*~~*An internal transfer is a lateral change of an employee from one position to another position in the same class or to a different class in the same salary range. A transfer does not include an employee moving from one office to another while maintaining the same position classification (Policy 1002 Definitions).~~*

2.2 Eligible Applicant Pool

- a. The employer may maintain eligible applicant pools consisting of the names of applicants eligible for hire based on the recruitment process. While generally used to fill a single position, eligible applicant pools may be used to fill additional positions which occur within 6 months of the establishment of the pool. Eligible applicant pools for law enforcement and fire protection positions may be maintained for up to 12 months when published accordingly as such.
- b. Any person on an appropriate reinstatement list shall be considered for employment in accordance with the employer's established layoff policy.
- c. An applicant will be removed from the eligible applicant pool if the applicant submits a written request to be removed, or if the applicant fails to respond within an allotted time period to instructions regarding participation in an examination or selection interview. An eligible applicant who refuses an offer of employment will be removed from the eligible applicant pool unless the specific circumstances of the refusal warrant otherwise as determined by the employer.

2.3 Type of Posting

~~When determining the recruitment method(s) to initiate, the Administrative Officer and/or Personnel Director will consider such factors as the impact the decision will have on the employer's efforts to create a workforce which is representative of:~~

- a. ~~The local population;~~
- b. ~~The qualifications and level of responsibility required by the position;~~

- ~~c. The extent to which the knowledge and skills required for the position can readily be acquired on the job;~~
- ~~d. The qualifications of existing employees potentially available for placement on a promotional list.~~
- ~~e. The effects on retention of present employees; and~~
- ~~f. The likelihood of attracting well-qualified outside applicants.~~

~~After the employer determines how it will announce a vacancy, it will develop a recruitment plan by determining the applicant population it wishes to target and in what geographic region it will advertise; what types of media will be used to advertise; and what outreach efforts will be employed to reach diverse applicant groups.~~

2.3 Transfers

- a. An internal transfer is a lateral change of an employee from one position to another position in the same class or to a different class in the same salary range.*
- b. Internal transfers*and promotions do not change the employee's date of hire. However, the anniversary date for future performance evaluations and merit salary increase considerations shall become the date of transfer or promotion.
- ~~c. Casual employees who transfer to regular part time or regular full time positions shall begin a new orientation/probation period in accordance with Policy 310 or the applicable bargaining agreement.~~

2.4 Scope

It is recognized that the role of the department is critical in the hiring process and that utilizing the subject matter expertise of those in the hiring department will help ensure the selection of the most appropriately qualified candidate for each position. Therefore, the employer will involve department management in the recruitment, examination, and selection process.

2.5 Source of Applicant

Regular positions may be filled by applicants selected from existing eligible lists. If no eligible list exists, the employer may initiate a recruitment (open or promotional) to create an eligible list. Applications from present employees may be considered for open positions before non-employee applicants are considered. For open recruitments, the position vacancy announcement will be posted internally and externally.

Promotional recruitments limit consideration of applicants to qualified employees currently working within a single department of the employer (departmental/promotions) or to qualified employees currently working within the employer (employer-wide/promotional).

When deciding what type of recruitment to initiate, the employer will consider such factors as the impact of the decision on the employer's efforts to have a workforce which is representative of:

- a. The local population;*
- b. The qualifications and level of responsibility required by the position;*
- c. The extent to which the knowledge and skills required for the position can readily be acquired on the job;*
- d. The qualifications of employees potentially available for placement on a promotional list;*
- e. The effects on retention of present employees; and*
- f. The likelihood of attracting well-qualified outside applicants.*

After the employer has determined how it will announce the vacancy, it will develop a recruitment plan by determining the applicant pool they wish to target and in what geographic

region they will advertise; determining what types of media (e.g., internet, newspapers, trade journals) will be used to advertise and ensuring outreach efforts reach diverse applicant groups.

RESPONSIBILITY FOR REVIEW: The County Personnel Director and/or Administrative Officer will review this policy every 5 years or sooner as necessary.

STOREY COUNTY ADMINISTRATIVE
POLICIES AND PROCEDURES

NUMBER 303
EFFECTIVE DATE: 8-19-08
REVISED: 1-20-09/08-04-15/12-04-18
AUTHORITY: BOC
COUNTY MANAGER: PAW

SUBJECT: Job Announcements

1. PURPOSE

~~To establish a standard policy regarding announcing all vacancies for regular positions. Prior to~~
initiating recruitment, the employer should verify the essential job functions; identify knowledge,
skills, and abilities needed, and determine what education, experience, and credentials will
provide the desired knowledge, skills, and abilities.

2. POLICY

2.1 Announcement

- a. The employer will announce internally or externally all vacant employment positions. An announcement may be for the purpose of filling a single vacancy or to establish an eligible applicant pool (see Policy 302) for one or more vacancies in the same job class.

Position vacancies will be publicized to allow potentially qualified and interested individuals to learn of employment opportunities and to encourage ~~applications~~
applicants from diverse backgrounds *to apply.*

The employer may request an external posting for which any person within and outside the organization may apply, or an internal posting for which only existing *regular* full-time, part-time, and casual county employees ~~with at least 9 months of service and no longer in the required orientation/probationary period.~~ *may apply. Preference may be given to post-probationary employees with 12 or more months of service to the employer.*

Recruitment announcements will always be posted on bulletin boards within each occupied county office building for a period of no less than 15 calendar days prior to the last date for application or the date scheduled for testing, whichever is earlier and in such other places as the employer feels appropriate.

The announcement will normally include the following:

- i. Title, pay range, grade, and FLSA exempt or non-exempt status of the vacant position.
- ii. Nature of the work to be performed, including the essential job functions.
- iii. Minimum and/or eligibility requirements as well as any preferred qualifications, including education, license or certifications, employment, training, experience criteria, knowledge, skills, abilities and whether equivalent factors will be recognized.
- iv. Whether the advertisement is an internal *organization-wide only posting,* *department only posting (and what department),* or external posting;
- ~~v. Whether preference or priority will be given to county employees.~~
- vi. Whether county or other seniority or length of service will be considered a factor, and if so, what weight will be given to such consideration in measuring or rating applicants.

- vii. Manner of applying (where, how and deadlines).
 - viii. Whether there will be competitive testing, and if so, the date, time and place of the test; the nature and scope of the test subject matter; and any reference material or sources upon which the test is based.
 - ix. Whether the test will consist of written, oral, and or physical demonstration components or other appropriate screening mechanisms.
 - x. A declaration that the employer is an Equal Employment Opportunity (EEO) employer, and Americans with Disabilities (ADA) accommodations are available.
 - xi. The dates of the posting.
- b. Regular employees will be released from work, on paid status, to take an examination and participate in an interview for Storey County positions held during their scheduled work time. Casual employees will not be paid for time taken to participate in an examination or interview.

2.2 Application Forms and Files

Applications for employment must be made in writing on prescribed forms (*reference: Employer Employment Application*). Applicants must complete a separate application form for each vacancy unless the job announcement indicates otherwise. The employer may also require resumes, completed supplemental questionnaires, and other evidence of education, training, experience, or other lawful requirements. Applications and other materials submitted become part of the application file and the property of the employer.

2.3 Signatures

Applications must be signed by the applicant. Only original completed applications with the applicant's signature will be accepted. Faxed and email copies of the application form will not be accepted.

2.4 Application Filing Periods

- a. Recruitment announcements will specify the application filing period. Applications must be received or postmarked by the date specified. The filing period may end on a specific date and/or may allow acceptance of applications until a sufficient number of appropriately qualified candidates have applied. The Administrative Officer and/or Personnel Director, consulting with department management, will determine when sufficient applications have been received.
- b. Application periods will end at the close of the business day or at the specific time stated on the recruitment announcement. A job announcement may be closed at any time and for any reason as determined by the employer.
- c. An application period may be ended when no job openings are anticipated or for other reasons as determined by the employer.

RESPONSIBILITY FOR REVIEW: The County Personnel Director and/or Administrative Officer will review this policy every 5 years or sooner as necessary.

Policy 304
STOREY COUNTY ADMINISTRATIVE
POLICIES AND PROCEDURES

NUMBER 304
EFFECTIVE DATE: 8-19-08
REVISED: 1-20-09/10-17-17/12-04-18
AUTHORITY: BOC
COUNTY MANAGER: PAW

SUBJECT: Applications, Eligibility or Reduction of Applicants

PURPOSE: This policy is designed to establish guidelines for the employer to disqualify applications received.

POLICY: A. General Requirements for Filing of Applications.

1. **Application Forms.** Applications for employment must be made in writing and submitted to the Human Resources office on a prescribed application form.
2. **Multiple Vacancies.** Applicants must complete a separate application form for each vacancy unless the job announcement indicates otherwise.
3. **Required Submittals.** The employer may also require résumés, completed supplemental questionnaires, and other evidence of education, training, experience, or other lawful requirements, including licenses and certifications.
4. **Signatures.** Applications must be signed by the applicant. An electronic signature is acceptable for applications submitted through the employer's online application and portal, unless the employer does not maintain an online application and portal.
5. **Ownership.** Applications and supplementary materials submitted become the property of the employer.

B. Application Filing Period

Recruitment announcements will specify the application filing period. Applications must be received or postmarked by the due date specified. Application periods will end at the close of the business day or at the specific time stated on the recruitment announcement. A job announcement may be cancelled at any time and for any reason as determined by the employer.

C. Eligibility of Applicants

An applicant may be disqualified from further participation in the recruitment process and/or from placement on an eligible list by the employer for material reasons, including, but not limited to, those listed below:

1. The application does not indicate the candidate possesses the qualifications required for the position.
2. The application is not fully, truthfully, legibly, and/or neatly completed.
3. The applicant for employment as a peace officer, firefighter, or a position which entails physical access to computer and/or equipment used to access the Nevada Criminal Justice Information System or the National Crime Information Center may be disqualified for prior convictions that relate to the position for which s/he is being considered as provided for in NRS 245, NRS 268, or NRS 269 as applicable.
4. The applicant has been discharged from or resigned in lieu of dismissal from any prior employment for any cause which would constitute a reason for dismissal from employment with the employer.
5. The applicant does not appear at the time and place designated for an examination or interview.

6. The applicant is a former employee of the employer who, absent a compelling reason, quit without ~~reasonable~~ notice.
7. ~~Candidate's~~ Applicant's failure to possess a valid license, certificate, permit, etc. If a prospective ~~candidate~~ applicant for a position cannot obtain the required license, certificate, permit, or occupational certification required for the job, s/he will not be given any further employment consideration for the subject position. Any job offer, offer of promotion, or offer of transfer previously made will be withdrawn.
8. The applicant is a former employee whose performance evaluations indicated below acceptable performance and/or behavioral problems, such as insubordination, dishonesty, leave abuse, or excessive tardiness.

~~B. Reduction of Applicant Pool~~ D. Limitation of Application Pool to Most Qualified

The employer may determine at any point in the recruitment process that only those applicants who are deemed most qualified for the vacancy being filled will continue to be considered.

C. Preference for Military Veterans

Preference may be given in the hiring process to veterans of the United States Armed Forces and Nevada National Guard who are qualified for the subject position.

RESPONSIBILITY FOR REVIEW: The County Personnel Director and/or Administrative Officer will review this policy every 5 years or sooner as necessary.



Storey County Board of County Commissioners Agenda Action Report

Meeting date: December 4, 2018
Agenda Item Type: Consent Agenda

Estimate of Time Required: 0-5 min.

1. **Title:** For possible action, approval of payroll claims in the amount of \$633,702.44 and accounts payable in the amount of \$1,110,153.66.
2. **Recommended motion:** Approve as part of the consent agenda.
3. **Prepared by:** Vanessa Stephens

Department: Treasurer **Contact Number:** 775.847.0969
4. **Staff Summary:** Claims are attached.
5. **Supporting Materials:** See attached
6. **Fiscal Impact:** 0
7. **Legal review required:** No

8. **Reviewed by:**

VB Department Head

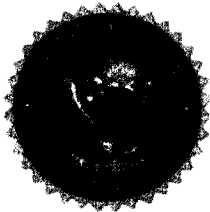
Department Name: Treasurer

_____ County Manager

Other Agency Review: _____

9. **Board Action:**

<input type="checkbox"/> Approved	<input type="checkbox"/> Approved with Modification
<input type="checkbox"/> Denied	<input type="checkbox"/> Continued



Payroll Check Register Report Summary

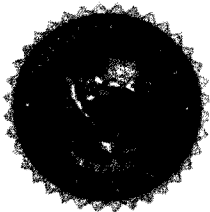
Pay Period: 10/29/2018-11/11/2018

Packet: PRPKT00033 - 2018-11-16 Payroll cw
Payroll Set: Storey County - 01

Type	Count	Amount
Regular Checks	2	1,118.06
Manual Checks	0	0.00
Reversals	0	0.00
Voided Checks	0	0.00
Direct Deposits	129	218,608.54
Total	131	219,726.60

Approved by the Storey County Board of Commissners:

_____ Chairman	_____ Commissioner	_____ Commissioner
_____ Comptroller	_____	
_____ Treasurer	_____	



Payroll Check Register Report Summary

Pay Period: 10/29/2018-11/11/2018

Packet: PRPKT00035 - 2018-11-16 FIRE jm/tp
Payroll Set: Storey County - 01

Type	Count	Amount
Regular Checks	2	4,641.30
Manual Checks	0	0.00
Reversals	0	0.00
Voided Checks	0	0.00
Direct Deposits	35	87,657.52
Total	37	92,298.82

Approved by the Storey County Board of Commissners:

Chairman

Commissioner

Commissioner

Comptroller

Treasurer



Payroll Check Register Report Summary

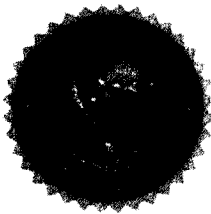
Pay Period: 10/15/2018-10/28/2018

Packet: PRPKT00018 - 2018-11-02 Payroll cw
Payroll Set: Storey County - 01

Type	Count	Amount
Regular Checks	5	2,085.38
Manual Checks	0	0.00
Reversals	0	0.00
Voided Checks	0	0.00
Direct Deposits	217	314,177.67
Total	222	316,263.05

Approved by the Storey County Board of Commissners:

_____ Chairman	_____ Commissioner	_____ Commissioner
_____ Comptroller	_____	
_____ Treasurer	_____	



Payroll Check Register Report Summary

Pay Period: 10/15/2018-10/28/2018

Type	Count	Amount
Regular Checks	2	5,413.97
Manual Checks	0	0.00
Reversals	0	0.00
Voided Checks	0	0.00
Direct Deposits	0	0.00
Total	2	5,413.97

Approved by the Storey County Board of Commissners:

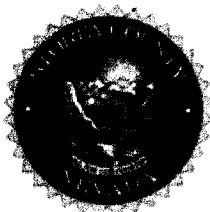
Chairman

Commissioner

Commissioner

Comptroller

Treasurer



Check Register

Packet: APPKT00100 - 2018-11-09 Payable Process AP cw

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP Bank-AP Bank						
10050	ADVANCED DATA SYSTEMS INC	11/09/2018	Regular	0.00	4,156.00	93734
405020	ALL COMSTOCK LLC	11/09/2018	Regular	0.00	8,000.00	93735
405279	ALPINE SIGNS INC	11/09/2018	Regular	0.00	321.50	93736
100135	ALSCO INC	11/09/2018	Regular	0.00	167.38	93737
405421	American Wealth Management	11/09/2018	Regular	0.00	5.00	93738
404935	AMES CONSTRUCTION	11/09/2018	Regular	0.00	397,246.42	93739
404420	ARCADIA PUBLISHING INC	11/09/2018	Regular	0.00	293.85	93740
405268	ARGENTUM PARTNERS, LTD	11/09/2018	Regular	0.00	6,797.45	93741
99663	AT&T MOBILITY II LLC	11/09/2018	Regular	0.00	40.43	93742
405113	AXON ENTERPRISE, INC	11/09/2018	Regular	0.00	210.00	93743
405380	Barkdull-Spencer, Elaine	11/09/2018	Regular	0.00	8,020.94	93744
405103	BATTLE BORN CONSULTING SE	11/09/2018	Regular	0.00	11,354.00	93745
405278	Bean, James	11/09/2018	Regular	0.00	540.00	93746
405418	Black, Daniel	11/09/2018	Regular	0.00	57.00	93747
405280	Bobula, James Clark	11/09/2018	Regular	0.00	1,430.00	93748
404634	BRANDON, RUSSELL D	11/09/2018	Regular	0.00	60.00	93749
100476	BURTON'S FIRE INC	11/09/2018	Regular	0.00	431.89	93750
405260	CAD, Inc.	11/09/2018	Regular	0.00	75.00	93751
100475	CAPITAL CITY AUTO PARTS	11/09/2018	Regular	0.00	59.52	93752
404206	CAPITAL SANITATION CO	11/09/2018	Regular	0.00	157.66	93753
404206	CAPITAL SANITATION CO	11/09/2018	Regular	0.00	548.64	93754
99720	CASELLE INC	11/09/2018	Regular	0.00	202.00	93755
403268	CELLCO PARTNERSHIP	11/09/2018	Regular	0.00	1.50	93756
403635	CENTRAL SANITARY SUPPLY	11/09/2018	Regular	0.00	38.82	93757
404798	CINTAS CORPORATION NO. 2	11/09/2018	Regular	0.00	78.81	93758
405134	CMC TIRE INC	11/09/2018	Regular	0.00	1,303.25	93759
100655	COMMUNITY CHEST INC	11/09/2018	Regular	0.00	15,966.00	93760
99652	COMSTOCK CHRONICLE (VC)	11/09/2018	Regular	0.00	4,094.02	93761
404060	CREATIVE CONCEPTS MEDIA +	11/09/2018	Regular	0.00	1,450.00	93762
404060	CREATIVE CONCEPTS MEDIA +	11/09/2018	Regular	0.00	450.00	93763
404060	CREATIVE CONCEPTS MEDIA +	11/09/2018	Regular	0.00	450.00	93764
404060	CREATIVE CONCEPTS MEDIA +	11/09/2018	Regular	0.00	450.00	93765
404060	CREATIVE CONCEPTS MEDIA +	11/09/2018	Regular	0.00	450.00	93766
405354	Crisis Collections Management, LLC	11/09/2018	Regular	0.00	679.06	93767
404466	DAIOHS USA INC	11/09/2018	Regular	0.00	359.45	93768
405408	Dodge, Kelly	11/09/2018	Regular	0.00	250.00	93769
403576	DOMINION VOTING SYSTEMS Inc.	11/09/2018	Regular	0.00	44.00	93770
405417	Duncan, Michael Geoffrey	11/09/2018	Regular	0.00	381.61	93771
404547	ELLIOTT AUTO.SUPPLY INC	11/09/2018	Regular	0.00	2,212.35	93772
403050	ENGLISH MAILING SERVICE	11/09/2018	Regular	0.00	920.00	93773
405415	Falcon, Shannon	11/09/2018	Regular	0.00	500.00	93774
100775	FARMER BROS CO	11/09/2018	Regular	0.00	66.07	93775
403216	FARR WEST ENGINEERING	11/09/2018	Regular	0.00	79,154.41	93776
404509	FASTENAL COMPANY	11/09/2018	Regular	0.00	94.71	93777
101485	FERGUSON ENTERPRISES INC	11/09/2018	Regular	0.00	811.82	93778
403975	FERRELLGAS LP	11/09/2018	Regular	0.00	1,736.03	93779
405264	FIDELITY SEC LIFE INS CO	11/09/2018	Regular	0.00	222.13	93780
404640	GLADDING, EDWARD A.	11/09/2018	Regular	0.00	720.00	93781
404896	GOLDEN GATE/SET PETROLEUM	11/09/2018	Regular	0.00	1,909.62	93782
404508	GRANSBERRY, TOM	11/09/2018	Regular	0.00	337.50	93783
103470	GREAT BASIN TERMITE & PES	11/09/2018	Regular	0.00	465.00	93784
404394	GTP INVESTMENTS LLC	11/09/2018	Regular	0.00	410.06	93785
404778	HAT, LTD	11/09/2018	Regular	0.00	2,036.16	93786
103218	HD SUPPLY CONST SUPPLY LT	11/09/2018	Regular	0.00	98.91	93787

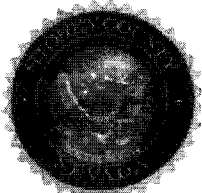
Check Register

Packet: APPKT00100-2018-11-09 Payable Process AP cw

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
102983	HD SUPPLY FACIL MAINT LTD	11/09/2018	Regular	0.00	252.08	93788
404980	HIGH SIERRA BUSINESS	11/09/2018	Regular	0.00	6,018.15	93789
404366	HOMETOWN HEALTH	11/09/2018	Regular	0.00	15,296.23	93790
404328	INTERCEPT INC	11/09/2018	Regular	0.00	240.00	93791
403834	IT1 SOURCE LLC	11/09/2018	Regular	0.00	57,811.13	93792
404583	JAMES C MCLENNAN MDPC	11/09/2018	Regular	0.00	500.00	93793
103317	JBP LLC	11/09/2018	Regular	0.00	6,856.17	93794
405326	Jensen Enterprises Inc	11/09/2018	Regular	0.00	250.00	93795
405420	Joy Engineering	11/09/2018	Regular	0.00	33,550.72	93796
103057	JUDGE EDWARD R JOHNSON	11/09/2018	Regular	0.00	457.32	93797
405263	KANSAS CITY LIFE INS CO	11/09/2018	Regular	0.00	15.92	93798
405224	KENNETH L DORR JR SOLE M	11/09/2018	Regular	0.00	1,920.00	93799
405422	Kornmayer, Jay & Tamara	11/09/2018	Regular	0.00	40.00	93800
404644	LA VAKE, BARBARA S.	11/09/2018	Regular	0.00	150.00	93801
404356	LANGUAGE LINE SERVICES IN	11/09/2018	Regular	0.00	32.67	93802
404102	LIQUID BLUE EVENTS LLC	11/09/2018	Regular	0.00	2,300.00	93803
405411	Lotus Radio Corp	11/09/2018	Regular	0.00	500.00	93804
404363	MA LABORATORIES INC	11/09/2018	Regular	0.00	442.95	93805
404691	MARK TWAIN COMMUNITY CTR	11/09/2018	Regular	0.00	1,666.67	93806
404899	MCCARTHY, TIMOTHY	11/09/2018	Regular	0.00	50.00	93807
103126	MEDICAL PRIORITY DISPATCH	11/09/2018	Regular	0.00	160.00	93808
404088	METRO OFFICE SOLUTIONS IN	11/09/2018	Regular	0.00	528.10	93809
403839	MORRIS, ROBERT T	11/09/2018	Regular	0.00	6,200.00	93810
100471	MOUND HOUSE TRUE VALUE	11/09/2018	Regular	0.00	224.18	93811
102575	NAPA AUTO & TRUCK PARTS	11/09/2018	Regular	0.00	74.93	93812
405412	Neisinger, Matthew	11/09/2018	Regular	0.00	500.00	93813
101228	NEV ADMIN BLDG & GROUNDS	11/09/2018	Regular	0.00	6,235.69	93814
101226	NEV COMPTROLLER	11/09/2018	Regular	0.00	9,373.83	93815
101226	NEV COMPTROLLER	11/09/2018	Regular	0.00	1,135.64	93816
101218	NEV DIV OF HEALTH BUREAU	11/09/2018	Regular	0.00	40.00	93817
101278	NEVADA POWER PRODUCTS,INC	11/09/2018	Regular	0.00	78.67	93818
101362	Nextel of California	11/09/2018	Regular	0.00	2,057.80	93819
404163	NORTON CONSULTING LLC	11/09/2018	Regular	0.00	1,287.20	93820
405352	Ocampo, Julie Lozada	11/09/2018	Regular	0.00	448.00	93821
402926	OFFSITE DATA DEPOT, LLC	11/09/2018	Regular	0.00	208.28	93822
103220	ON THE SIDE GRAPHICS & SI	11/09/2018	Regular	0.00	125.00	93823
405127	O'REILLY AUTO ENTERPRISES	11/09/2018	Regular	0.00	191.58	93824
404746	OTIS ELEVATOR COMPANY	11/09/2018	Regular	0.00	239.10	93825
404556	OUTFRONT MEDIA LLC	11/09/2018	Regular	0.00	644.68	93826
404076	OVERHEAD FIRE PROTECTION	11/09/2018	Regular	0.00	720.00	93827
405413	Polzin, Thomas	11/09/2018	Regular	0.00	500.00	93828
403329	PROTECTION DEVICES INC	11/09/2018	Regular	0.00	715.00	93829
102589	PUBLIC AGENCY COMPENSATIO	11/09/2018	Regular	0.00	140,913.26	93830
103221	PUBLIC EMPLOY RETIREMENT	11/09/2018	Regular	0.00	2,189.68	93831
100348	PURCELL TIRE & RUBBER CO	11/09/2018	Regular	0.00	85.55	93832
404398	RAD STRATEGIES INC	11/09/2018	Regular	0.00	6,000.00	93833
404398	RAD STRATEGIES INC	11/09/2018	Regular	0.00	225.00	93834
404398	RAD STRATEGIES INC	11/09/2018	Regular	0.00	1,125.00	93835
405221	RAIL EVENTS INC.	11/09/2018	Regular	0.00	50,158.89	93836
102198	RAY MORGAN COMPANY (MO)	11/09/2018	Regular	0.00	21.73	93837
102388	REDWOOD TOXICOLOGY LAB,IN	11/09/2018	Regular	0.00	456.00	93838
404863	REFUSE, INC	11/09/2018	Regular	0.00	355.15	93839
403339	RENO GREEN LANDSCAPING IN	11/09/2018	Regular	0.00	373.00	93840
101520	RENO PAINT MART	11/09/2018	Regular	0.00	741.68	93841
403944	RENO TAHOE SPECIALTY INC	11/09/2018	Regular	0.00	138.00	93842
404780	REPORTING SYSTEMS, INC	11/09/2018	Regular	0.00	1,236.00	93843
405095	ROBERTS, BOBBI JEAN	11/09/2018	Regular	0.00	297.44	93844
10026	RUPPCO INC	11/09/2018	Regular	0.00	184.00	93845
101369	SAFEGUARD WEB & GRAPHICS	11/09/2018	Regular	0.00	175.00	93846
101210	SBC GLOBAL SERVICES INC	11/09/2018	Regular	0.00	5,009.94	93847
405320	Ses Nevada, LLC	11/09/2018	Regular	0.00	1,289.59	93848

Fund Summary

Fund	Name	Period	Amount
999	Pooled Cash Account	11/2018	994,663.41
			<u>994,663.41</u>



Check Register

Packet: APPKT00108 - 2018-11-9 WF BDrft jm

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP Bank-AP Bank						
404295	WELLS ONE COMMERCIAL CARD	11/09/2018	Bank Draft	0.00	16,323.47	DFT0000017

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	0	0	0.00	0.00
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	16	1	0.00	16,323.47
EFT's	0	0	0.00	0.00
	16	1	0.00	16,323.47

Approved by the Storey County Board of Commissners:

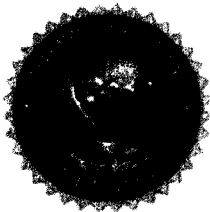
Chairman

Commissioner

Commissioner

Comptroller

Treasurer



Check Register

Packet: APPKT00114 - 2018-11-16 Payroll cw

By Check Number

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: AP Bank-AP Bank						
300003	AFLAC	11/16/2018	Regular	0.00	1,091.01	93892
300008	AFSCME Union	11/16/2018	Regular	0.00	569.00	93893
300001	Colonial Life & Accident	11/16/2018	Regular	0.00	111.69	93894
404704	DVM INSURANCE AGENCY	11/16/2018	Regular	0.00	105.72	93895
405264	FIDELITY SEC LIFE INS CO	11/16/2018	Regular	0.00	60.55	93896
404366	HOMETOWN HEALTH	11/16/2018	Regular	0.00	6,565.88	93897
300011	Nevada State Treasurer	11/16/2018	Regular	0.00	2.00	93898
300004	Pacific Life Insurance Co	11/16/2018	Regular	0.00	50.00	93899
103221	PUBLIC EMPLOY RETIREMENT	11/16/2018	Regular	0.00	74,726.01	93900
103221	PUBLIC EMPLOY RETIREMENT	11/16/2018	Regular	0.00	523.96	93901
103221	PUBLIC EMPLOY RETIREMENT	11/16/2018	Regular	0.00	4,974.20	93902
103233	PUBLIC EMPLOY RETIREMENT S	11/16/2018	Regular	0.00	46.66	93903
102441	ST CO SHERIFF	11/16/2018	Regular	0.00	692.91	93904
300010	State Collection & Disbursement Un	11/16/2018	Regular	0.00	116.89	93905
300006	Storey Co Fire Fighters Assoc	11/16/2018	Regular	0.00	1,200.00	93906
405076	UNITEDHEALTHCARE INS CO	11/16/2018	Regular	0.00	425.28	93907
300007	USAA 529 College Savings Plans	11/16/2018	Regular	0.00	50.00	93908
404639	VOYA RETIREMENT INS	11/16/2018	Regular	0.00	7,334.00	93909
300005	Washington National Ins	11/16/2018	Regular	0.00	521.02	93910

Bank Code AP Bank Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	37	19	0.00	99,166.78
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	37	19	0.00	99,166.78

Approved by the Storey County Board of Commissioners:

Chairman

Commissioner

Commissioner

Comptroller

Treasurer



Storey County Board of County Commissioners Agenda Action Report

Meeting date: December 4, 2018

Estimate of time required: 5 min

Agenda: Consent ☐ Regular agenda ☒ Public hearing required ☐

1. **Title:** Discussion and consideration to approve Resolution #18-520 honoring Mark Osmer and Carol Maley, with the Virginia City RV Park, as the 2018 Storey County business of the year

2. **Recommended motion:** to approve A resolution #18-520 honoring Mark Osmer and Carol Maley with the Virginia City RV Park as the 2018 Storey County business of the year

3. **Prepared by:** Deny Dotson

Department: VCTC

Telephone: 775-847-7500

4. **Staff summary:** Knowing and appreciating what it takes to start a business in today's competitive climate, Storey County each year recognizes and awards a business or organization that has shown significant achievements or have made significant contributions to the residents of Virginia City and or Storey County.

5. **Supporting materials:** attached

6. **Fiscal impact:** N/A

Funds Available:

Fund:

____ Comptroller

7. **Legal review required:** N/A

____ District Attorney

8. **Reviewed by:**

☒ Department Head

Department Name: VCTC

☒ County Manager

Other agency review:

9. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

8

RESOLUTION NO: 18-520

**A RESOLUTION HONORING
MARK OSMER AND CAROL MALEY WITH THE VIRGINIA CITY RV PARK
AS THE 2018 STOREY COUNTY BUSINESS OF THE YEAR**

**WHEREAS THIS AWARD WILL BE GIVEN TO A STOREY COUNTY BUSINESS
OR ORGANIZATION THAT HAS SHOWN SIGNIFICANT CONTRIBUTIONS
TOWARDS THE ECONOMIC STABILTY IN STOREY COUNTY**

**WHEREAS MARK OSMER AND CAROL MALEY WITH THE VIRGINIA CITY RV
PARK HAVE SHOWN EXTRAORDINARY ENTREPRENEURSHIP, MARKET
INNOVATION, STRONG COMMUNITY RELATIONS AND CONTRIBUTIONS
TOWARDS FULFILLING A NEEDED SERVICE IN VIRGINIA CITY**

**THEREFORE LET IT BE KNOWN TO ALL PRESENT THAT THE BOARD OF
COUNTY COMMISSIONERS OF STOREY COUNTY DO HEREBY RESOLVE TO
COMMEND AND HONOR MARK OSMER AND CAROL MALEY WITH THE
VIRGINIA CITY RV PARK FOR THEIR CONTINUED AND EXEMPLARY
SERVICE TO THE PEOPLE OF STOREY COUNTY**

**PASSED AND ADOPTED THIS 4TH DAY OF DECEMBER 2018 BY THE
FOLLOWING UNANIMOUS VOTE**

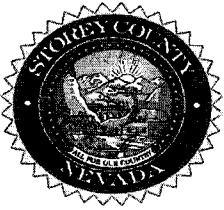
By: _____
Marshall McBride, Chairman

By: _____
Lance Gilman, Vice Chairman

By: _____
Jack McGuffey, Commissioner

By: _____
Vanessa Stephens, Clerk / Treasurer

Date: _____



Storey County Board of County Commissioners

Agenda Action Report

Meeting date: December 4, 2018

Estimate of time required: 15 min.

Agenda: Consent ☐ Regular agenda ☐ Public hearing required ☒

1. **Title:** For possible action: consideration and possible action on second reading of ordinance no. 18-299 creating the Tahoe-Reno Industrial Center Tax Increment Area pursuant to Nevada Revised Statutes Chapter 278C; considering all complaints, protests, objections and comments to the Area and the undertaking, ordering an undertaking relating to the tax increment area; creating the tax increment account for the undertaking; and ratifying action taken by County officers toward the undertaking and the tax increment area.

2. **Recommended motion:** I, Commissioner (name), move to approve on second reading ordinance no. 18-299 creating the Tahoe-Reno Industrial Center Tax Increment Area pursuant to Nevada Revised Statutes Chapter 278C; ordering an undertaking relating to the tax increment area; creating the tax increment account for the undertaking; and ratifying action taken by County officers toward the undertaking and the tax increment area.

3. **Prepared by:** Pat Whitten

Department: Commissioner's Office

Telephone: 847-0968

4. **Staff summary:** The Board of County Commissioners (the "Board") of Storey County, Nevada (the "County") received a request from Silver Slate LLC, Comstock TRIC Associates, LLC, Supernap Reno, LLC, Tesla, Inc. (f/k/a Tesla Motors, Inc.), 1200 USA Pkwy LLC and Emerald City Empire, LLC (collectively, the "Owners") to order an undertaking pursuant to Nevada Revised Statutes ("NRS") Chapter 278C (the "Act") for a water project as defined in NRS 278C.140 (the "Undertaking"). On September 5, 2018, the State of Nevada's Interim Finance Committee approved the Undertaking, which constitutes a natural resources project pursuant to the Act. On October 29, 2018, the Board adopted a resolution ordering the County's engineer to prepare preliminary plans, cost estimates and related items to pay the costs of the Undertaking, and Farr West Engineering, as the County's engineer, prepared such preliminary plans, cost estimates and related items to pay the costs of the Undertaking. After review of the preliminary plans, cost estimates and related items placed on file with the County Clerk, the Board provisionally ordered the Undertaking by adoption of a resolution on October 29, 2018. A public hearing on the Undertaking was held on November 19, 2018.

This ordinance authorizes the creation of the Tahoe-Reno Industrial Center Tax Increment Area (the "Area"), considers all complaints, protests, objections and comments to the Area and the Undertaking and orders the Undertaking. The tax increment revenues will pay, in whole or in part, the costs of such an Undertaking, as more fully provided in the NRS Chapter 278C, specifically NRS 278C.150, 278C.157 and NRS 278C.250, including (i) payments under contracts with the Owners to reimburse the Owners for costs incurred by the Owners in connection with the Undertaking, and (ii) advances by the County for administrative costs associated with administering the Area, and all appurtenances and incidentals necessary, useful or desirable, including real and other property therefor, which is more particularly described (with all segment lengths to be current approximations subject to minor adjustment). This ordinance sets forth the boundaries of the Area, details of the Undertaking and creates the "Tax Increment Account" for the Undertaking.

5. **Supporting materials:** Bill No. 110 Ordinance No. 18-299

6. **Fiscal impact:** Yes Comptroller: _____

Tax increment revenues generated and collected in the Area will consist of taxes levied upon taxable property in the Area each year, any tax on the sale or use of tangible personal property and any tax imposed pursuant to NRS 363A.130 and 363B.110 by or for the benefit of the State of Nevada, the County and any public body, which must be allocated, divided and disposed of as provided in NRS 278C.250. The estimated amount of the tax proceeds to be credited annually to the tax increment account pertaining to paying the costs of the Undertaking during the duration of the proposed Tahoe-Reno Industrial Center Tax Increment Area is anticipated to range from \$2,000 in 2020 to \$33,500,000 in 2039.

7. **Legal review required:** Yes
KL – District Attorney
KF – Bond Counsel

8. **Reviewed by:**

____ Department Head

Department Name: Commissioner's Office

____ County Manager

Other agency review: _____

9. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.



Storey County Board of County Commissioners

Agenda Action Report

Meeting date: December 4, 2018

Estimate of time required: 15 min.

Agenda: Consent [] Regular agenda [X] Public hearing required []

1. **Title:** For possible action: consideration and possible action on a resolution no. 18-522 approving the cooperative agreement between the County and TRI General Improvement District relating to the Tahoe-Reno Industrial Center Tax Increment Area subject to minor changes, if any, as are approved by the County Manager.

2. **Recommended motion:** I, Commissioner (name), move to approve resolution no. 18-522 approving the cooperative agreement between the County and TRI General Improvement District relating to the Tahoe-Reno Industrial Center Tax Increment Area.

3. **Prepared by:** Pat Whitten

Department: Commissioner's Office

Telephone: 847-0968

4. **Staff summary:** The Board of County Commissioners (the "Board") of Storey County, Nevada (the "County") received a request from Silver Slate LLC, Comstock TRIC Associates, LLC, Supernap Reno, LLC, Tesla, Inc. (f/k/a Tesla Motors, Inc.), 1200 USA Pkwy LLC and Emerald City Empire, LLC (collectively, the "Owners") to order an undertaking pursuant to Nevada Revised Statutes ("NRS") Chapter 278C (the "Act") for a water project as defined in NRS 278C.140 (the "Undertaking"). On September 5, 2018, the State of Nevada's Interim Finance Committee approved the Undertaking, which constitutes a natural resources project pursuant to the Act. On October 29, 2018, the Board adopted a resolution ordering the County's engineer to prepare preliminary plans, cost estimates and related items to pay the costs of the Undertaking, and Farr West Engineering, as the County's engineer, prepared such preliminary plans, cost estimates and related items to pay the costs of the Undertaking. After review of the preliminary plans, cost estimates and related items placed on file with the County Clerk, the Board provisionally ordered the Undertaking by adoption of a resolution on October 29, 2018. A public hearing on the Undertaking was held on November 19, 2018.

On December 4, 2018, the Board is scheduled to adopt an ordinance (the "Creation Ordinance") to create the Tahoe-Reno Industrial Center Tax Increment Area (the "Area"), order the Undertaking and create the "Tax Increment Account" for the Undertaking. The tax increment revenues will pay, in whole or in part, the costs of such an Undertaking, as more fully provided in NRS Chapter 278C, specifically NRS 278C.150, 278C.157 and NRS 278C.250, including (i) advances by the County for administrative costs associated with administering the Area, and (ii), payments under contracts with the Owners to reimburse the Owners for costs incurred by the Owners in connection with the Undertaking, and all appurtenances and incidentals necessary, useful or desirable, including real and other property therefor, which is more particularly described in the Creation Ordinance (with all segment lengths to be current approximations subject to minor adjustment).

This resolution approves the cooperative agreement between the County and TRI General Improvement District regarding the inspection and ownership of the Undertaking. The cooperative agreement, in substantially final form, has been placed on file with the County Clerk subject to minor changes, if any, as are approved by the County Manager. The cooperative agreement is authorized and permitted by NRS 277.045.

5. **Supporting materials:** Resolution No. 18-522

6. **Fiscal impact:** No

Comptroller: _____

7. **Legal review required:** Yes
KL – District Attorney
KF – Bond Counsel

8. **Reviewed by:**

____ Department Head

Department Name: Commissioner's Office

____ County Manager

Other agency review: _____

9. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

Summary – A resolution approving the Cooperative Agreement between the County and TRI General Improvement District relating to the Tahoe-Reno Industrial Center Tax Increment Area.

RESOLUTION NO. 18-522
(of Storey County, Nevada)

A RESOLUTION APPROVING THE COOPERATIVE AGREEMENT BETWEEN THE COUNTY AND TRI GENERAL IMPROVEMENT DISTRICT RELATING TO THE TAHOE-RENO INDUSTRIAL CENTER TAX INCREMENT AREA SUBJECT TO MINOR CHANGES, IF ANY, AS ARE APPROVED BY THE COUNTY MANAGER.

WHEREAS, the Board of County Commissioners (the "Board") of Storey County, Nevada (the "County") received a request from Silver Slate LLC, Comstock TRIC Associates, LLC, Supernap Reno, LLC, Tesla, Inc. (f/k/a Tesla Motors, Inc.), 1200 USA Pkwy LLC and Emerald City Empire, LLC (collectively, the "Owners") to order an undertaking pursuant to Nevada Revised Statutes ("NRS") Chapter 278C (the "Act") for a water project as defined in NRS 278C.140 (the "Undertaking") and to pay with tax increment revenues, in whole or in part, the costs of such an Undertaking, as more fully provided in the Act and the ordinance creating the Tahoe-Reno Industrial Center Tax Increment Area (the "Creation Ordinance" and the "Area," respectively), specifically NRS 278C.150, 278C.157 and NRS 278C.250, including (i) advances by the County for administrative costs associated with administering the Area; and (ii) payments under contracts with the Owners to reimburse the Owners for costs incurred by the Owners in connection with the Undertaking, and all appurtenances and incidentals necessary, useful or desirable, including real and other property therefor, which is more particularly described in the Creation Ordinance (with all segment lengths to be current approximations subject to minor adjustment); and

WHEREAS, the Undertaking constitutes a "natural resources project" pursuant to NRS 278C.075(4); and

WHEREAS, on September 5, 2018, the Interim Finance Committee approved the Undertaking in accordance with NRS 278C.157; and

WHEREAS, the Board has, by a resolution previously adopted on October 29, 2018 (the "Provisional Order Resolution"), provisionally ordered the Undertaking related to a tax increment area to be formed pursuant to the Act; and

WHEREAS, the Board held a public hearing on Monday, November 19, 2018, on the advisability of the Undertaking provisionally ordered and the proposed tax increment area related thereto; and

WHEREAS, the Board considered, overruled and denied each and every written or oral protest or objection made at the public hearing; and

WHEREAS, pursuant to the Creation Ordinance, the Board created the Area, ordered the Undertaking and created the tax increment account for the Undertaking (the "Tax Increment Account"); and

WHEREAS, pursuant to NRS 278C.157(1)(d), the County intends to enter into a reimbursement agreement with the Owners pursuant to which the County agrees to pay certain tax increment revenues from the Tax Increment Account to the Owners for costs incurred by such Owners in connection with the Undertaking; and

WHEREAS, pursuant to NRS 277.045, the County intends to enter into a cooperative agreement with TRI General Improvement District regarding the inspection and ownership of the Undertaking (the "Cooperative Agreement"); and

WHEREAS, the Cooperative Agreement is on file with the County Clerk; and

WHEREAS, the Board has reviewed the Cooperative Agreement on file with the County Clerk and has found such Cooperative Agreement to be satisfactory.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF STOREY, IN THE STATE OF NEVADA:

Section 1. As authorized by NRS 277.045, the form, terms and provisions of the Cooperative Agreement are hereby approved in substantially the form thereof on file with the County Clerk, with only such changes therein as are not inconsistent herewith and are approved by the officers of the County executing the same. The officers of the County are hereby authorized to enter into, execute and deliver the Cooperative Agreement and the execution and delivery of the same shall constitute conclusive evidence of the County's approval thereof in accordance with the terms hereof.

Section 2. The officers of the County be, and they hereby are, authorized to take all action necessary to effectuate the provisions of this resolution.

Section 3. All actions, proceedings and matters previously taken, had and done by the County and the officers of the County (not inconsistent with the provisions of this

resolution) concerning the Area and the Undertaking hereby are, ratified, approved and confirmed. This resolution does not obligate the County to enter into the Cooperative Agreement.

Section 4. All bylaws, orders and resolutions, or parts thereof, in conflict with this resolution, are repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, or resolution, or part thereof, previously repealed.

Section 5. If any section, paragraph, clause or provision of this resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 6. The Board has determined and does hereby declare that this resolution shall be in effect upon its passage in accordance with law.

PASSED AND APPROVED THIS December 4, 2018.

[SEAL]

Attest:

Chairman
Board of County Commissioners
Storey County, Nevada

County Clerk

STATE OF NEVADA)
) ss.
COUNTY OF STOREY)

I am the duly appointed, qualified and acting County Clerk of Storey County (the "County"), Nevada, and in the performance of my duties as County Clerk and ex officio Clerk of its Board of County Commissioners (the "Board"), do hereby certify:

1. The foregoing pages are a true and correct copy of a resolution adopted at a regular meeting of the Board held on December 4, 2018.

2. The adoption of the Resolution was duly moved and seconded and the Resolution was adopted by an affirmative vote of a majority of the members of the Board as follows:

Those Voting Aye:

Those Voting Nay:

Those Absent:

Those Abstaining:

3. The members of the Board were present at such meeting and voted on the passage of such Resolution as set forth above.

4. The resolution was approved and authenticated by the signature of the Chairman of the Board, sealed with the County seal, attested by the Clerk and recorded in the minutes of the Board.

5. All members of the Board were given due and proper notice of the meeting. Public notice of the meeting was given and the meeting was held and conducted in full compliance with the provisions of NRS 241.020. A copy of the notice of meeting was posted not later than 9:00 a.m. at least 3 working days in advance of the meeting at:

- (i) Virginia City Post Office
- (ii) Storey County Courthouse
- (iii) Virginia City Fire Station
- (iv) Virginia City Highlands Fire Station
- (v) Lockwood Fire Station

6. A copy of the notice was posted on the County's website and on the State of Nevada's official website no later than 9:00 a.m. on the third working day prior to the meeting.

7. A copy of the notice was given to each person, if any, who has requested notice of the meetings of the Board in the same manner in which notice is required to be given to a member of the Board. Such notice, if mailed, was delivered to the postal service no later than 9:00 a.m. on the third working day prior to the meeting.

8. Upon request, the Board provides at no charge, at least one copy of the agenda for its public meetings, any proposed Resolution which will be discussed at the public meeting, and any other supporting materials provided to the Board for an item on the agenda, except for certain confidential materials and materials pertaining to closed meetings, as provided by law.

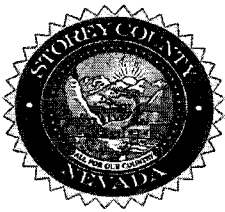
9. A copy of the notice so given of the meeting of the Board held on December 4, 2018 is attached to this certificate as Exhibit A.

IN WITNESS WHEREOF, I have hereunto set my hand on December 4, 2018.

County Clerk

EXHIBIT A

(Attach copy of posted notice)



Storey County Board of County Commissioners Agenda Action Report

Meeting date: December 4, 2018

Estimate of time required: 15 min.

Agenda: Consent [] Regular agenda [X] Public hearing required []

1. **Title:** For possible action: consideration and possible action on a resolution no. 18-521 approving the reimbursement agreement among the County and all owners of property in the Tahoe-Reno Industrial Center Tax Increment Area subject to minor changes, if any, as are approved by the County Manager.

2. **Recommended motion:** I, Commissioner (name), move to approve resolution no. 18-521 approving the reimbursement agreement among the County and all owners of property in the Tahoe-Reno Industrial Center Tax Increment Area.

3. **Prepared by:** Pat Whitten

Department: Commissioner's Office

Telephone: 847-0968

4. **Staff summary:** The Board of County Commissioners (the "Board") of Storey County, Nevada (the "County") received a request from Silver Slate LLC, Comstock TRIC Associates, LLC, Supernap Reno, LLC, Tesla, Inc. (f/k/a Tesla Motors, Inc.), 1200 USA Pkwy LLC and Emerald City Empire, LLC (collectively, the "Owners") to order an undertaking pursuant to Nevada Revised Statutes ("NRS") Chapter 278C (the "Act") for a water project as defined in NRS 278C.140 (the "Undertaking"). On September 5, 2018, the State of Nevada's Interim Finance Committee approved the Undertaking, which constitutes a natural resources project pursuant to the Act. On October 29, 2018, the Board adopted a resolution ordering the County's engineer to prepare preliminary plans, cost estimates and related items to pay the costs of the Undertaking, and Farr West Engineering, as the County's engineer, prepared such preliminary plans, cost estimates and related items to pay the costs of the Undertaking. After review of the preliminary plans, cost estimates and related items placed on file with the County Clerk, the Board provisionally ordered the Undertaking by adoption of a resolution on October 29, 2018. A public hearing on the Undertaking was held on November 19, 2018.

On December 4, 2018, the Board is scheduled to adopt an ordinance (the "Creation Ordinance") to create the Tahoe-Reno Industrial Center Tax Increment Area (the "Area"), order the Undertaking and create the "Tax Increment Account" for the Undertaking. The tax increment revenues will pay, in whole or in part, the costs of such an Undertaking, as more fully provided in NRS Chapter 278C, specifically NRS 278C.150, 278C.157 and NRS 278C.250, including (i) advances by the County for administrative costs associated with administering the Area, and (ii), payments under contracts with the Owners to reimburse the Owners for costs incurred by the Owners in connection with the Undertaking, and all appurtenances and incidentals necessary, useful or desirable, including real and other property therefor, which is more particularly described in the Creation Ordinance (with all segment lengths to be current approximations subject to minor adjustment).

This resolution approves the reimbursement agreement between the County and the Owners to reimburse the Owners for costs incurred by the Owners in connection with the Undertaking (as more fully described under "Fiscal Impact" below). The reimbursement agreement, in substantially final form, has been placed on file with the County Clerk subject to minor changes, if any, as are approved by the County Manager. The reimbursement agreement is authorized and permitted by NRS 278C.150 and 278C.157 and NRS 278C.250.

5. **Supporting materials:** Resolution No. 18-521

6. **Fiscal impact:** Yes

Comptroller: _____

Tax increment revenues generated and collected in the Area will consist of taxes levied upon taxable property in the Area each year, any tax on the sale or use of tangible personal property and any tax imposed pursuant to NRS 363A.130 and 363B.110 by or for the benefit of the State of Nevada, the County and any public body, which must be allocated, divided and disposed of as provided in NRS 278C.250. Pursuant to the reimbursement agreement, to the extent tax increment revenues are available therefor (following the reimbursement of advances by the County for administrative costs associated with administering the Area), each Owner shall only be entitled to be reimbursed for the actual amounts paid by such Owner for the costs of the Undertaking. The aggregate total of such reimbursements to the Owners shall not exceed \$28,369,679.00.

7. **Legal review required:** Yes
KL – District Attorney
KF – Bond Counsel

8. **Reviewed by:**

____ Department Head

Department Name: Commissioner's Office

____ County Manager

Other agency review: _____

9. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

Summary – A resolution approving the Reimbursement Agreement among the County and all owners of real property in the Tahoe-Reno Industrial Center Tax Increment Area.

RESOLUTION NO. 18-521
(of Storey County, Nevada)

**A RESOLUTION APPROVING THE REIMBURSEMENT
AGREEMENT AMONG THE COUNTY AND ALL
OWNERS OF REAL PROPERTY IN THE TAHOE-RENO
INDUSTRIAL CENTER TAX INCREMENT AREA
SUBJECT TO MINOR CHANGES, IF ANY, AS ARE
APPROVED BY THE COUNTY MANAGER.**

WHEREAS, the Board of County Commissioners (the "Board") of Storey County, Nevada (the "County") has received a request from Silver Slate LLC, Comstock TRIC Associates, LLC, Supernap Reno, LLC, Tesla, Inc. (f/k/a Tesla Motors, Inc.), 1200 USA Pkwy LLC and Emerald City Empire, LLC (collectively, the "Owners") to order an undertaking pursuant to Nevada Revised Statutes ("NRS") Chapter 278C (the "Act") for a water project as defined in NRS 278C.140 (the "Undertaking") and to pay with tax increment revenues, in whole or in part, the costs of such an Undertaking, as more fully provided in the Act and the ordinance creating the Tahoe-Reno Industrial Center Tax Increment Area (the "Creation Ordinance" and the "Area," respectively), specifically NRS 278C.150, 278C.157 and NRS 278C.250, including (i) advances by the County for administrative costs associated with administering the Area; and (ii) payments under contracts with the Owners to reimburse the Owners for costs incurred by the Owners in connection with the Undertaking, and all appurtenances and incidentals necessary, useful or desirable, including real and other property therefor, which is more particularly described in the Creation Ordinance (with all segment lengths to be current approximations subject to minor adjustment); and

WHEREAS, the Undertaking constitutes a "natural resources project" pursuant to NRS 278C.075(4); and

WHEREAS, on September 5, 2018, the Interim Finance Committee approved the Undertaking in accordance with NRS 278C.157; and

WHEREAS, the Board has, by a resolution previously adopted on October 29, 2018 (the "Provisional Order Resolution"), provisionally ordered the Undertaking related to a tax increment area to be formed pursuant to the Act; and

WHEREAS, the Board held a public hearing on Monday, November 19, 2018, on the advisability of the Undertaking provisionally ordered and the proposed tax increment area related thereto; and

WHEREAS, the Board considered, overruled and denied each and every written or oral protest or objection made at the public hearing; and

WHEREAS, pursuant to the Creation Ordinance, the Board created the Area, ordered the Undertaking and created the tax increment account for the Undertaking; and

WHEREAS, pursuant to NRS 278C.157(1)(d), the County intends to enter into a reimbursement agreement with the Owners (the "Reimbursement Agreement") pursuant to which the County agrees to pay certain tax increment revenues from the tax increment account created in conformance with the requirements of NRS 278C.250 to the Owners for costs incurred by such Owners in connection with the Undertaking; and

WHEREAS, the Reimbursement Agreement is on file with the County Clerk; and

WHEREAS, the Board has reviewed the Reimbursement Agreement on file with the County Clerk and has found such Agreement to be satisfactory.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF STOREY, IN THE STATE OF NEVADA:

Section 1. As authorized by NRS 278C.157(1)(d), the form, terms and provisions of the Reimbursement Agreement are hereby approved in substantially the form thereof on file with the County Clerk, with only such changes therein as are not inconsistent herewith and are approved by the officers of the County executing the same. The officers of the County are hereby authorized to enter into, execute and deliver the Reimbursement Agreement and the execution and delivery of the same shall constitute conclusive evidence of the County's approval thereof in accordance with the terms hereof.

Section 2. The officers of the County be, and they hereby are, authorized to take all action necessary to effectuate the provisions of this resolution.

Section 3. All actions, proceedings and matters previously taken, had and done by the County and the officers of the County (not inconsistent with the provisions of this resolution) concerning the Area and the Undertaking hereby are, ratified, approved and confirmed. This resolution does not obligate the County to enter into the Reimbursement Agreement.

Section 4. All bylaws, orders and resolutions, or parts thereof, in conflict with this resolution, are repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, or resolution, or part thereof, previously repealed.

Section 5. If any section, paragraph, clause or provision of this resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 6. The Board has determined and does hereby declare that this resolution shall be in effect upon its passage in accordance with law.

PASSED AND APPROVED THIS December 4, 2018.

[SEAL]

Attest:

Chairman
Board of County Commissioners
Storey County, Nevada

County Clerk

STATE OF NEVADA)
) ss.
COUNTY OF STOREY)

I am the duly appointed, qualified and acting County Clerk of Storey County (the "County"), Nevada, and in the performance of my duties as County Clerk and ex officio Clerk of its Board of County Commissioners (the "Board"), do hereby certify:

1. The foregoing pages are a true and correct copy of a resolution adopted at a regular meeting of the Board held on December 4, 2018.

2. The adoption of the Resolution was duly moved and seconded and the Resolution was adopted by an affirmative vote of a majority of the members of the Board as follows:

Those Voting Aye:

Those Voting Nay:

Those Absent:

Those Abstaining:

3. The members of the Board were present at such meeting and voted on the passage of such Resolution as set forth above.

4. The resolution was approved and authenticated by the signature of the Chairman of the Board, sealed with the County seal, attested by the Clerk and recorded in the minutes of the Board.

5. All members of the Board were given due and proper notice of the meeting. Public notice of the meeting was given and the meeting was held and conducted in full compliance with the provisions of NRS 241.020. A copy of the notice of meeting was posted not later than 9:00 a.m. at least 3 working days in advance of the meeting at:

- (i) Virginia City Post Office
- (ii) Storey County Courthouse
- (iii) Virginia City Fire Station
- (iv) Virginia City Highlands Fire Station
- (v) Lockwood Fire Station

6. A copy of the notice was posted on the County's website and on the State of Nevada's official website no later than 9:00 a.m. on the third working day prior to the meeting.

7. A copy of the notice was given to each person, if any, who has requested notice of the meetings of the Board in the same manner in which notice is required to be given to a member of the Board. Such notice, if mailed, was delivered to the postal service no later than 9:00 a.m. on the third working day prior to the meeting.

8. Upon request, the Board provides at no charge, at least one copy of the agenda for its public meetings, any proposed Resolution which will be discussed at the public meeting, and any other supporting materials provided to the Board for an item on the agenda, except for certain confidential materials and materials pertaining to closed meetings, as provided by law.

9. A copy of the notice so given of the meeting of the Board held on December 4, 2018 is attached to this certificate as Exhibit A.

IN WITNESS WHEREOF, I have hereunto set my hand on December 4, 2018.

County Clerk

EXHIBIT A

(Attach copy of posted notice)



Storey County Board of County Commissioners Agenda Action Report

Meeting date: December 4, 2018

Estimate of time required: 15 min.

Agenda: Consent [] Regular agenda [X] Public hearing required []

1. **Title:** For possible action: consideration and possible action on a resolution no. 18-523 making certain determinations regarding excess tax increment revenues distributed into the funds of the respective taxing agencies under Nevada Revised Statutes ("NRS") 278C.250 in connection with the Tahoe-Reno Industrial Center Tax Increment Area.

2. **Recommended motion:** I, Commissioner (name), move to approve resolution no. 18-523 making certain determinations regarding excess tax increment revenues distributed into the funds of the respective taxing agencies under NRS 278C.250 in connection with the Tahoe-Reno Industrial Center Tax Increment Area.

3. **Prepared by:** Pat Whitten

Department: Commissioner's Office

Telephone: 847-0968

4. **Staff summary:** The Board of County Commissioners (the "Board") of Storey County, Nevada (the "County") received a request from Silver Slate LLC, Comstock TRIC Associates, LLC, Supernap Reno, LLC, Tesla, Inc. (f/k/a Tesla Motors, Inc.), 1200 USA Pkwy LLC and Emerald City Empire, LLC (collectively, the "Owners") to order an undertaking pursuant to Nevada Revised Statutes ("NRS") Chapter 278C (the "Act") for a water project as defined in NRS 278C.140 (the "Undertaking"). On September 5, 2018, the State of Nevada's Interim Finance Committee approved the Undertaking, which constitutes a natural resources project pursuant to the Act. On October 29, 2018, the Board adopted a resolution ordering the County's engineer to prepare preliminary plans, cost estimates and related items to pay the costs of the Undertaking, and Farr West Engineering, as the County's engineer, prepared such preliminary plans, cost estimates and related items to pay the costs of the Undertaking. After review of the preliminary plans, cost estimates and related items placed on file with the County Clerk, the Board provisionally ordered the Undertaking by adoption of a resolution on October 29, 2018. A public hearing on the Undertaking was held on November 19, 2018.

On December 4, 2018, the Board is scheduled to adopt an ordinance (the "Creation Ordinance") to create the Tahoe-Reno Industrial Center Tax Increment Area (the "Area"), order the Undertaking and create the "Tax Increment Account" for the Undertaking. The tax increment revenues will pay, in whole or in part, the costs of such an Undertaking, as more fully provided in NRS Chapter 278C, specifically NRS 278C.150, 278C.157 and NRS 278C.250, including (i) advances by the County for administrative costs associated with administering the Area, and (ii), payments under contracts with the Owners to reimburse the Owners for costs incurred by the Owners in connection with the Undertaking (the "Reimbursement Agreement"), and all appurtenances and incidentals necessary, useful or desirable, including real and other property therefor, which is more particularly described in the Creation Ordinance (with all segment lengths to be current approximations subject to minor adjustment).

Pursuant to the Reimbursement Agreement, certain excess tax increment revenues shall be utilized for Government Distribution (as defined in the Reimbursement Agreement), and the County shall pay such amounts into the funds of the respective taxing agencies within the Area as provided in NRS 278C.250. This resolution makes determinations under NRS 278C.250 in connection with the distribution of such excess tax

increment revenues.

5. **Supporting materials:** Resolution No. 18-523

6. **Fiscal impact:** No Comptroller: _____

7. **Legal review required:** Yes
KL – District Attorney
KF – Bond Counsel

8. **Reviewed by:**

____ Department Head

Department Name: Commissioner's Office

____ County Manager

Other agency review: _____

9. **Board action:**

☐ Approved

☐

Approved with Modifications

☐ Denied

☐

Continued

Agenda Item No.

Summary – A resolution making certain determinations regarding excess tax increment revenues distributed into the funds of the respective taxing agencies under NRS 278C.250 in connection with the Tahoe-Reno Industrial Center Tax Increment Area.

RESOLUTION NO. 18-523
(of Storey County, Nevada)

**A RESOLUTION MAKING CERTAIN DETERMINATIONS
REGARDING EXCESS TAX INCREMENT REVENUES
DISTRIBUTED INTO THE FUNDS OF THE RESPECTIVE
TAXING AGENCIES UNDER NRS 278C.250 IN
CONNECTION WITH THE TAHOE-RENO INDUSTRIAL
CENTER TAX INCREMENT AREA.**

WHEREAS, the Board of County Commissioners (the "Board") of Storey County, Nevada (the "County") received a request from Silver Slate LLC, Comstock TRIC Associates, LLC, Supernap Reno, LLC, Tesla, Inc. (f/k/a Tesla Motors, Inc.), 1200 USA Pkwy LLC and Emerald City Empire, LLC (collectively, the "Owners") to order an undertaking pursuant to Nevada Revised Statutes ("NRS") Chapter 278C (the "Act") for a water project as defined in NRS 278C.140 (the "Undertaking") and to pay with tax increment revenues, in whole or in part, the costs of such an Undertaking, as more fully provided in the Act and the ordinance creating the Tahoe-Reno Industrial Center Tax Increment Area (the "Creation Ordinance" and the "Area," respectively), specifically NRS 278C.150, 278C.157 and NRS 278C.250, including (i) advances by the County for administrative costs associated with administering the Area; and (ii) payments under contracts with the Owners to reimburse the Owners for costs incurred by the Owners in connection with the Undertaking, and all appurtenances and incidentals necessary, useful or desirable, including real and other property therefor, which is more particularly described in the Creation Ordinance (with all segment lengths to be current approximations subject to minor adjustment); and

WHEREAS, pursuant to the Creation Ordinance, the Board created the Area, ordered the Undertaking and created the tax increment account for the Undertaking (the "Tax Increment Account"); and

WHEREAS, pursuant to NRS 278C.157(1)(d), the County intends to enter into a reimbursement agreement with the Owners (the "Reimbursement Agreement") pursuant to which

the County agrees to pay certain tax increment revenues from the Tax Increment Account to the Owners for costs incurred by such Owners in connection with the Undertaking; and

WHEREAS, pursuant to Section 4 of the Reimbursement Agreement, certain excess tax increment revenues shall be utilized for Government Distribution (as defined in the Reimbursement Agreement), and the County shall pay such amounts into the funds of the respective taxing agencies within the Area as provided in NRS 278C.250.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF STOREY, IN THE STATE OF NEVADA:

Section 1. Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Reimbursement Agreement.

Section 2. With respect to the Government Distribution of excess tax increment revenues in accordance with NRS 278C.250 under Section 4 of the Reimbursement Agreement, the Board hereby makes the following determinations, and the officers of the County are hereby directed as follows:

A. The excess Property Tax Increment, if any, shall be paid into the funds of the respective taxing agencies in the same proportion as their base amount was distributed; and

B. The excess Modified Business Tax Increment, if any, shall be paid to the State of Nevada Department of Taxation to be distributed in accordance with NRS 278C.250; and

C. The excess Sales Tax Increment, if any, shall be paid ~~into the funds of the respective taxing agencies in the same proportion as the proceeds of any tax on the sale or use of tangible personal property were distributed into the Tax Increment Account to~~ the State of Nevada Department of Taxation to be distributed in accordance with NRS 278C.250.

Section 3. The officers of the County be, and they hereby are, authorized to take all action necessary to effectuate the provisions of this resolution.

Section 4. All actions, proceedings and matters previously taken, had and done by the County and the officers of the County (not inconsistent with the provisions of this resolution) concerning the Area and the Undertaking hereby are, ratified, approved and confirmed. This resolution does not obligate the County to enter into the Reimbursement Agreement.

Section 5. All bylaws, orders and resolutions, or parts thereof, in conflict with this resolution, are repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order, or resolution, or part thereof, previously repealed.

Section 6. If any section, paragraph, clause or provision of this resolution shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 7. The Board has determined and does hereby declare that this resolution shall be in effect upon its passage in accordance with law.

PASSED AND APPROVED THIS December 4, 2018.

[SEAL]

Attest:

Chairman
Board of County Commissioners
Storey County, Nevada

County Clerk

STATE OF NEVADA)
) ss.
COUNTY OF STOREY)

I am the duly appointed, qualified and acting County Clerk of Storey County (the "County"), Nevada, and in the performance of my duties as County Clerk and ex officio Clerk of its Board of County Commissioners (the "Board"), do hereby certify:

1. The foregoing pages are a true and correct copy of a resolution adopted at a regular meeting of the Board held on December 4, 2018.

2. The adoption of the Resolution was duly moved and seconded and the Resolution was adopted by an affirmative vote of a majority of the members of the Board as follows:

Those Voting Aye:

Those Voting Nay:

Those Absent:

Those Abstaining:

3. The members of the Board were present at such meeting and voted on the passage of such Resolution as set forth above.

4. The resolution was approved and authenticated by the signature of the Chairman of the Board, sealed with the County seal, attested by the Clerk and recorded in the minutes of the Board.

5. All members of the Board were given due and proper notice of the meeting. Public notice of the meeting was given and the meeting was held and conducted in full compliance with the provisions of NRS 241.020. A copy of the notice of meeting was posted not later than 9:00 a.m. at least 3 working days in advance of the meeting at:

- (i) Virginia City Post Office
- (ii) Storey County Courthouse
- (iii) Virginia City Fire Station
- (iv) Virginia City Highlands Fire Station
- (v) Lockwood Fire Station

6. A copy of the notice was posted on the County's website and on the State of Nevada's official website no later than 9:00 a.m. on the third working day prior to the meeting.

7. A copy of the notice was given to each person, if any, who has requested notice of the meetings of the Board in the same manner in which notice is required to be given to a member of the Board. Such notice, if mailed, was delivered to the postal service no later than 9:00 a.m. on the third working day prior to the meeting.

8. Upon request, the Board provides at no charge, at least one copy of the agenda for its public meetings, any proposed Resolution which will be discussed at the public meeting, and any other supporting materials provided to the Board for an item on the agenda, except for certain confidential materials and materials pertaining to closed meetings, as provided by law.

9. A copy of the notice so given of the meeting of the Board held on December 4, 2018 is attached to this certificate as Exhibit A.

IN WITNESS WHEREOF, I have hereunto set my hand on December 4, 2018.

County Clerk

EXHIBIT A

(Attach copy of posted notice)

Document comparison by Workshare 9.5 on Thursday, November 29, 2018
8:56:56 AM

Input:	
Document 1 ID	interwovenSite://DMS.SHERMANHOWARD.COM/Active/49167181/1
Description	#49167181v1<Active> - Resolution Making Determinations Under NRS 278C.250
Document 2 ID	interwovenSite://DMS.SHERMANHOWARD.COM/Active/49167181/2
Description	#49167181v2<Active> - Resolution Making Determinations Under NRS 278C.250
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
<u>Moved to</u>	
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Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	2
Deletions	1
Moved from	0
Moved to	0
Style change	0
Format changed	0

Total changes	3
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Storey County Board of County Commissioners Agenda Action Report

Meeting date: 12/04/18

Estimate of time required: 20 min.

Agenda: Consent ☐ Regular agenda ☒ Public hearing required ☒

1. **Title:** Discussion/Possible Action. Adoption of 2018 Carson River Watershed Regional Floodplain Management Plan by Carson Water Subconservancy District (CWSD).

2. **Recommended motion:** Based on the recommendation by staff, I (county commissioner) motion to approve adoption of the 2018 Carson River Watershed Regional Floodplain Management Plan by the Carson Water Subconservancy District.

3. **Prepared by:** Austin Osborne

4. **Department:** Human Resources

Telephone: 847-0968

4. **Staff summary:** See Enclosure A Staff Summary.

5. **Supporting materials:** Floodplain management plan and floodplain video links in Enclosure A.

6. **Fiscal impact:** None on local government.

Funds Available:

Fund:

____ Comptroller

7. **Legal review required:**

____ District Attorney

8. **Reviewed by:**

 Department Head

Department Name: Human Resources and Comptroller

____ County Manager

Other agency review: _____

9. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

Enclosure A

Staff Summary for Adoption of Carson River Watershed Regional Floodplain Management Plan

Staff Summary:

Carson Water Subconservancy District (CWSD) completed the Carson River Watershed Regional Floodplain Management Plan 2018. The first Regional Floodplain Management Plan for the Carson River Watershed was created in 2008. It is intended to be a tool to help counties in their planning process. A supplemental update was completed in 2013. The 2008 Plan and 2013 Update were formally adopted by all 5 counties along the Carson River.

The 2018 Plan is a complete revision of the 2008 plan which incorporates the 2013 Supplemental Update. It was revised through the Carson River Coalition stakeholder process which allowed county staff members to work with CWSD to guide document's creation. This two-year process gathered suggestions, information, input about through several Floodplain Management Working group meetings; jurisdiction interviews and follow-up; and several workshops. The goal of the 2018 Plan is to provide information and suggested actions to reduce flood risks throughout the watershed.

Below is a link to the full report

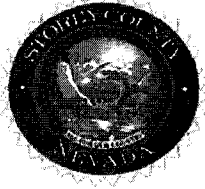
<http://www.cwsd.org/wp-content/uploads/2018/10/2018-10-18-RFMP-Bd-Approved-Final.pdf>

Due to size of appendices, it is provided on a separate link.

http://www.cwsd.org/wp-content/uploads/2018/10/2018-10-18-RFMP-Appendices-Final_Web.pdf

Floodplain Video Link: https://www.youtube.com/watch?v=ZGco3s6K_AY

(I will provide a copy on flash drive to Austin on 11/28/2018 at CWSD board meeting.)



Storey County Board of County Commissioners

Agenda Action Report

Meeting date: 12/04/18

Estimate of time required: 15 min.

Agenda: Consent ☒ Regular agenda ☐ Public hearing required ☐

1. **Title:** Discussion/Possible Action. Update to Storey County Administrative Policies and Procedures including Policy 040 Annual Department Budget Request, including amendments to the policy provisions and changing the policy title to Budgeting and Budget Requests.
2. **Recommended motion:** Based on the recommendation by staff and in conformance with the Storey County Administrative Policies and Procedures, I [commissioner] motion to approve updates to Storey County Administrative Policies and Procedures including Policy 040 Annual Department Budget Request, including amendments to the policy provisions and changing the policy title to Budgeting and Budget Requests.
3. **Prepared by:** Austin Osborne

Department: Human Resources

Telephone: 847-0968
4. **Staff summary:** The purpose of the Storey County Administrative Policies and Procedures is to establish authority to implement the personnel program on a consistent basis. The Policies and Procedures require that review and necessary updates occur every five years and otherwise as needed.

5. **Supporting materials:** Enclosed markup policy updates.

6. **Fiscal impact:** None on local government.

Funds Available:

Fund:

____ Comptroller

7. **Legal review required:**

____ District Attorney

8. **Reviewed by:**

 Department Head

Department Name:

____ County Manager

Other agency review: _____

9. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

STOREY COUNTY ADMINISTRATIVE
POLICIES AND PROCEDURES

NUMBER 040
EFFECTIVE DATE: 07-03-2012
REVISED: 12/04/18
AUTHORITY: BOC
COUNTY MANAGER: PAW

SUBJECT: ~~Annual Departmental Budget Request~~
Budgeting and Budget Requests

I. PURPOSE: To establish methods and procedures for the development, presentation, adoption, administration and evaluation of departmental budget requests and the county budget. To enable the county to make financial plans for both current and capital expenditure programs and to provide program priorities for the expenditure of public funds. To provide for the control of revenues and expenditures, in order to promote prudence and efficiency in the expenditure of public funds.

II. POLICY: ~~The County Manager or his designee~~ Comptroller is authorized to develop the annual budget for approval by the ~~Board of County Commissioners~~ board in accordance with the provisions of NRS ~~Chapter 354~~. NRS 354 and NAC 354.

III. PROCEDURES:

A. Development of Draft Budget:

1. ~~The County Manager or his designee shall obtain the information in such form as the County Manager or his designee may deem necessary or desirable for the budget preparation and development.~~ During the month of January of each year the Comptroller or his/her designee will notice the County Manager and department heads to develop a draft budget proposal for the following fiscal year. The County Manager and each department head will also be provided a schedule showing deadlines for draft budget submittals and resubmittals, tentative and final map hearings and submittals, and other important dates in the budget process for the year.
2. The Comptroller will convene a core budget team consisting of himself/herself, the County Manager, the Administrative Officer and/or Personnel Director, auditors and analysts from the Comptroller's and County Manager's office, and other person(s) as applicable and appropriate for each department and fund.
3. Each department head will develop a draft budget proposal for his/her department. By a deadline set by the Comptroller pursuant to paragraph (1), the department head will submit to him/her a department budget draft proposal for preliminary review.
4. Before submittal of the tentative budget to the board, the core budget team will meet with each department head for the purpose of reviewing each proposed department budget. Discussion will occur between the parties about projected revenues, anticipated expenses, and other matters potentially affecting the county budget and department budget during the coming fiscal year. Concerns and input from each member of the core budget team and the department head will be considered in formulating the tentative budget for the county and each

department. This process may be performed in one or more meetings with the department head.

5. The tentative budget will be provided to the entire core budget team at least 5 days before it is submitted to the board for consideration in order to allow sufficient time for the budget team to review and provide comment.

~~E. The County Manager or his designee shall meet with representatives of all county departments for the purpose of formulating the County Manager's budget recommendations to the;~~

~~F. Each department head is responsible for his representatives furnishing, in a timely fashion, the information the County Manager or his designee may deem necessary to achieve the purposes of this section.~~

B. Tentative and Final Budget Preparation, Noticing, and Hearing

1. The Comptroller will prepare for the board a draft tentative budget for the ensuing fiscal year. The tentative budget must be submitted to the County Manager and core budget team, and filed for public record and be inspected by the Storey County Clerk.
2. On or before April 15 of each year, the Comptroller will submit the tentative budget to the Nevada Department of Taxation.
3. The tentative and final budgets will be prepared, submitted, noticed, and considered by the board and the Nevada Department of Taxation as set forth in NRS 354 and NAC 354.

C. The adoption of the budget by the ~~Board of Commissioners~~ board is the approval of each construction project/capitol project included in the budget.

1. The County Manager or the Comptroller ~~or his designee~~ are authorized to cancel or substitute construction project/capitol project throughout the fiscal year.
2. Any department head wishing to initiate a new project or project change, not authorized in the budget as the same may be amended from time to time, must first obtain budget change approval from the Comptroller or County Manager or ~~his designee~~ prior to its commencement.

D. ~~Each Elected Official or Department Head~~ department head must remain familiar at all times with the budget balances of his/her department.

1. No ~~employee or supervisor~~ department head or employee may obligate the county to any expenditure of money not specifically budgeted without the express written authority of the County Manager and the ~~County~~ Comptroller.
2. No ~~official or employee~~ department head or employee may spend or obligate money in excess of the total budget appropriated for that department without the expressed written authority of the County Manager and the Comptroller.
3. For cost control, any item purchased over \$1,499.99, the ~~Elected Official or Department Head~~ department head must submit a Budget Request Form 040-F to the County Manager and ~~County~~ Comptroller for approval.

4. Expenditure from a budget other than the department's own may only be made with authorization from the County Manager ~~or his designee or~~ and the County Comptroller. ~~or the persons responsible for administering or supervising such other budget.~~

E. The County Comptroller shall on no less than a monthly basis, review each department's expenditures for conformity with the duly approved departmental budget. Exceptions or possible over-expenditures must be noted by the Comptroller with a copy to the County Manager.

F. The Comptroller will on a quarterly basis provide a summary standing of the county budget, including for revenues and expenditures, and for each department of the county, to the board in public hearing.

IV. Structurally Balanced Budget

A. The county will maintain a structurally balanced budget, where recurring revenues equal or exceed recurring expenditures. The county will balance recurring operating expenditures with recurring revenues reasonably expected to continue year to year.

B. Recurring expenditures are operating costs that are funded each year such as salaries, benefits, services, supplies, and asset maintenance costs. Non-recurring expenditures are on-time expenditures and one-time costs such as acquisitions or replacement of capital assets.

C. Property taxes are examples of recurring revenue, while settlements from lawsuits or certain grants are examples of non-recurring revenue.

D. Revenues that have both recurring and non-recurring components require judgement in determining how much of the source is truly recurring. For example, building permit revenues rise in a period of high growth in the community, but can be volatile as economic conditions change. The county will review its revenue portfolio to identify revenues with potentially volatile components and avoid over reliance on these revenue sources in its budget projections.

E. The county will maintain reserves at its desired policy levels. Using reserves to balance the budget may only be considered in the context of a plan to return to structural balance. The plan to return to structural balance must include a specific length of time for replenishing the fund balance and remediating the negative impact of any other short-term balancing actions that may be taken.

V. Pay-As-You-Go Budgeting

A. The county will conduct its operations from existing or foreseeable revenue sources. Achieving pay-as-you-go funding requires the following practices: current direct and indirect costs for operating and maintenance will be controlled and will be funded with current revenues. Sound revenue and expenditure forecasts will be prepared annually for all operating funds as part of budget discussions.

B. The county will prepare a full Cost Allocation and Recovery Plan, compliant with the Federal Office of Management and Budget (OMB) Circular A-87 annually to prove accurate and complete estimates of the indirect service costs. The Cost Allocation Plan will be updated annually during budget development.

C. Costs attributable to the mandates of other government agencies will be included in the annual budget.

VI. Budget Performance Reporting

A. The Comptroller will submit quarterly operating reports to the County Manager and board comparing actual revenues and expenditures with budgeted revenues and expenditures.

B. Where practical, the county will develop and employ performance measures to be included in the budget.

VII. Maintenance, Repair, and Replacement Goals

A. As a goal, all equipment replacement and maintenance needs for the next 5 years will be projected and the projection will be updated each year. A maintenance and replacement schedule based on this projection will be developed and potential funding sources identified.

B. Replacement of capital outlay items will be planned to increase efficiency and productivity considering the available funds. When possible, replacement plans will be timed as stable intervals so as not to spend excessively in one year and restrictively in the next.

VIII. Maintenance of Capital Assets

A. The budget should provide sufficient funds for the regular repair and maintenance of all county capital assets. The budget should not be balanced by deferring these expenditures.

B. Future maintenance needs for all new capital facilities will be identified during the capital improvement program process. Significant maintenance and operating cost increases or decreases will be reflected in the five-year financial plan.

IX. Personnel Services

A. The county will strive to pay competitive market rates for salaries, wages, and benefits to its employees. The funding of competitive market rates will be balanced against the county's ability to fund short- and long-term costs and to maintain quality public services.

B. The county will periodically conduct a comprehensive total compensation survey of public sector employees as necessary and this survey will be the basis for determining prevailing market rates. The compensation survey will focus on public agencies and employees that are similar to Storey County.

C. The county's workforce, measured in full-time-equivalent (FTE), will not fluctuate more than 3 percent annually without corresponding changes in program service level or scope.

D. In establishing pay rates, a cost analysis of rate increases will be conducted and will include the effect of such increases on the county's share of related fringe benefits and unfunded liabilities (including non-salary benefits).

E. Long-term costs of changes in benefits packages will be estimated and fully disclosed to the board before negotiated labor agreements are affirmed.

F. No new personnel should be included in the base budget.

X. **Services and Supplies**

A. In developing the annual operating budget, total department services and supplies budgets are not to increase from the current year's total adopted budget without valid justification.

XI. **Capital Outlay and Projects**

A. A capital outlay plan will be developed and will conform to Storey County policies and procedures.

XII. **Use of Interest on Investment Earnings**

A. The amount of interest on investment earnings fluctuates depending on both the interest rate and the amount invested. It is not advisable for the county to rely on this source of revenue to fund ongoing operations given the significant fluctuations in investment earnings. Therefore, the amount of investment earnings that may be budgeted to fund operations for the next fiscal year is limited to the estimated investment earnings that would be generated from the lowest interest rate and lowest investment amount in the preceding five fiscal years by fund. Any amount in excess can only be used to fund one-time purchases or placed in an appropriate reserve account for future on-time purchases.

XIII. **Budget Management**

The budget will be managed in accordance with Nevada Local Government Budget Act contained in NRS 354.470-354.626 and NAC 354.400-354.600.

A. **Manage budgets**

1. Department heads and elected officials will manage their budgets responsibly and will be accountable for compliance with NRS 354.626 requiring that no governing body or member thereof, officer, office, department, or agency within the county may, during any fiscal year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, in excess of the amount appropriated in the budget for that function, with the exception of bond repayments, medium-term obligation repayments and any other long-term contracts expressly authorized by law.

B. **Augmentations**

1. If anticipated resources actually available during a budget period exceed those estimated, the budget may be augmented. Budget augmentations to increase the appropriation of a fund when actual resources exceed those previously budgeted must be approved by a resolution of the board at a regularly scheduled meeting. Budget augmentations become effective upon filing of the resolution with the Department of Taxation. The Comptroller will present budget augmentations to the board for approval three times annually, or as necessary.

C. **Budget augmentations for grants-in-aid, gifts, or bequests**

1. Budget augmentations resulting from grants, gifts, or bequests previously approved by the board may be approved by department heads designated to administer the budget of that function.
- D. **Budget Amendments Due to Legislative Action**
1. An amended budget due to legislative actions to increase or decrease the revenues or expenditures of a local government not anticipated in the local government's final adopted budget may be filed with the state department of taxation within 30 days of adjournment of the legislative session.
- E. **Budget Transfer Within a Function**
1. Transfers within a function may be approved by the department head designated to administer the budget of that function upon consultation with the Comptroller.
- F. **Budget Transfers Between Functions, Funds, or Contingency Accounts**
1. Budget transfers between functions, funds, or contingency accounts will be approved by the board via resolution at a regularly scheduled meeting and recorded into the official minutes of the meeting.
- G. **Budget Appropriations**
1. Budget appropriations will lapse at the end of the fiscal year and will revert to the available balance of the fund from which appropriated per NRS 354.620. Exceptions include encumbered budget for carryover purchase orders and/or carryover projects.

RESPONSIBILITY FOR REVIEW: The County Manager or his/her designee will review this policy every 5 years or sooner as necessary.



Storey County Board of County Commissioners Agenda Action Report

Meeting date: December 4, 2018
minutes

Estimate of time required: 15

Agenda: Consent ☐ Regular agenda ☒ Public hearing required ☐

1. **Title:** Discussion/Possible Action to approve purchase of property from Virginia City Ventures Inc. of a parcel of real property identified as Lots 6, 7, and 8 of Block 210 Range H in Virginia City Nevada for the price of \$41,000.00

2. **Recommended motion:** I _____ move to approve the agreement for the purchase of real property from Virginia City Ventures Inc. located within Block 210 of Range H in Virginia City Nevada for the price of \$41,000.00

3. **Prepared by:** Keith Loomis

Department: District Attorney's Office

Telephone: 847-0964

4. **Staff summary:** The Virginia City Tourist Commission has had the subject property appraised by Sam Ward who determined that the appraised value of the property is \$41,000.00. The property is suitable for use in conjunction with the property used as fairgrounds within Virginia City. For this reason, the VCTC is asking that the County purchase the subject property.

5. **Supporting materials:** Agreement for the purchase of real property from Virginia City Ventures Inc. Sam Ward Appraisal.

6. **Fiscal impact:**

Funds Available:

Fund:

_____ Comptroller

7. **Legal review required:**

☒ District Attorney

8. **Reviewed by:**

_____ Department Head
_____ County Manager

Department Name: _____
Other agency review: _____

9. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

APPRAISAL REPORT

**OF
FOUR PROPERTIES
LOCATED IN THE VICINITY OF THE
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NEVADA**

**AS OF
July 26, 2018**

**PREPARED FOR
Mr. Deny Dotson, Tourism Director
Virginia City Tourism Commission (VCTC)
86 South C Street
Virginia City, NV 89440**

**BY
SAMUEL K. WARD
REAL ESTATE APPRAISERS/CONSULTANTS
106 EAST ADAMS STREET, SUITE 212
CARSON CITY, NEVADA 89706
18010B**

SAMUEL K. WARD • REAL ESTATE APPRAISERS/CONSULTANTS
106 E. ADAMS ST., SUITE 212 • CARSON CITY, NEVADA 89706
(775) 885-8822

August 8, 2018

Mr. Deny Dotson, Tourism Director
Virginia City Tourism Commission (VCTC)
86 South C Street
Virginia City, NV 89440

Re: Appraisal Report of four properties located in the Virginia City Fairgrounds area of
Virginia City, Nevada

Dear Mr. Dotson:

As you requested, I have completed an investigation and analysis of the above referenced properties in order to estimate their current Market Value as a basis for negotiating the sale of the properties to Storey County.

The following report provides a description of each property and presents a review of all pertinent data analyzed in forming the final estimates of value. A fee simple ownership is presumed.

Based on my investigation and analysis, it is my opinion that the Market Value of the properties as of July 26, 2018, the last date of inspection and effective date of the appraisal, were as follows:

VC Holdings - 4.54-acre parcel	\$445,000
VC Ventures - .34-acre parcel	\$ 41,000
Richard Correll - Warehouse property	\$ 97,000
Mark Charlton - .16-acre parcel	\$ 21,000

Sincerely,



Samuel K. Ward,
Nevada Certified General Appraiser No. 00123

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Addenda

Appraiser's Qualifications

INTENDED USER AND USE OF THE APPRAISAL

This appraisal is being prepared for use by the Storey County, the Virginia City Tourism Commission and the current property owner's for use in determining the fair market value of each property as a basis in negotiating the sale of each property to Storey County.

DEFINITION OF MARKET VALUE

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a) buyer and seller are typically motivated;
- b) both parties are well informed or well advised, and each acting in what he considers his own best interest;
- c) a reasonable time is allowed for exposure in the open market;
- d) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

PROPERTY RIGHTS APPRAISED

The property rights in this appraised are the fee simple ownership assuming no indebtedness against each property.

EFFECTIVE DATE OF VALUATION

The estimate of value applies as of July 26, 2018, the last date of inspection. The report date is August 8, 2018.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

In preparing this appraisal, I

- inspected each property and improvements;
- gathered and analyzed local economic and demographic data and searched county data and MLS data for sales and listings of comparable properties in the area; and
- applied the Sales Comparison Approach in estimating the final value for each property.

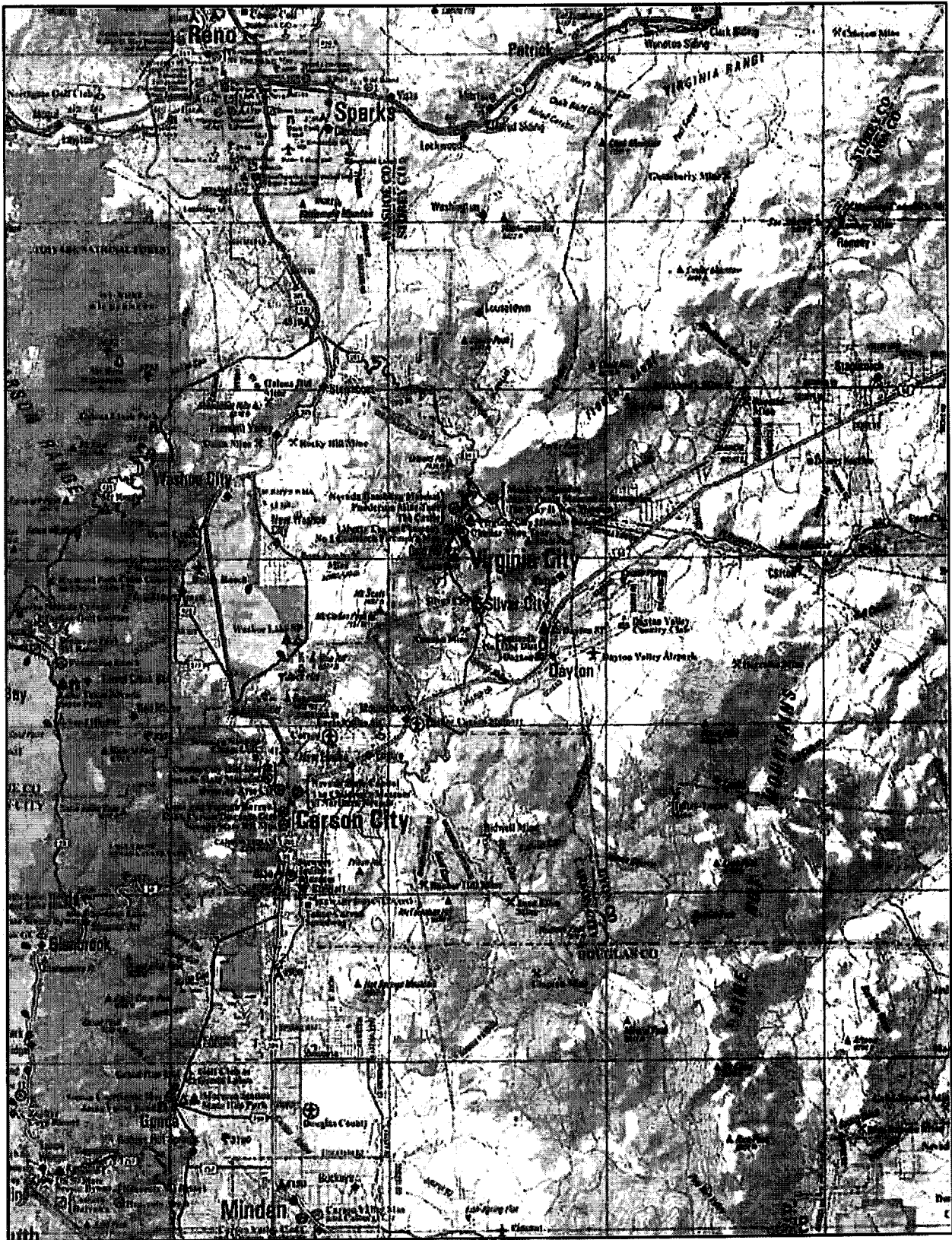
¹(Ref.: Federal Home Loan Bank Board)

CONTINGENT AND LIMITING CONDITIONS

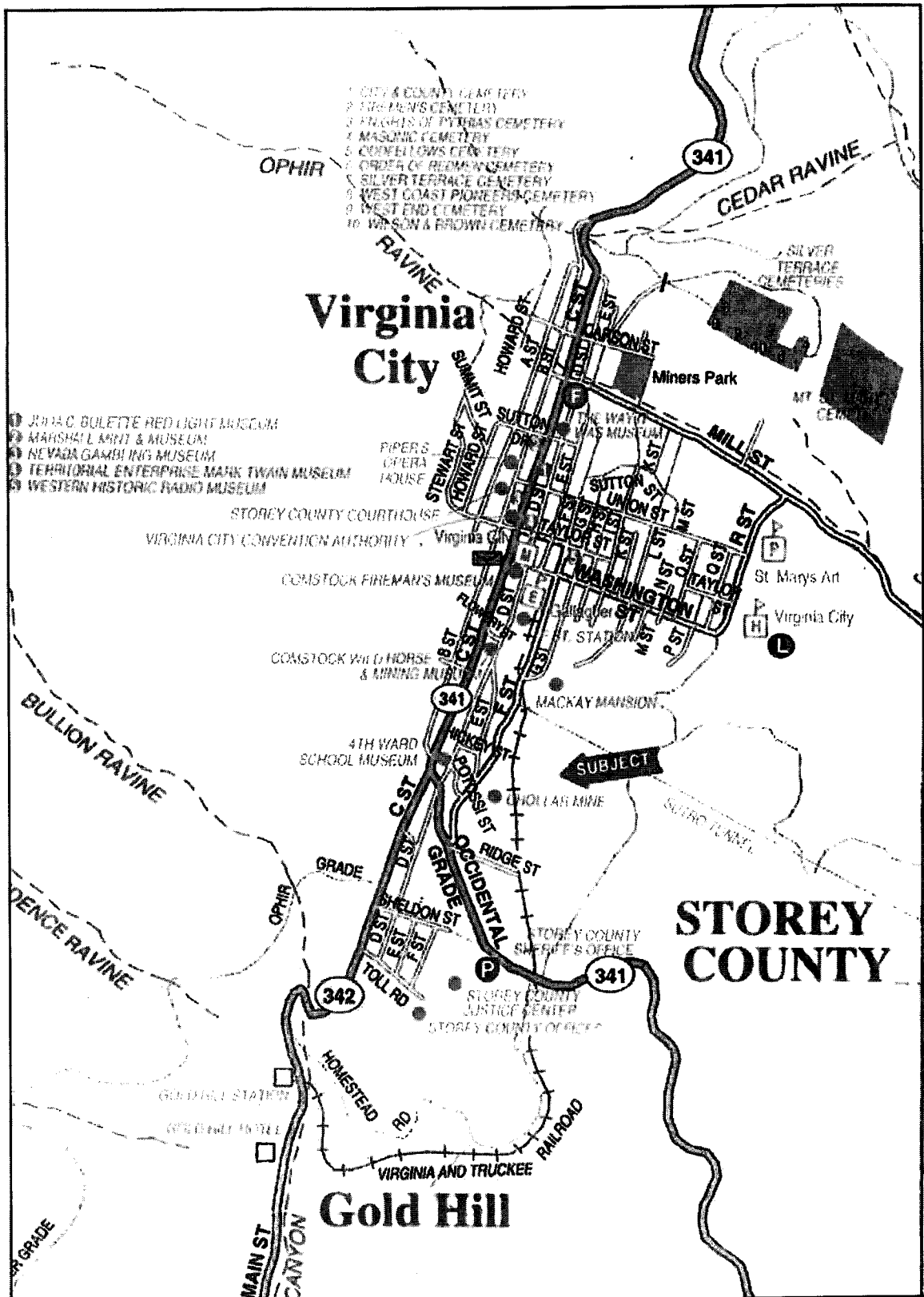
This appraisal report and the valuation reported herein are made subject to the following assumptions and limiting conditions.

1. I have conducted an analysis in the form of an appraisal report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice reporting options. As such, much of the discussion of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value are not reported herein. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and is for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto. Title to the property is assumed to be marketable.
3. Estimates, data, and opinions furnished by informed persons are believed to be correct and reliable but are not guaranteed.
4. This appraisal is to be considered in its entirety. The distribution of land and improvements applies only under current land utilization and is invalid under any other use.
5. The appraiser is not required to give testimony or appear in court because of having made this appraisal unless arrangements have been previously made.
6. It is assumed the property will be under competent management and that reasonable maintenance will prevail.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors.
8. No survey of the property was made. All maps and sketches in the report are made for illustrative purposes and are submitted to assist the reader in visualizing the property.
9. Neither all, nor any part of the contents of this report or copy thereof, shall be used for any purpose by anyone but the client without the previous written consent of the appraiser and/or client; nor through advertising, public relations, news, sales, or other media without the written consent and approval of the author, regarding valuation conclusions, reveal the identity of the appraiser, or a firm with which he is connected, or make any reference to any professional society or institute with which he is affiliated.

REGIONAL MAP



VIRGINIA CITY MAP



VIRGINIA CITY AREA DATA

Virginia City, the county seat of Storey County, is a historic mining town listed as a national historic landmark. In its heyday as a mining town in the 1860s, Virginia City was home to over 30,000 people. According to the 2010 estimates by the Nevada State Demographer's Office, Virginia City has a population today of 998 and listed the number of people in Storey County at 4,234. The majority of the population is located in Virginia City, Gold Hill, and Silver City with smaller populations in the Virginia Highland development north of Virginia City as well as the extreme northern portions of the Mark Twain area of Dayton Valley and the community of Stagecoach.

State Highway 341, which connects Virginia City to Reno and Carson City, is the primary thoroughfare through town, where it is known as "C" Street. C Street is developed with over sixty gift shops, plus numerous restaurants and historic saloons. Other tourist attractions include some historic mansions, the Chollar mine office, the Fourth Ward School House, three historic churches, Piper's Opera House and the V & T Railroad, which makes several runs per day from April through October over a short distance to Gold Hill. The V&T Railroad also runs from Moundhouse which is five miles east of Carson City, to Virginia City with service from Memorial Day through October every Friday, Saturday and Sunday with a three hour layover in Virginia City. In addition, several small museums are housed in stores or saloons on "C" Street, including several gift shops and jewelry shops. There are two convenience markets, a public library, one gas station and a post office in the community, plus a landing pad for care-flight service to Renown Regional Hospital in Reno.

The economy of Virginia City is centered on tourism, which accounts for about 90% of the economic base of the town; it is estimated that over two million visitors come to Virginia City every year. Although most tourists are day-trippers who arrive by car or bus, construction of the Silverland Inn (formerly Ramada Hotel) completed in August of 2006, does offer overnight lodging. The hotel has 68 rooms available and it's location near the former Virginia & Truckee railroad route provides modern amenities while maintaining the Victorian style that is prevalent in Virginia City.

It is noted that since there are no major shopping stores or grocery stores in the area, and because of its altitude (6,200') and windy roads to the community, plus the fact there is a limited amount of water available for future development, there is very little new construction in Virginia City.

NEIGHBORHOOD DESCRIPTION

The four subject properties are all located in the area of the Storey County Fair Grounds or in the southwest quadrant of Virginia City which was in the past an area with a large mine dump of material taken from mines in the immediate area. However, several years ago one of the mining companies who owned the land, leveled the ground which is now an area of approximately 15 - 20 acre that is used as the Storey County Fair Grounds and Events Center. Much of the land outside the platted but undeveloped streets is privately owned by several individuals or entities and is leased to the county. Access is via F Street with a railroad crossing just south of Flowery Street. The area is predominantly zoned light industrial but there has been no new development in the area except for one small privately owned metal storage building and of course the uses of the area for the Virginia City Fairgrounds and Events Center. Utilities are extended along F Street to the west and along Flowery Street to the north. Power is available in the area. Extensions may have to be made to bring utilities to each site, depending on what type of development may some day be proposed for the sites; albeit, there are immediate plans to run a sewer line through the area.

Trend

The neighborhood is stable but is gradually improving as the access into the fairgrounds is being improved and utilities are being brought into the area.

**VIRGINIA CITY HOLDINGS, LLC 4.54-ACRE SITE
LOCATED BETWEEN H & K STREETS & SILVER STREET
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NV
PROPERTY IDENTIFICATION**

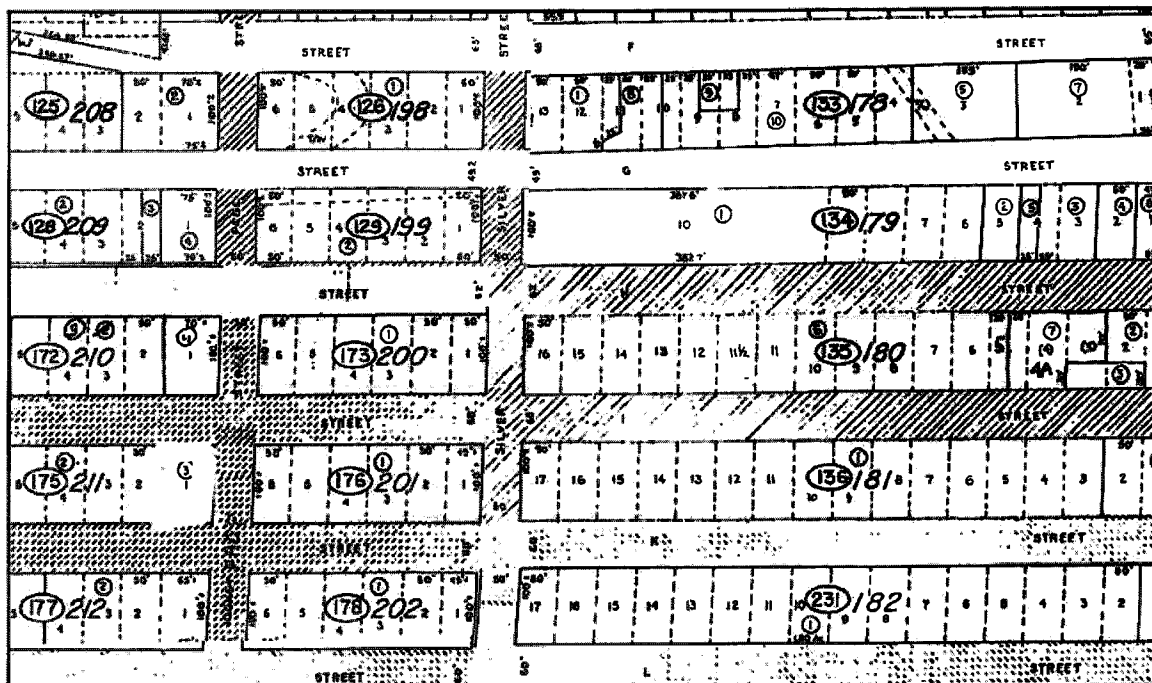
Address and Location - The subject property consists of four non-contiguous parcels located on both sides of I Street between Page Street and Flowery Street in the southeast quadrant of Virginia City in an industrial area currently used as the Virginia City Fairgrounds and Events Center because of its level terrain. The undeveloped streets in the old plat of Virginia City separate the sites but these right of ways probably would be abandoned if the sites were developed as one parcel.

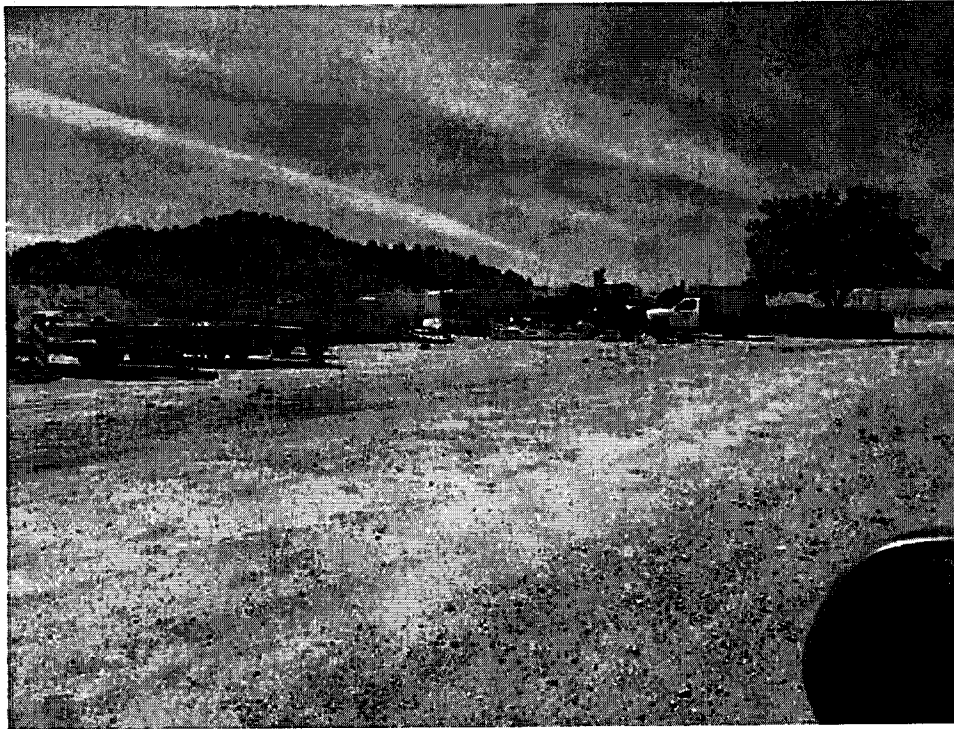
Legal Description - A complete legal description was not available to the appraiser. The sites may briefly be described as Lots 6-16 and the south half of Lot 5 Block 180; Lots 3 - 17 Block 181; Lots 1 - 6 Block 200, and Lots 1 - 6 Block 201, Range H, Virginia City, Nevada. The parcels are also listed by the Storey County Assessor as Assessor's Parcel Numbers (APNs) 001-135-06; 001-136-01; 001-173-01 and 001-176-01

Owner of Record - Virginia City Holdings, LLC

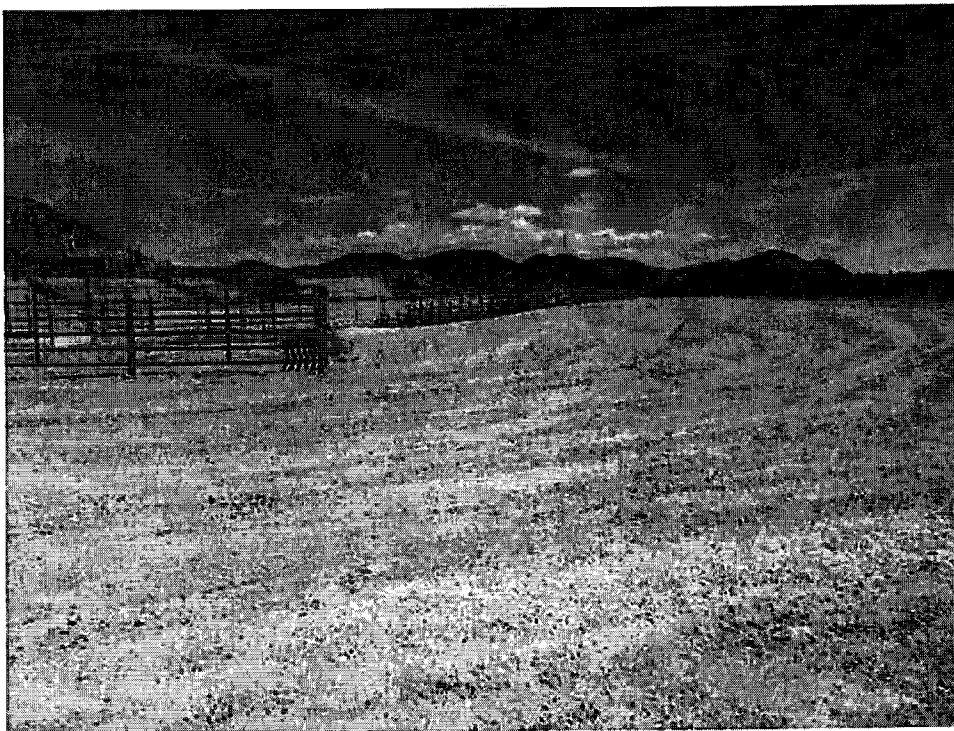
Ownership History - The property has been under the same ownership for over 10 years and to the knowledge of the appraiser it has never been offered for sale since it was last purchased.

SITE MAP



SUBJECT PHOTOS

View of the site
looking south
from near the
north end



View of the site
looking north from
near the south end

AERIAL SITE MAP



SITE DATA

Location

The subject site or sites (they are all non-contiguous with the platted streets not in but presumed to be abandoned if the site is ever developed) and are all located between H Street and K Street north of Page Street and south of Flowery Street in the southeast section of Virginia City in an industrial zoned area currently leased to Storey County as the Virginia City Fairground and Events Center.

Dimensions, Area and Shape

The parcels vary in size from (15), 50' x 100' lots to (6), 50' x 100' lots; albeit, they have never been developed and for the most part are zoned industrial, so the fact they are part of the original plat of Virginia City, has no relevance in this instance. The total land area for all the lots is 4.54 acres plus the use of the streets in between the parcels which have never been developed and should probably be available for use if the parcels are development as one site.

Topography & Drainage

The grade in the vicinity of the subject site generally level on the north end and south ends with a grade change near the middle. The site is part of a large dump dirt excavated from the old mines in the area that was leveled and terraced and compacted several years ago.

Soils and Subsoils

No soil report was made available to this appraiser. The soils in the area appear to be a rocky, sandy, gravel type compacted soil which is "dump" material from the adjoining mines that operated in the area over 100 years ago. Several years ago the large pile of dump dirt that overburdened the site was leveled, compacted and is currently mostly leased to the Storey County for a nominal fee and operated as the Virginia City Fairgrounds and Events Center. It is noted there are many miles of mining tunnels under the city that were dug in the later 1800s during the search for gold and silver ore in the area but there is no evidence of settling under the subject site now.

Availability and Description of Utilities

Storey County provides water and sewer service in the area. Virginia City and Gold Hill get their potable water from Marlette Lake in the Sierras via a pipeline. There is limited water available for new development with new service on an allocation basis. Electricity is provided by NV Energy and telephone service is provided by AT&T; albeit, it was not determined if there are water and sewer lines or electricity in the immediate area as it was never developed but there is a sewer line proposed to the south of the subject property. There is no natural gas to the town; instead, residents and businesses use propane, augmented by wood stoves or fireplaces.

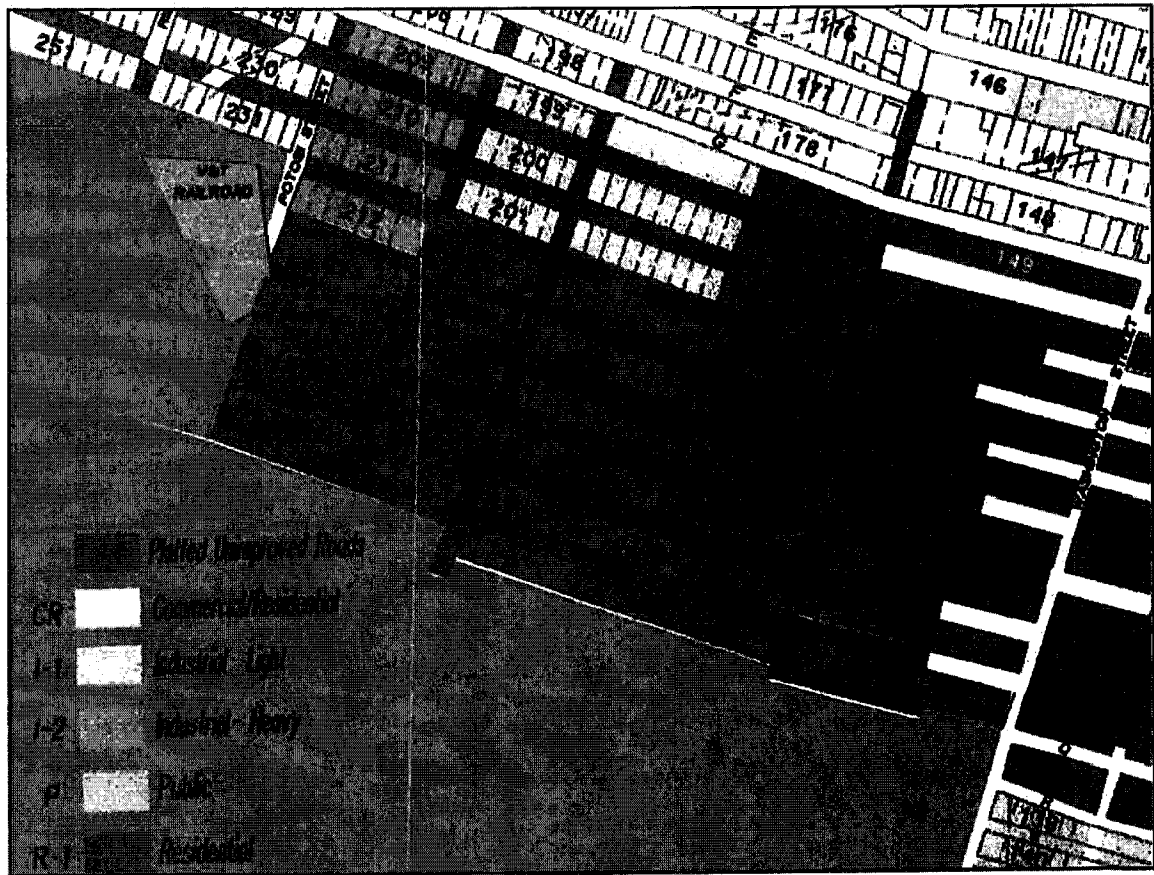
Street Improvements and Access

There are no street improvements in the immediate area, even though the streets are platted they were never physically laid out or improved, so the street right of ways can probably be abandoned and used for development of the subject sites; there are no known plans to install any streets and utilities, except for sewer service, in the immediate area, except for a roadway east off of F Street which goes into the general area.

Zoning

The lots in Blocks 200 and 201 are zoned L-1 or light industrial and the zoning in Blocks 180 and 181 have split zoning with the south half of these two blocks zoned L-1 and the eastern half R-1 or residential. Any development of the lots would require a design review and most likely any public or private development would be approved if consistent with the desires of the governing bodies and local residents. The zoning map below shows the current zoning of the parcels. Note the subject parcels are in Blocks 180, 181, 200 and 201.

Zoning Map



Assessments and Taxes

The sites are identified by the Storey County Assessor's Office as parcel numbers 01-135-06; 136-01; 173-01 and 175-01. In Nevada the assessed value is 35% of the assessor's fair market value estimate. In actual practice land values based on the assessor's estimate of fair market value and improvement value are based on replacement cost new less 1.5% per year for depreciation down to a minimum of 25% of the estimated replacement cost and land value is based on the assessor's estimate of its fair market value. The 2017/18 tax rate in the area is \$3.4607 per \$100 of assessed value. According to the Storey County Assessors Office the assessed values, taxes, and market values for the sites are as shown on the following page:

APN	Assessed Value	Taxes	Mkt. Vale	Size - acres
01-135-06	\$7,065	\$244.50	\$20,186	1.45
01-136-01	\$13,748	\$266.80	\$39,280	1.72
01-173-01	\$7,710	\$149.61	\$22,029	0.69
01-176-01	\$3,722	\$244.50	\$10,634	0.68
TOTAL	\$32,245	\$905.41	\$92,129	4.54

HIGHEST AND BEST USE

Highest and best use is defined as that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal.

There are four criteria which must be met in the analysis of highest and best use for both land that is vacant and property that is improved. The highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Generally, these criteria are analyzed in the preceding sequence because if a property fails any one of the criteria, the subsequent criteria are irrelevant to the analysis.

Physically, the sites are considered one parcel and are a rectangular shaped. The parcel is larger than most sites in the area but this is not considered a detriment to the property.

Legally, the site is zoned L-1, Light Industrial, and R-1, Residential, which is mixed zoning but given the general development in the immediate area as an events center, the L-1 zoning would have precedence in this instance and the need for a public use or private use as say an RV park would probably be an acceptable use of the property.

Some of the financial beneficial uses would be those that meet the needs of the community as an events center in combination with an RV park.

Right now the cost of money is still fairly low historically and there is demand in the community for a fairgrounds and events center and for an RV park, so given these facts, a mixed use of the site for a fair grounds and events center along a smaller RV would appear to result in the highest and best use of the property. The financial feasibility is tested by the alternative of buying an existing property for less than it costs to build a comparable property with the same utility or renting a property with the same utility for less than it costs to build or own a similar property. Because there are no other large, generally level sites in the area available or for sale right now with the same utility as the subject site, the only alternative is buy or develop the subject property.

The next test for what use would be the maximally most productive use of the sites. The maximally most productive use of the site would be appear to be to assemble the sites as a single parcel and seek abandonment of the platted but never built streets and possibly join this parcel with adjoining sites to create a large enough parcel to accommodate a fair grounds and events

center and/or an smaller RV park in combination with development into a fairgrounds events center.

Easements and Encroachments

No title report was available for review by the appraiser but it does not appear there are any physical easements or encroachments that would adversely affect the subject property.

Surrounding Land Use

The subject is bordered on the south open vacant hilly industrial land, to the east by a ravine, to the north by vacant parcels and a few modest homes and to the west by the V&T Railroad tracks. None of the surrounding uses are considered detrimental to the subject property and there were no conditions noted in the neighborhood that would adversely affect the subject property. In conclusion, the subject property is considered a good site for assemblage and development as it is part of the only larger almost level site in the community.

VALUATION

Normally, an appraiser has three methods of estimating the value of a property. These are known as the Cost Approach, the Sales Comparison Approach, and the Income Approach. In the appraisal of this property only the Sales Comparison using comparable land sales will be used.

SALE COMPARISON APPROACH

The Sales Comparison Approach is a technique in which the market value estimate is predicated upon prices paid in actual market transactions or current listings, the former fixing the lower limit of value in a static or advancing market (price-wise) and fixing the higher limit of value in a declining market, and the latter fixing the higher limit of value in any market. The sales listed in the tabular chart on the following page have been investigated, analyzed and compared to the subject on a price per square foot of first floor area.

Land Sales

A search was conducted for comparable land sales and listings in the area and only four comparable sales were noted that were considered acceptable in estimating the value of the subject site. The sales were investigated, analyzed and compared to the subject property on a price per acre basis. Factors that affect value include the motivation of the buyer and seller or conditions of the sale, market conditions at the time of sale (time), location and access, size, shape and utility, zoning, and availability of utilities and whether or not there were any improvements included in the sale. Any other factors that might affect value were also considered. Due to lack of sales in the area and insufficient data to use paired sales for the factors affecting value, subjective percentage adjustments in 5% increments were used to recognize clear superiority or inferiority of a characteristic of each sale in comparison to the subject site. On the following page is a Land Sales Chart showing the salient facts regarding each comparable followed by a discussion, analysis and adjustment grid.

LAND SALES CHART

Sale No	APN # Location	Sale Price Sale Date	Land Area Zoning	Price/ Sq.Ft.	Comment
1	001-173-01, 02, 07, 12, 17, 19-21 220-289 S. C St.	\$200,000 * 7/28/2017	1.78 ac C2	\$2.58	Steep lots, w/2 old rentals on prop. * Net s/p - \$80,000 for imprvmnts.
2	01-133-07 316 So. G St.	\$45,000 10/17/2017	.43 ac CR	\$2.40	Corner lot with streets on east and west sides, not parceled but util. available.
3	01-127-03 646 So. H St.	\$15,000 12/08/2016	.17 ac CR	\$2.03	Inside lot, steep parcel, on paved st.
4	01-121-02 660 S. F St.	\$70,000 07/11/2018	.5632 CR	\$2.85	Corner lot, gentle slope, paved st., view
Subj.	01-135-06; 136-01; 173-01; 176-01 Both sides of I St. bet. Page St & Flowery St.	N/A	4.54 ac G-I		Level lots with mixed zoning no St. imprvmnts. Util. ext. req.

Location Map



Discussion and Analysis

Sale 1 is a multi-parcel sale of eight separate but contiguous sites, including two with old homes on them which have marginal value estimated at \$40,000 each, leaving a net land value of \$200,000. The property is on C Street which has good exposure but the lots have a fairly steep downslope from the highway and will be difficult to develop. This was an all cash sale through a Realtor at close to the listing price. This sale needs no adjustment for conditions of the sale or for time but should be adjusted downward for its location on a prominent street with a view and availability of utilities. This sale needs a downward adjustment for size as all else being equal, smaller parcels tend to sell for less than larger parcels. It should be adjusted upward for the considerable slope and the difficulty that will be encountered in developing the lots. No adjustment is considered required for zoning.

Sale 2 is a single parcel with paved streets and utilities on two sides. The terrain is sloping but the parcel is buildable without too much development expense. This was an all cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. This sale needs a downward adjustment for size as all else being equal, smaller lots typically sell for more per square foot than larger lots like the subject. The location is superior to the subject because the area is more homogeneous and developed. The terrain is sloping, so it will require some expense to develop the parcel but this is offset that it is on an existing road. No adjustment is considered required for zoning.

Sale 3 is a small single parcel sale with paved street on one side but is very steep. This was a cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is considered comparable to the subject but it is on a paved street with utilities available. This sale needs a considerable downward adjustment for size as all else being equal, smaller lots typically sell for more per square foot than larger lots like the subject. The terrain is sloping, so it will require some expense to develop the parcel.

Sale 4 is a very recent sale of a parcel located southwest of the subject a short distance. It has a gentle down slope from F Street which encroaches into the parcel somewhat and lowers the net usable area of the site. There is power and water available to the site but sewer is about 400'. The buyer has plans for a storage shed on the property and eventually a home. This was a cash sale. The location and access are superior to the subject and it has a good territorial view. This site needs a considerable downward adjustment for size as all else being equal, smaller sites typically sell for less per unit value than larger sites like the subject. The site is rectangular but the street encroached in to the site lower its net usable area or utility. Development expense would be comparable to the subject except it is on a paved road and the subject parcel will require some road construction.

Below is a discussion of the factors affecting value, followed by an adjustment grid.

Financing and Conditions of the Sale

All the sales are considered open market transactions, so no adjustment is required for this category.

Market Conditions (time)

No time adjustment is considered necessary for the sales as they are fairly recent.

Location and Access

The subject is in an area where there are no street improvements but there is access into the general area without assemblage with adjoining parcels, streets will have to be improved to the subject property; likewise utilities. Sale 1 is on C Street which has good access and exposer and streets and utilities are available. Sales 2 has paved streets and utilities available. Sale 3 is on a paved road with all utilities available and Sale 4 is on a paved street with utilities available but sewer.

Lot Size

All the lots are smaller than the subject, so they will require downward adjustments for size as all else being equal, smaller parcels sell for more per square foot than larger parcels.

Use or Zoning

No adjustment is made for this category as the uses and zoning for all the sales are compatible with each other.

Terrain

Sale 1 has moderately steep down slope from the street and Sale 3 also has a fairly steep slope which will increase development costs for both parcels but the subject, though level needs street and utility extensions to the site. Sales 2 and 4 has a gentle downslopes from the the street with little development expense involved,

On the following page is an adjustment grid showing the relative percentage adjustments to the comparable sales for the various categories that affect value on a price per square foot basis.

ADJUSTMENT GRID					
Sale	Subject	1	2	3	4
Location	Both sides of I St. bet. Page St & Flowery St.	220-289 S. C St.	316 S. G St.	646 So. H St.	660 So. F St.
Sale/ Price		\$200,000 *	\$45,000	\$15,000	\$70,000
Sale Date		7/28/2017	10/17/2017	12/08/2016	07/11/2018
Size (AC)	4.54	1.78	0.43	0.17	0.56
Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Time Adj.		0%	5%	0%	0%
Cond. Of Sale		0%	0%	0%	0%
Adj. Price/SF		\$2.58	\$2.52	\$2.03	\$2.85
Adjustments					
Location/ Access		-5%	-5%	0%	-5%
Size		-10%	-10%	-15%	-10%
Shape/Utility		5%	0%	-5%	5%
Dev. Expense		0%	-5%	10%	-5%
Zoning		0%	0%	0%	0%
Other		0%	0%	0%	0%
Total Adj.		-10%	-20%	-10%	-15%
Adjusted \$/SF		\$2.32	\$2.02	\$1.82	\$2.43

* adj. for improvements

With adjustments the price per square foot ranges from \$2.02/SF to \$2.43/SF with the arithmetic average of the sales \$2.15/SF and the median is \$2.17/SF. Sale 1 is the least comparable except for size as it is on main street but has a steep downslope from the street. Sale 2 is the most similar overall in location and but requires a downward adjustment for size and for the better location on paved streets with utilities available. Sale 3 is has a steep slope but is on a paved street with utilities available but is much smaller than the subject. Sale 4 is a very recent sale and is a superior lot with better frontage on a paved street. With the most weight to Sale 2 and 4, and some consideration to the mean and median values, the final value is supported at \$2.25/SF for a value indication of the subject property of:

$$4.54 \text{ acres (197,762 SF)} \times \$2.25/\text{SF} = \$444,964, \text{ rounded to } \$445,000$$

RECONCILIATION AND FINAL CONCLUSION OF VALUE

INDICATED VALUE BY SALES COMPARISON APPROACH: \$445,000

The Cost Approach and the Income Approach are not considered relevant when valuing a vacant site like the subject and therefore were not used.

The Sales Comparison Approach is used by Realtors® and by buyers and sellers as well. Through the common unit of comparison, namely the price per square foot basis for the land area, sales can be compared to the subject property and a meaningful value range formed if proper recognition is given to the factors affecting value. With adjustments to the sales for the factors affecting value, there is good support for the final value indication by this approach.

After considering all the factors and information contained in this report, it is the opinion of the appraiser that the Market Value of the subject property is supported at \$445,000.

Exposure Time and Marketing Time

Based on a discussion with a discussion with an industrial broker in the area and observation of the marketing time of the sales, it is estimated that at the appraised value the exposure time would be from three months to one year and without any evidence to the contrary, the marketing time in the future is expected to be the same, or from three months to one year at the appraised value.

**VIRGINIA CITY VENTURES, INC. .34-ACRE SITE
LOCATED BETWEEN H & I STREETS
AND POTOSI AND PAGE STREETS
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NV**

PROPERTY IDENTIFICATION

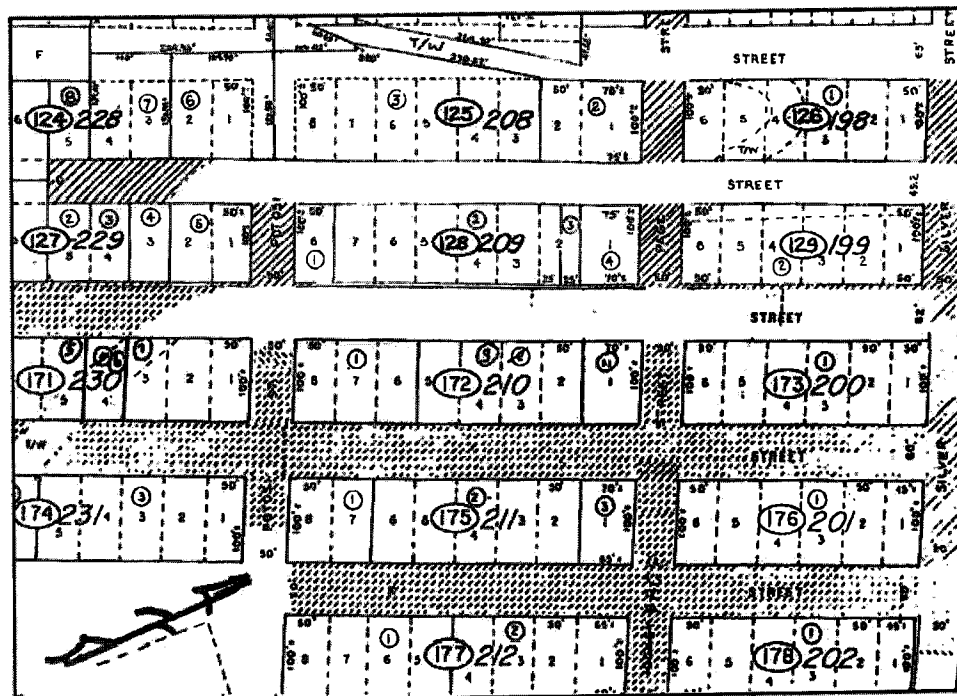
Address and Location - The subject site is a rectangular parcel located on the north side of Potosi Street between H Street and I Street in the southeast quadrant of Virginia City in an industrial area currently used as the Virginia City Fairgrounds and Events Center because of its level terrain.

Legal Description - A complete legal description was not available to the appraiser. The site may briefly be described as Lots 6, 7 and 8 Block 210, Range H, Virginia City, Nevada. The parcel is also listed by the Storey County Assessor as Assessor's Parcel Number (APN) 001-172-01.

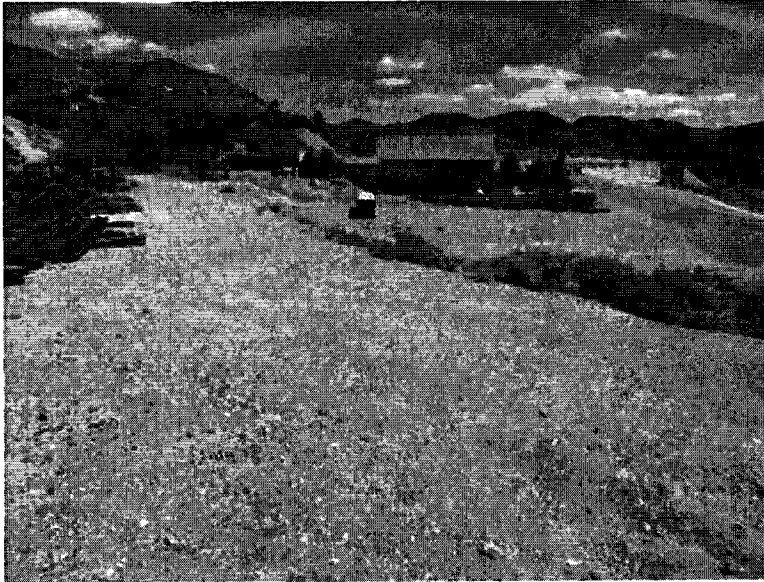
Owner of Record - Virginia City Ventures, Inc.

Ownership History - The property has been under the same ownership for over 10 years and to the knowledge of the appraiser it has never been offered for sale since it was last purchased.

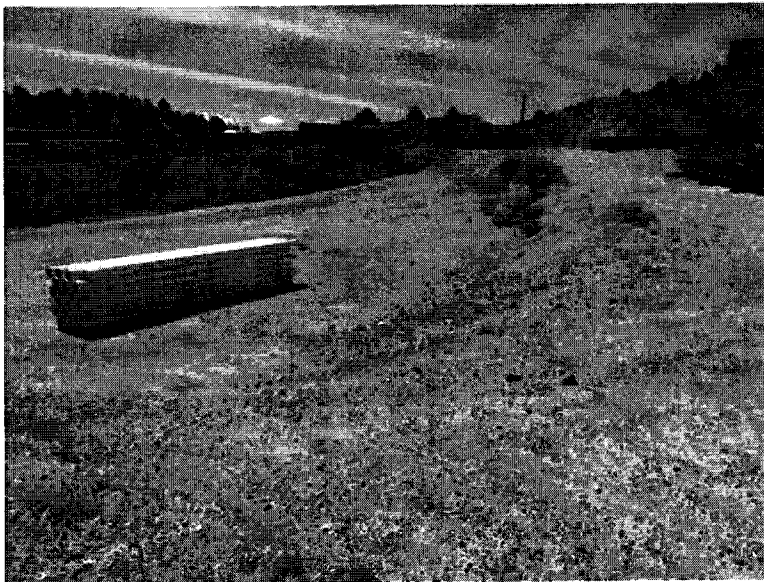
SITE MAP



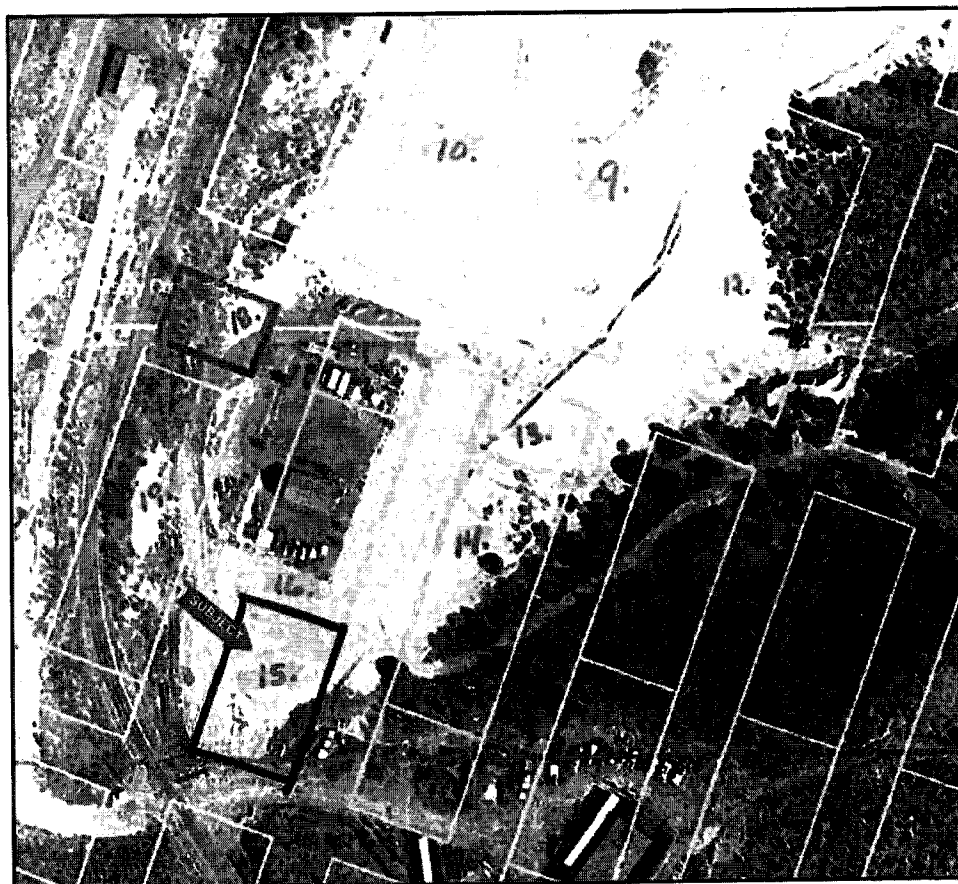
SUBJECT PHOTOS



View of the site looking north with subject site in foreground before the building, note roadway easement over the subject site.



View of the site looking south with easement access over the south portion of the site

AERIAL SITE MAP**SITE DATA****Location**

The subject site is located on the north side of Potosi Street between H and I Streets in the southeast section of Virginia City in an industrial zoned area currently leased to Storey County as part of the Virginia City Fairground and Events Center.

Dimensions, Area and Shape

The parcel is rectangular measuring 100' x 150' with a total land area of .34 of one acre or 15,000 square feet. The parcel has legal access but the street have not been improved.

Topography & Drainage

The grade in the vicinity of the subject site is generally level near the north end and slopes up some toward the south end. The property was a mine dump area excavated from the old mines in the area but was leveled and compacted several years ago.

Soils and Subsoils

No soil report was made available to this appraiser. The soils in the area appear a rocky, sandy, gravelly type soil which are "dump" material from the adjoining mines that operated in the area over 100 years ago. Several years ago the large pile of dump dirt was leveled and compacted and currently most of the area is leased to the Storey County and operated as the Virginia City

Fairgrounds and Events Center. There are many miles of mining tunnels under the city that were dug in the later 1800s during the search for gold and silver ore but there is no evidence of settling under the subject site now.

Availability and Description of Utilities

Storey County provides water and sewer service in the area. Virginia City and Gold Hill get their potable water from Marlette Lake in the Sierras via a pipeline and there is limited water available for new development with new service on an allocation basis. Electricity is provided by NV Energy and telephone service is provided by AT&T; albeit, it was not determined if there is water or power in the immediate in the area but a sewer line is proposed to go near the site.

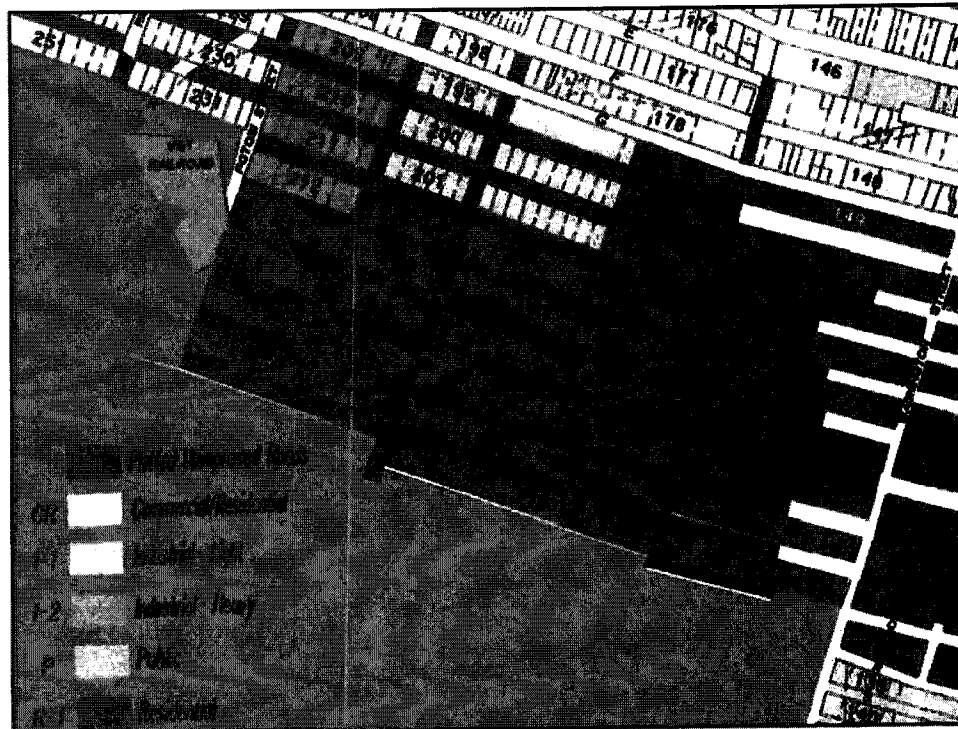
Street Improvements and Access

Even though the streets are platted, they were never improved. Depending on development in the area, the streets could be abandoned; albeit, the subject site would still need access which is currently has from a roadway into the area.

Zoning

The lots in Block 210, including the subject site are zoned Industrial I-2 or heavy industrial. Any development of the lot would require a design review and most likely any public or private development would be approved if consistent with the desires of the governing bodies and local residents. The zoning map below shows the current zoning for the parcel. Again, note the subject parcel is at the west end of Blocks 210.

Zoning Map



Assessments and Taxes

The site is identified by the Storey County Assessor's Office as parcel number 01-172-01. According to the Storey County Assessors Office the assessed values, taxes, and market values for the site are as follows:

APN	Assessed Value	Taxes	Mkt. Vale	Size - acres
01-172-01	\$2,102	\$72.74	\$6,006	0.34

Easements and Encroachments

No title report was available for review by the appraiser but it does not appear there are any physical easements or encroachments that would adversely affect the subject property other than the roadway easements over the south portion of the site. Access is proscriptive as the roads in the area do not follow the old platted roads; again, it does appear the access roadway encroaches into the subject site (see Aerial Map). Access is presumed to be legal.

Surrounding Land Use

The subject is bordered on the south by a roadway into the old V&T Railroad work shop and then open vacant hilly industrial land with considerable mine dump in the area. There is a ravine to the east and a moderate up slope to the west past the access road. The V&T railroad tracks are to the west of the access road and to the north is a small warehouse and storage lot. None of the surrounding uses are considered detrimental to the subject property and there were no conditions noted in the neighborhood that would adversely affect the subject property except the roadway to the adjoining property encroaches into the subject site. In conclusion, the subject site is considered a good site for assembled because it is part of the only larger almost level site in the community.

HIGHEST AND BEST USE

Highest and best use is defined as that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal.

There are four criteria which must be met in the analysis of highest and best use for both land that is vacant and property that is improved. The highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Generally, these criteria are analyzed in the preceding sequence because if a property fails any one of the criteria, the subsequent criteria are irrelevant to the analysis.

Physically, the site is rectangular platted lots with unimproved street right of ways on three sides and a proscriptive roadway in from the south that is presumed to be legal access to the site. The site is smaller than most other sites in the area but this is not considered a detriment to the property.

Legally, the site is zoned L-2, Heavy Industrial but most other land in the area is zoned L-1 or Light Industrial. In any case, the subject's zoning would probably not be adhered to as any development plan for the area would allow a variance for this parcel to some sort of commercial or quasi-public use such as a park, events center or assemblage of the parcel with surrounding parcels for a larger plan for the area instead of just for this parcel.

The maximally most productive use of the site would appear to be to assemble it with adjoining parcels and seek abandonment of the platted lots in the area that were never developed, so as to create a large enough parcel to accommodate a fair grounds and events center and/or an smaller RV park.

VALUATION

Normally, an appraiser has three methods of estimating the value of a property. These are known as the Cost Approach, the Sales Comparison Approach, and the Income Approach. In this appraisal, only the Sales Comparison using comparable land sales will be used.

A search was conducted for sales and listings of similar sites in the area. The four most comparable sales have been researched and analyzed and compared to the subject on a price per square foot basis which is the typical unit of comparison for this type of property used by market participants.

Factors that affect value include the motivation of the buyer and seller or conditions of the sale, market conditions at the time of sale (time), location and access, size, shape and utility, zoning, and availability of utilities and whether or not there were any improvements included in the sale. Any other factors that might affect value were also considered. Due to lack of sales in the area and insufficient data to use paired sales for the factors affecting value, subjective percentage adjustments in 5% increments were used to recognize clear superiority or inferiority of a characteristic of each sale in comparison to the subject site.

On the following page is a Land Sales Chart showing the salient facts regarding each comparable followed by a discussion, analysis and adjustment grid.

LAND SALES CHART

Sale No	APN # Location	Sale Price Sale Date	Land Area Zoning	Price/ Sq.Ft.	Comment
1	001-173-01, 02, 07,12, 17,19-21 220-289 S. C St.	\$200,000 * 7/28/2017	1.78 ac C2	\$2.58	Steep lots, w/2 old rentals on prop. * Net s/p - \$80,000 for imprvmts.
2	01-133-07 316 So. G St.	\$45,000 10/17/2017	.42 ac CR	\$2.46	Corner lot with streets on east and west sides, not parceled but util. available.
3	01-127-03 646 So. H St.	\$15,000 12/08/2016	.17 ac CR	\$2.03	Steep lot on paved street with util. avail.
4	01-121-02 660 S. F St.	\$70,000 07/11/2018	.5632 CR	\$2.85	Corner lot. ,moderate slope, paved st.
Subj.	01-172-01 bet. H & I Streets bet. Potosi St. & Page St.	N/A	.34 ac I-2		Generally level lot, proscriptive access, util. ext. req.

Location Map



Discussion and Analysis

Sale 1 is a multi-parcel sale of eight separate contiguous sites, including two with old homes on the lots which have marginal value estimated at \$40,000 each, thus leaving a net land value of \$200,000. The property is on C Street which has good exposure but the lots have a fairly steep downslope from the highway which will raise development costs. This was an all cash sale through a Realtor at close to the listing price. This sale needs no adjustment for conditions of the sale or for time but should be adjusted downward for location on a paved street and for access and availability of utilities. This sale also needs an upward adjustment for size as all else being equal, smaller parcels tend to sell for less than larger parcels. No adjustment is considered required for zoning.

Sale 2 is a single parcel with paved streets on two sides and utilities available in the streets. The terrain has a gentle slope but is very buildable without too much expense. This was an all cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is superior to the subject's location as it is more homogeneous. The terrain is sloping but all utilities are available to the site, so overall development expense will be less than for the subject property. This sale needs no adjustment for size or for zoning.

Sale 3 is a parcel on a paved street but has a steep up slope from the street. This was a cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is considered comparable to the subject but it is on a paved street with utilities available, overall development expense would be more for this site than for the subject because of the terrain. This sale needs a considerable downward adjustment for size as all else being equal, smaller lots typically sell for more per square foot than larger lots like the subject.

Sale 4 is a recent sale of a parcel located southwest of the subject a short distance. It has a gentle down slope from F Street which encroaches into the parcel somewhat and lowers the net usable area of the site. There is power and water available to the site but sewer is about 400'. The buyer has plans for a storage shed on the property and eventually a home. This was a cash sale. The location and access are superior to the subject as it has a good territorial view and is on a paved street. This site needs no adjustment for size. The site is rectangular but the street encroached in to the site lower its net usable area or utility.

Discussion & Analysis of Factors Affecting Value

Following is a discussion of the previously described factors that affect value.

Financing and Conditions of the Sale

All the sales are considered open market transactions, so no adjustment is required for this category.

Market Conditions (time)

No time adjustment is considered necessary for the sales as are fairly recent.

Location and Access

The subject has access from a gravel road and utilities are available. Sale 1 is on C Street which has good access and exposure and streets and utilities are available. Sale 2 has paved streets on the

two sides and utilities available. Sale 3 has paved street access and utilities available with Sale 4 is on a paved street with water available but no sewers in the immediate area.

Lot Size

Sale 1 is much larger than the subject and needs to be adjusted upward for size. Sale 3 is smaller than the subject and should be adjusted downward for this factor.

Use or Zoning

No adjustment is made for this category as the uses and zoning for all the sales are compatible with each other.

Terrain

Sale 1 has moderate to steep down slope from the street and Sale 3 a moderate to steep up slope from the street, so both should be adjusted upward in comparison to the subject for this item. Sale 2 has a gentle slope and will be easy to develop as will Sale 4.

On the following page is an adjustment grid showing the adjustments to the comparable sales for the various categories that affect value on a price per square foot basis.

ADJUSTMENT GRID					
Sale	Subject	1	2	3	4
Location	Both sides of I St. bet. Page St & Flowery St.	220-289 S. C St.	316 S. G St.	646 So. H St.	660 So. F St.
Sale/ Price		\$200,000 *	\$45,000	\$15,000	\$70,000
Sale Date		7/28/2017	10/17/2017	12/08/2016	07/11/2018
Size (acre)	0.34	1.78	0.43	0.17	0.56
Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Time Adj.		0%	5%	0%	0%
Cond. Of Sale		0%	0%	0%	0%
Adj. Price/SF		\$2.58	\$2.52	\$2.03	\$2.85
Adjustments					
Location/ Access		-5%	-5%	-5%	0%
Size		10%	0%	-10%	0%
Shape/Utility		5%	0%	5%	5%
Dev. Expense		0%	-5%	5%	0%
Zoning		0%	0%	0%	0%
Other		0%	0%	0%	0%
Total Adj.		10%	-10%	-5%	5%
Adjusted \$/SF		\$2.84	\$2.27	\$1.92	\$3.00

* adj. for improvements

With adjustments the price per square foot ranges from \$1.92/SF to \$3.00/SF with the arithmetic average sales is \$2.51/SF and the median \$2.56/SF. Sale 1 is the least comparable to the subject in location and size and is weighted the least. Sales 2 and 4 are the most comparable but has better access and development potential and are in a more homogeneous areas. Sale 4 is the most recent sale and required the least adjustment and is given the most weight but with fairly equal weight to Sale 2, the final value is supported at \$2.75/SF for a value indication of the subject property of:

$$.34 \text{ acres (15,000 SF)} \times \$2.75/\text{SF} = \$41,250, \text{ rounded to } \$41,000$$

RECONCILIATION AND FINAL CONCLUSION OF VALUE

INDICATED VALUE BY SALES COMPARISON APPROACH: \$41,000

The Cost Approach and the Income Approach are not considered relevant when valuing a vacant site like the subject and therefore were not used.

The Sales Comparison Approach is used by Realtors® and by buyers and sellers as well. Through the common unit of comparison, namely the price per square foot basis for the land area, sales can be compared to the subject property and a meaningful value range formed if proper recognition is given to the factors affecting value. With adjustments to the sales for the factors affecting value, there is good support for the final value indication by this approach.

After considering all the factors and information contained in this report, it is the opinion of the appraiser that the Market Value of the subject property is supported at \$41,000.

Exposure Time and Marketing Time

Based on a discussion with a discussion with an industrial broker in the area and observation of the marketing time of the sales and listings, it is estimated that at the appraised value the exposure time would be from three months to one year and without any evidence to the contrary, the marketing time in the future is expected to be the same, or from three months to one year at the appraised value.

**RICHARD CORRELL .46-ACRE STORAGE WAREHOUSE PROPERTY
LOCATED BETWEEN H & I STREETS
AND BETWEEN POTOSI AND PAGE STREETS
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NV**

PROPERTY IDENTIFICATION

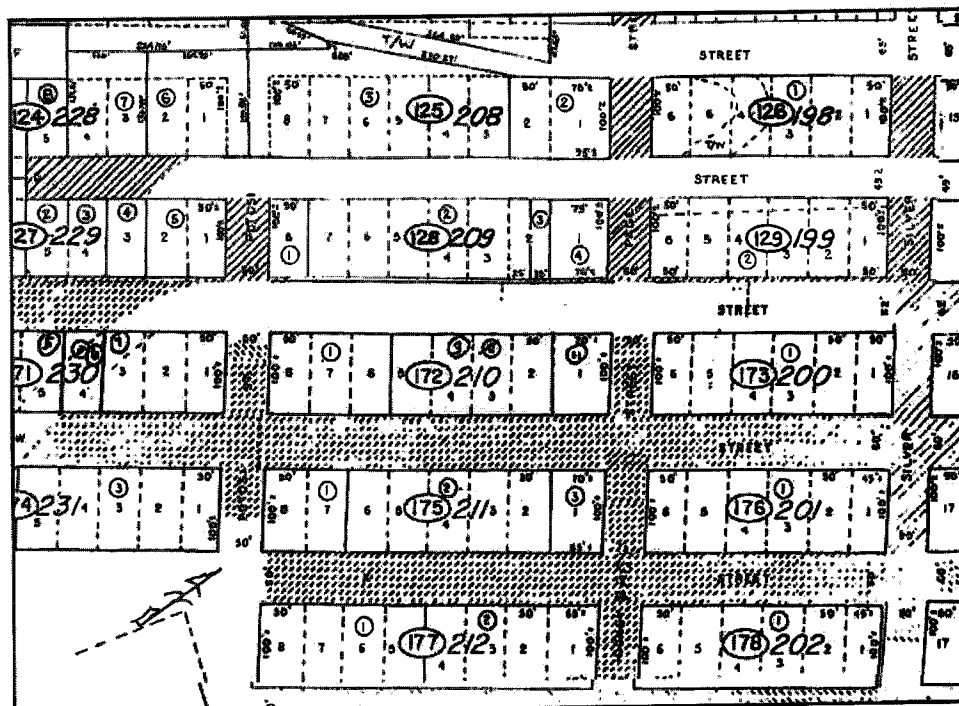
Address and Location - The subject property is located between H and I streets in the southeast quadrant of Virginia City in an industrial area currently used as the Virginia City Fairgrounds and Events Center because of its level terrain.

Legal Description - A complete legal description was not available to the appraiser. The site may briefly be described as Lots 2, 3, 4 and 5 Block 210, Range H, Virginia City, Nevada. The parcel is also listed by the Storey County Assessor as Assessor's Parcel Number (APN) 001-172-03.

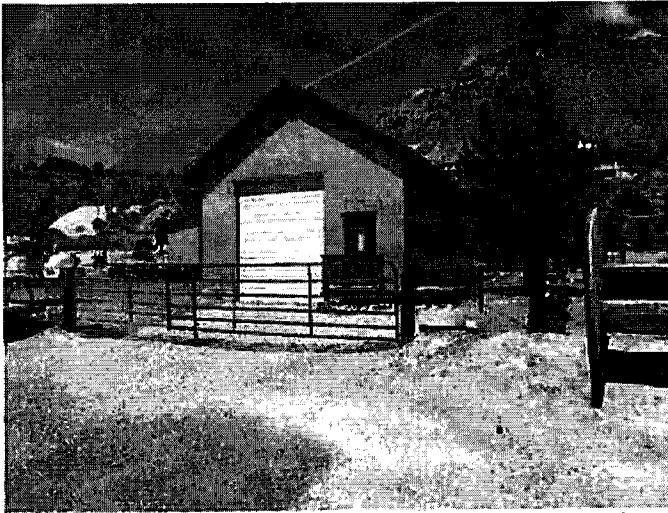
Owner of Record - Richard S. Correll

Ownership History - The property has been under the same ownership for over 10 years and to the knowledge of the appraiser it has never been offered for sale since it was last purchased.

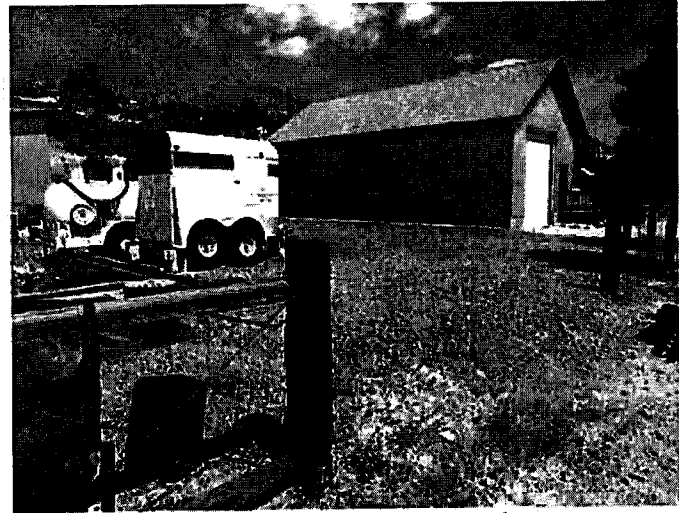
SITE MAP



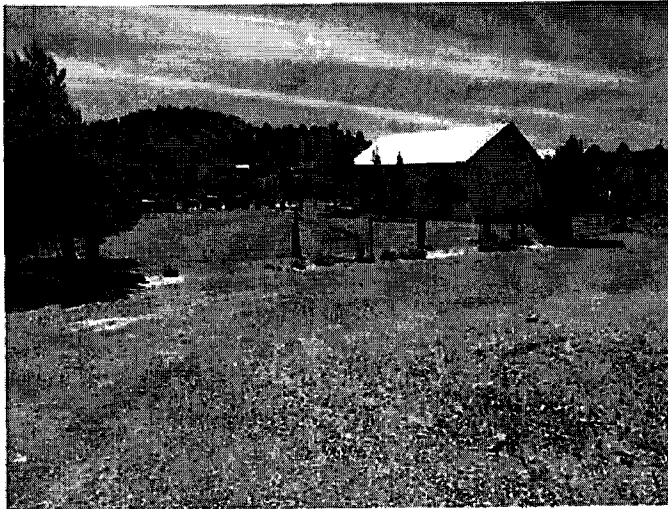
SUBJECT PHOTOS



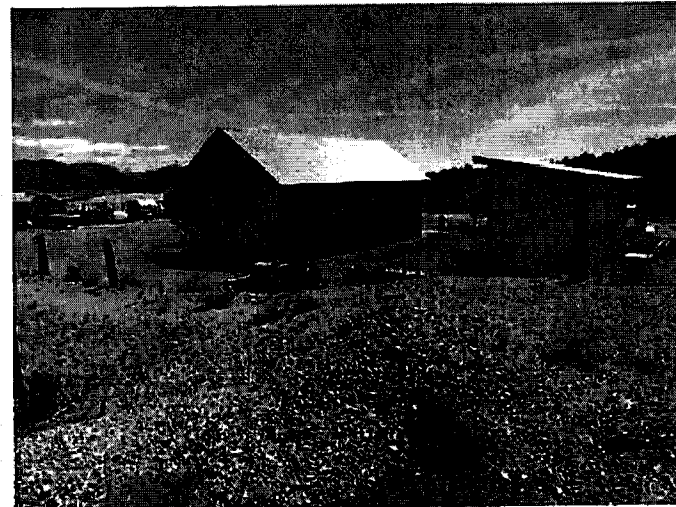
View of the metal storage shed on the site looking west



View of property looking northwest



View of the property looking southeast



View of the property looking northeast

AERIAL SITE MAP



SITE DATA

Location

The subject site is located 70' north side of Potosi Street right of way between H and I Streets in the southeast section of Virginia City in an industrial zoned area currently leased to Storey County as part of the Virginia City Fairground and Events Center.

Dimensions, Area and Shape

The parcel is rectangular measuring 100' x 200' with a total land area of 20,000 SF .46 acres. The parcel has legal access but the street have not been paved.

Topography & Drainage

The grade in the vicinity of the subject site is generally level as the large amount of dump dirt excavated from the old mines in the area was leveled and compacted several years ago.

Soils and Subsoils

No soil report was made available to this appraiser. The soils in the area appear a rocky, sandy, gravel type compacted soil which is "dump" material from the adjoining mines that operated in the area over 100 years ago. Several years ago the large pile of dump dirt was leveled and compacted and is currently mostly leased to the Storey County and operated as the Virginia City Fairgrounds and Events Center.

Availability and Description of Utilities

Storey County provides water and sewer service in area. Virginia City and Gold Hill get there potable water from Marlette Lake in the Sierras via a pipeline and there is limited water available for new development with new service on an allocation basis. Electricity is provided by NV Energy and telephone service is provided by AT&T; albeit, it was not determined if there is water and power adjacent to the site but there is a proposed sewer line to go near the site. There is no natural gas to the town; instead, residents and businesses use propane, augmented by wood stoves or fireplaces.

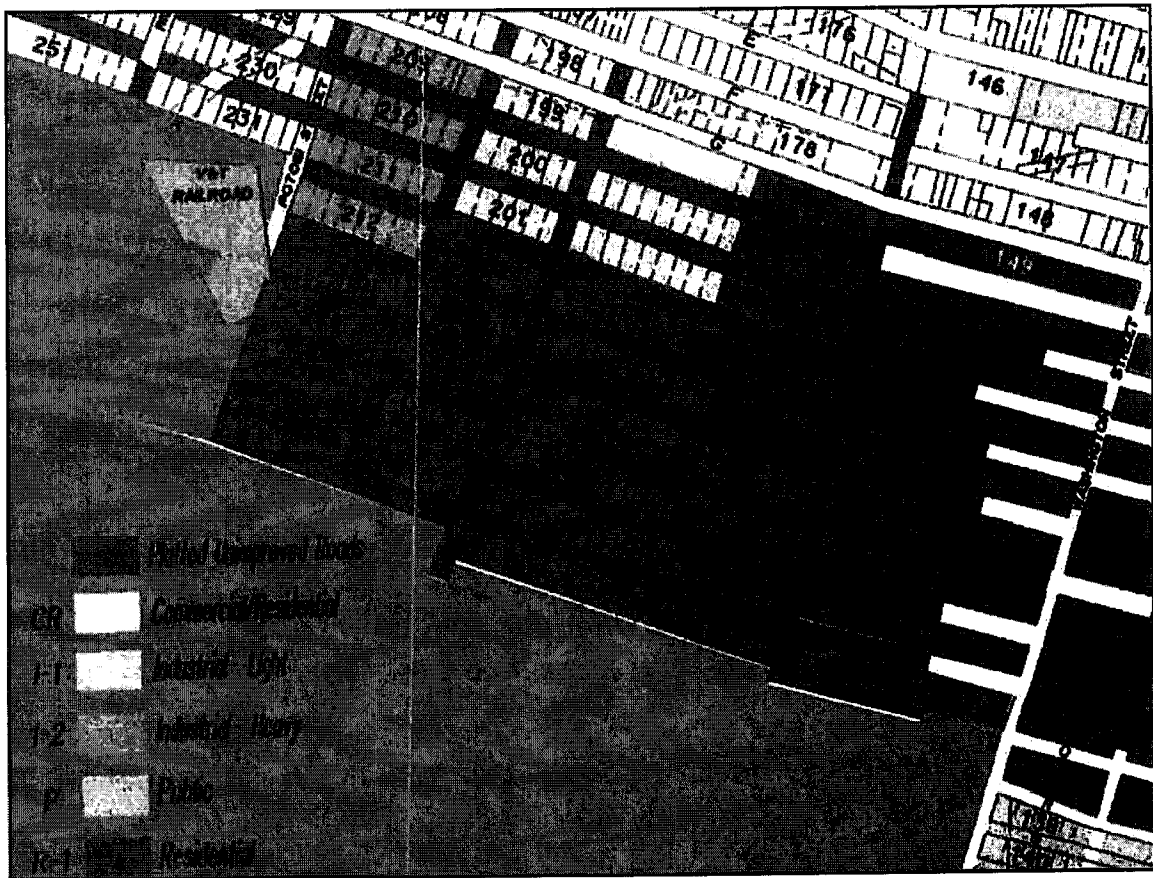
Street Improvements and Access

Even though the streets are platted, they were never improved. Depending on development in the area the streets could be abandoned; albeit, the subject site would need one street for access.

Zoning

The lot is in Block 210 which is zoned I-2 or Heavy Industrial. Any development of the lot would require a design review and most likely any public or private development would be approved if consistent with the desires of the governing bodies and local residents. The zoning map on the following page shows the current zoning of the parcel. Note the subject parcel is in Block 210.

Zoning Map



Assessments and Taxes

The site is identified by the Storey County Assessor's Office as parcel number 01-172-03. In Nevada the assessed value is 35% of the assessor's fair market value estimate. In actual practice, land values are based on the assessor's estimate of fair market value and improvement values are based on replacement cost new less 1.5% per year for depreciation down to a minimum of 25% of the estimated replacement cost and land value is based on the assessor's estimate of its fair market value. The 2017/18 tax rate in the area is \$3.4607 per \$100 of assessed value. According to the Storey County Assessors Office the assessed values, taxes, and market values for the sites are as follows:

APN	Assessed Value Land	Assessed Value Imprvmnts.	Total Assessed Value	Taxes	Mkt. Vale	Size - acres
01-172-03	\$6,768	\$8,432	\$15,200	\$423.97	\$43,429	0.48

Easements and Encroachments

No title report was available for review by the appraiser but it does not appear there are any physical easements or encroachments that would adversely affect the subject property.

Surrounding Land Use

The subject is bordered on the south by vacant land and a road easement, to the east by generally level land and then a ravine, to the north is a small fenced storage yard and to the west is a driveway and then hillside and the V&T Railroad tracks. None of the surrounding uses are considered detrimental to the subject property and there were no conditions noted in the neighborhood that would adversely affect the subject property. In conclusion, the subject site is considered a good parcel for assemblage because it is part of the only larger almost level area in the community.

IMPROVEMENTS

There is a 1,080 SF metal shop building on the site that was reported built in 1996 and it was built to the historic standards with metal siding and roof to match the prevailing architecture in Virginia City in the 1800s for mining related buildings. The interior was not inspected but the owner said it has a heavy reinforced concrete floor, 2" x 6" frame walls 16" on center 14' high which have R20 insulation and are sheetrocked as is the ceiling which is not insulated. It has an engineered truss roof with a 6/12 slope and it has corrugated steel roofing and siding over plywood sheathing. It has a 10' x 12' overhead steel door in front and also a side man access door. It does not have any power to the building or any plumbing and is used as a storage warehouse by the owner. He provided a cost breakdown to the appraiser with an estimated replacement cost today of \$65,500 or roughly \$60/SF. Other improvements include a small shed on the property valued at around \$2,000 and a perimeter wire fence on railroad ties posts with a steel locked gate at the entry. The site improvements have an estimated replacement cost of about \$2,500 for a total replacement cost estimate of \$70,000 (\$65,500 bldg. + \$2,000 shed + \$2,500 site improvements = \$70,000). The improvements are in good condition and have an estimated contributory value of 60% of replacement cost or \$42,000.

HIGHEST AND BEST USE

Highest and best use is defined as that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal.

There are four criteria which must be met in the analysis of highest and best use for both land that is vacant and property that is improved. The highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Generally, these criteria are analyzed in the preceding sequence because if a property fails any one of the criteria, the subsequent criteria are irrelevant to the analysis.

Highest and Best Use As If Vacant

Physically, the site is rectangular platted parcel with a paved roadway to the east and gravel roadway to the west which are considered proscriptive easement accesses. It is similar in size to many other parcels in the area.

Legally, the site is zoned L-2, Heavy Industrial but most other land in the area is zoned L-1 or Light Industrial. In any case, the subject's zoning would probably not be adhered to as any development plan for the area would probably allow a variance for this parcel to some sort of commercial or quasi-public use such as a park, events center and assemblage with surrounding parcels for a larger plan for the area instead of just for this parcel.

The maximally most productive use of the site would be appear to be to assemble the subject site with adjoining parcels and seek abandonment of the platted but never built streets to create a large enough parcel to accommodate a fair grounds and events center and/or an smaller RV park.

Highest and Best Use As Improved

Ultimately, the highest and best use of the site would be assemblage of the site with adjoining parcels into higher and better use such as a county fairgrounds and events center or possibly as an RV park, or a combination of the two uses.

VALUATION

Normally, an appraiser has three methods of estimating the value of a property. These are known as the Cost Approach, the Sales Comparison Approach, and the Income Approach. In this appraisal, only the Sales Comparison using comparable land sales will be used.

A search was conducted for sales and listings of similar sites in the area and improved sites with warehouses on them. No sales of sites with warehouses on them were found, so the contributory value of the improvements was based on the estimated cost of the improvements less 50% for depreciation. The four most comparable land sales in the area have been researched and analyzed and compared to the subject on a price per square foot basis which is the typical unit of comparison for this type of property used by market participants.

Factors that affect value include the motivation of the buyer and seller or conditions of the sale, market conditions at the time of sale (time), location and access, size, shape and utility, zoning, and availability of utilities and whether or not there were any improvements included in the sale; any other factors that might affect value were also considered. Due to lack of sales in the area and insufficient data to use paired sales for the factors affecting value, so subjective percentage adjustments in 5% increments were used to recognize clear superiority or inferiority of a characteristic of each sale in comparison to the subject site.

On the following page is a Land Sales Chart showing the salient facts regarding each comparable followed by a discussion, analysis and adjustment grid.

LAND SALES CHART

Sale No	APN # Location	Sale Price Sale Date	Land Area Zoning	Price/ Sq.Ft.	Comment
1	001-173-01, 02, 07, 12, 17, 19-21 220-289 S. C St.	\$200,000 * 7/28/2017	1.78 C2	\$2.58	Steep lots, w/2 old rentals on prop. * Net s/p - \$80,000 for imprvmnts.
2	01-133-07 316 So. G St.	\$45,000 10/17/2017	.42 CR	\$2.46	Corner lot with streets on east and west sides, util. available.
3	01-127-03 646 So. H St.	\$15,000 12/08/2016	.17 CR	\$2.03	Inside steep lot with paved access and utilities
4	01-121-02 660 S. F St.	\$70,000 07/11/2018	.5632 CR	\$2.85	Corner lot, moderate slope, paved st.
Subj.	01-172-03 bet. H & I Streets bet. Potosi St. & Page St.	N/A	.46 ac I-2		Generally level lot, proscriptive access, util. ext. req., 1080 sf metal warehouse on the site

Location Map



Discussion and Analysis

Sale 1 is a multi-parcel sale of eight separate contiguous sites, including two with old homes on the lots which have marginal value estimated at \$40,000 each, leaving a net land value of \$200,000. The property is on C Street which has good exposure but the lots have a fairly steep downslope from the highway and will be difficult to develop. This was an all cash sale through a Realtor at close to the listing price. This sale needs no adjustment for conditions of the sale or for time but should be adjusted downward for location and access on a paved street and availability of utilities. This sale will have increased development expense because of the slope but it should be less than for the subject which will require street improvements and utility extensions. This sale also needs an upward adjustment for size as all else being equal, larger parcels tend to sell for less per square foot smaller parcels. No adjustment is considered required for zoning.

Sale 2 is a single parcel with paved streets on two sides and utilities available in the streets. The site has a gentle slope to the east but the parcel is very buildable. This was an all cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is superior or more homogeneous than the subject location and it has utilities available in the paved streets. The terrain is sloping but development expense will be less than for the subject. This sale needs no adjustment for size or for zoning.

Sale 3 is a single parcel with a paved street on one side but a very steep up slope from the parcel. This was a cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is considered comparable to the subject because but it is on a paved street with utilities available. The terrain is steep, so it will require considerable expense to develop the parcel. This sale needs a considerable downward adjustment for size as all else being equal, smaller lots typically sell for more per square foot than larger lots like the subject.

Sale 4 is a very recent sale of a parcel located southwest of the subject a short distance. It has a gentle down slope from a paved street and borders SR 341. It was a cash sale to a party who had been interested in buying a parcel in the area and made a personal inquiry to the owner. The buyer plans on building a shop on the site and eventually maybe a residence. This sale needs no adjustment for conditions of the sale or time. It does need a slight downward adjustment for location and access but no adjustment for size.

Discussion & Analysis of Factors Affecting Value

Following is a discussion of the previously described factors that affect value.

Financing and Conditions of the Sale

All the sales are considered open market transactions, so no adjustment is required for this category.

Market Conditions (time)

No time adjustment is considered necessary for the sales as are fairly recent.

Location and Access

The subject is in an area where there are no permanent street improvements but there is access into the general area through prescriptive gravel and paved road easements. Likewise, there are no utilities in the immediate area, except a sewer line is proposed to go to the north of the subject.

Sale 1 is on C Street which has good access and exposer and utilities available. Sales 2 has paved streets on the east and west and utilities available. Sale 3 has paved road access and utilities available but is very steep.

Lot Size

Sale 1 is much larger than the subject and needs to be adjusted upward for size. Sale 2 is similar in size and Sale 3 is much smaller, so it requires a downward adjustment for size.

Use or Zoning

No adjustment is made for this category as the uses and zoning for all the sales are compatible with each other.

Terrain

Sale 1 has a moderate to steep down slope from the street, and Sale 3, likewise has a steep up slope from the street, so both should be adjusted upward in comparison to the subject for this item. Sale 2 has a gentle slope and will be less difficult to develop.

On the following page is an adjustment grid showing the adjustments to the comparable sales for the various categories that affect value on a price per square foot basis.

ADJUSTMENT GRID					
Sale	Subject	1	2	3	4
Location	Both sides of I St. bet. Page St & Flowery St.	220-289 S. C St.	316 S. G St.	646 So. H St.	660 So. F St.
Sale/ Price		\$200,000 *	\$45,000	\$15,000	\$70,000
Sale Date		7/28/2017	10/17/2017	12/08/2016	07/11/2018
Size (acre)	0.46	1.78	0.43	0.17	0.56
Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Time Adj.		0%	5%	0%	0%
Cond. Of Sale		0%	0%	0%	0%
Adj. Price/SF		\$2.58	\$2.52	\$2.03	\$2.85
Adjustments					
Location/ Access		-5%	-5%	-5%	-5%
Size		10%	0%	-5%	0%
Shape/Utility		5%	0%	5%	5%
Dev. Expense		5%	-5%	5%	0%
Zoning		0%	0%	0%	0%
Other		0%	0%	0%	0%
Total Adj.		15%	-10%	0%	0%
Adjusted \$/AC		\$2.97	\$2.27	\$2.03	\$2.85

* adj. for improvements

With adjustments the price per square foot ranges from \$2.03/SF to \$2.97/SF with the arithmetic average of the sales \$2.53/SF and the median \$2.56/SF. Sale 1 is the least comparable to the subject in location and size and is weighted the least. Sale 2 along with Sale 4 are the most comparable to the subject but both sales have slightly superior access and development potential and is in more homogeneous areas. With most weight to Sales 2 and 4, and some consideration to the mean and median values, the final value is supported at \$2.75/SF for a value indication of the subject property of:

$$.46 \text{ acres (20,000 SF)} \times \$2.75/\text{SF} = \$55,000$$

It was previously estimated that the storage warehouse, shed and site improvements on the site have a contributory value estimated at \$42,000, so the final value of this property is \$97,000.

RECONCILIATION AND FINAL CONCLUSION OF VALUE

INDICATED VALUE BY SALES COMPARISON APPROACH: \$97,000

The Cost Approach was used to the extent that the contributory value of the improvements was estimated based on replacement cost less depreciation. The Income Approach was not considered relevant as the subject is not considered an income property, per se.

The Sales Comparison Approach is used by Realtors® and by buyers and sellers as well. Through the common unit of comparison, namely the price per square foot basis for the land area, sales can be compared to the subject property and a meaningful value range formed if proper recognition is given to the factors affecting value. With adjustments to the sales for the factors affecting value, and additional contributory value of the improvements added to the land value, there is good support for the final value indication by this approach.

After considering all the factors and information contained in this report, it is the opinion of the appraiser that the Market Value of the subject property is supported at \$97,000.

Exposure Time and Marketing Time

Based on a discussion with an industrial broker in the area and observation of the marketing time of the sales and listings, it is estimated that at the appraised value the exposure time would be from three months to one year and without any evidence to the contrary, the marketing time in the future is expected to be the same, or from three months to one year at the appraised value.

**MARK ALAN CHARLTON STORAGE .17-ACRE SITE
LOCATED ON THE SOUTH SIDE OF PAGE STREET
BETWEEN H & I STREETS
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NV**

PROPERTY IDENTIFICATION

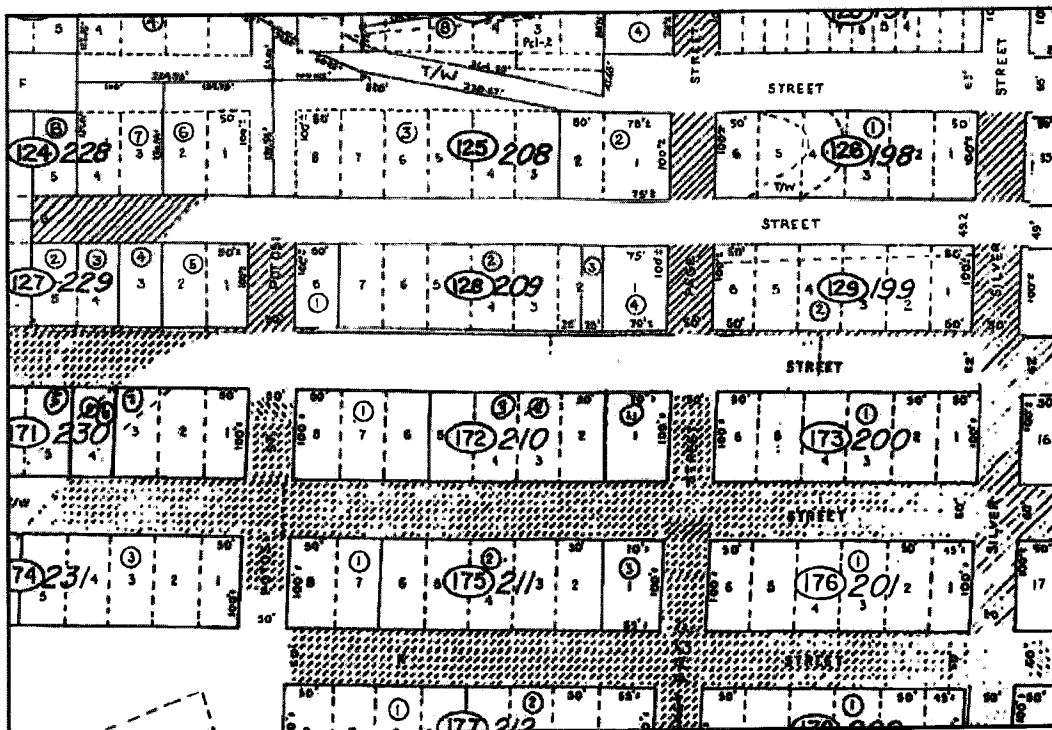
Address and Location - The site is located on the south side of Page Street between H and I streets in the southeast quadrant of Virginia City in an industrial area currently used as the Virginia City Fairgrounds and Events Center because of its level terrain.

Legal Description - A complete legal description was not available to the appraiser. The site may briefly be described as Lots 1 Block 210, Range H, Virginia City, Nevada. The parcel is also listed by the Storey County Assessor as Assessor's Parcel Number (APN) 001-172-04.

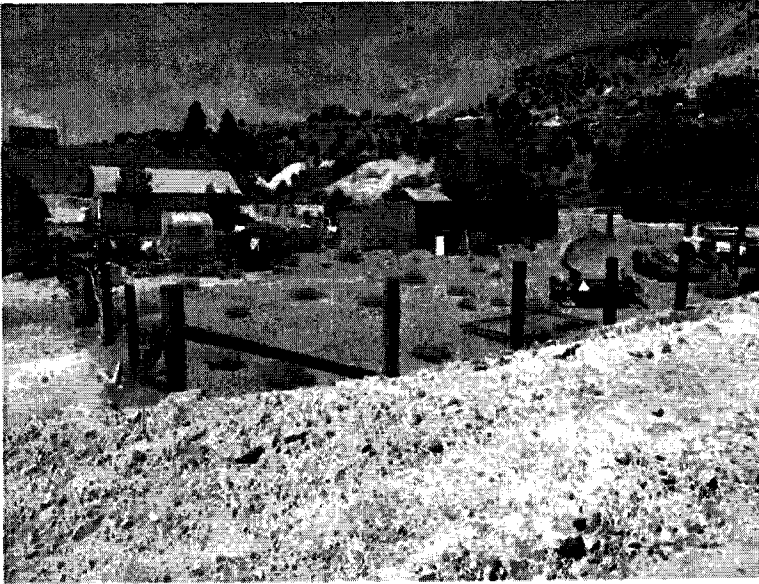
Owner of Record - Mark Alan Charlton

Ownership History - The property has been under the same ownership for over 10 years and to the knowledge of the appraiser it has never been offered for sale since it was last purchased.

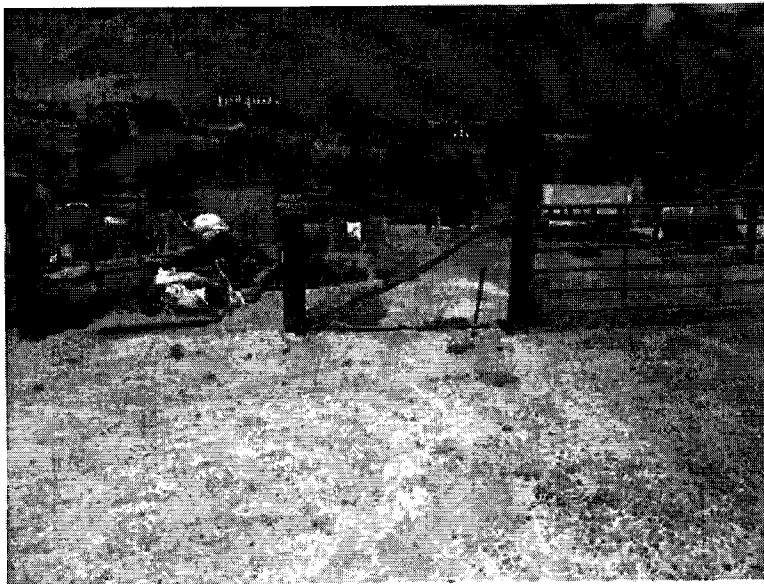
SITE MAP



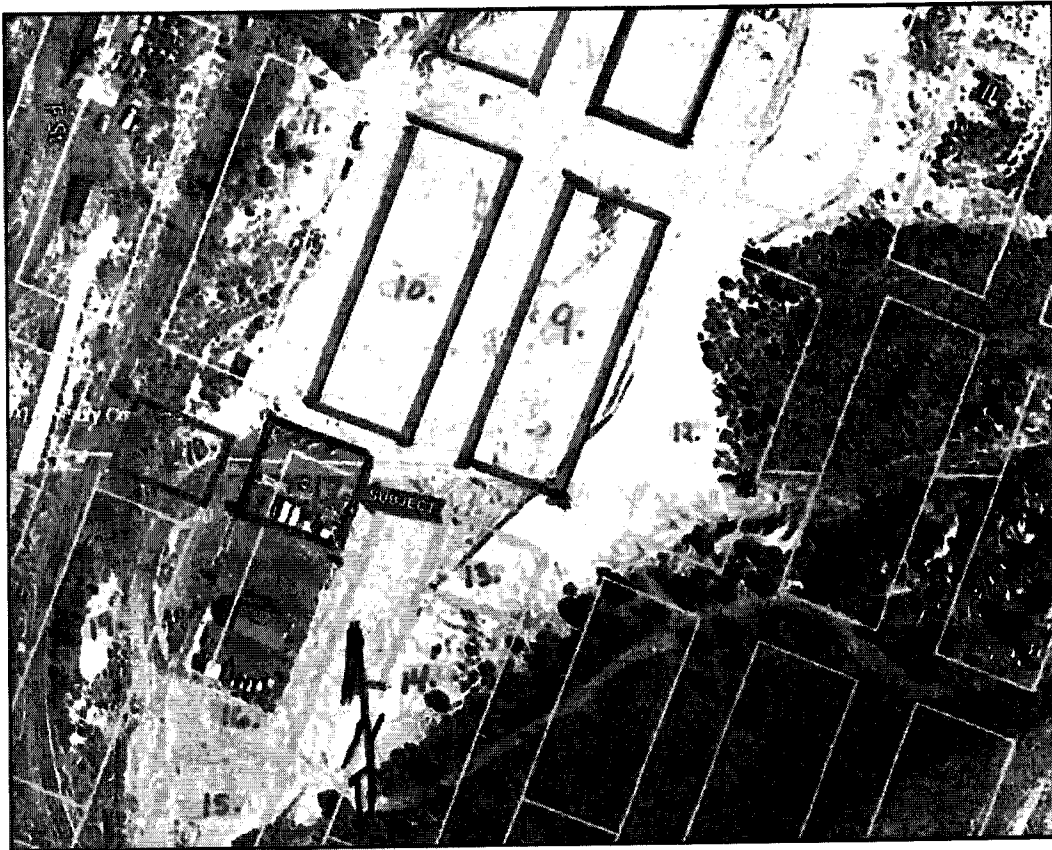
SUBJECT PHOTOS



View of the site looking southwest



View of the site looking west

AERIAL SITE MAP**SITE DATA****Location**

The subject site is located on the south side of Page Street between H and I Streets in the southeast section of Virginia City in an industrial zoned area currently leased to Storey County as part of the Virginia City Fairground and Events Center.

Dimensions, Area and Shape

The parcel is rectangular measuring 70' x 100' with a total land area of 7,000 SF, or .16 acres. The parcel has legal access but the streets have not been improved.

Topography & Drainage

The grade in the vicinity of the subject site is generally level as the large amount of dump dirt excavated from the old mines in the area was leveled and compacted several years ago.

Soils and Subsoils

No soil report was made available to this appraiser. The soils in the area appear a rocky, sandy, gravelly type compacted soil which is "dump" material from the adjoining mines that operated in the area over 100 years ago. Several years ago the large pile of dump dirt was leveled and compacted and most of the area is currently leased to the Storey County and operated as the

Virginia City Fairgrounds and Events Center. There are many miles of mining tunnels under the city that were dug in the late 1800s during the search for gold and silver ore but there is no evidence of settling under the subject site now.

Availability and Description of Utilities

Storey County provides water and sewer service in. Virginia City and Gold Hill get their potable water from Marlette Lake in the Sierras via a pipeline and there is limited water available for new development with new service on an allocation basis. Electricity is provided by NV Energy and telephone service is provided by AT&T; albeit, it was not determined if there is water sewer and power to the site but a proposed sewer line will go very near the site. There is no natural gas to the town; instead, residents and businesses use propane.

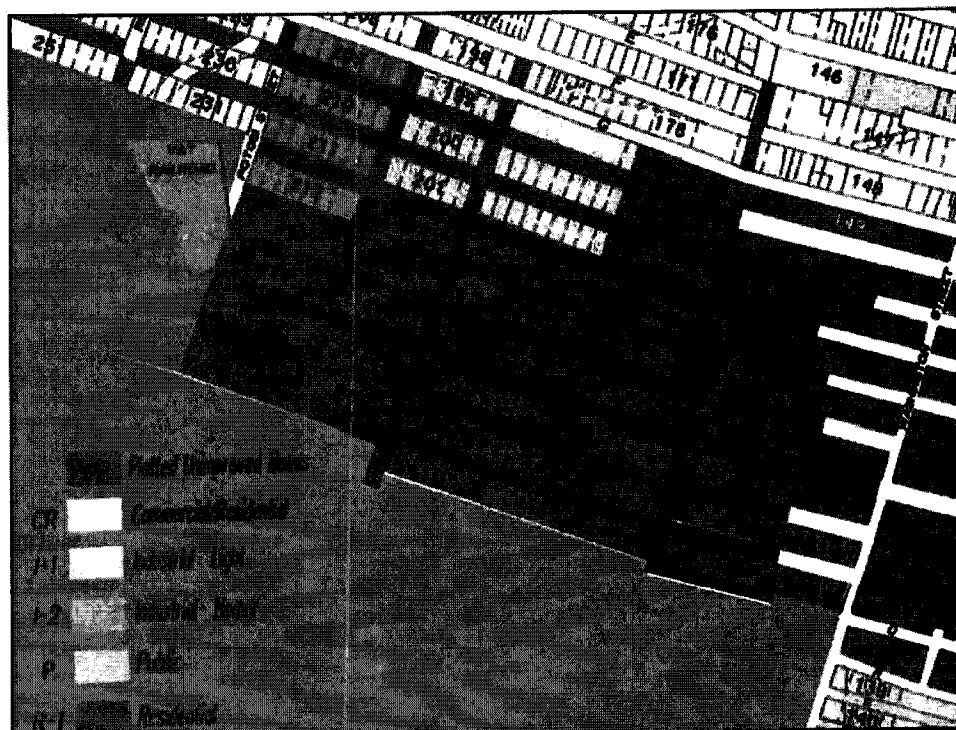
Street Improvements and Access

Even though the streets are platted, they were never improved; albeit there is an unimproved dirt and gravel road to the site over adjoining parcels and the street right of ways. Depending on development in the area the streets could be abandoned; albeit, the subject site would still need legal access which is presumed it does have now. There are no known plans to install any streets in the immediate area.

Zoning

The lots in Block 210 are zoned I-2 or Heavy Industrial. Any development of the lot would require a design review and most likely any public or private development would be approved if consistent with the desires of the governing bodies and local residents. The zoning map on the following page shows the current zoning of the parcel. Note the subject parcel is in Block 210.

Zoning Map



Assessments and Taxes

The site is identified by the Storey County Assessor's Office as parcel number 01-172-04. In Nevada the assessed value is 35% of the assessor's fair market value estimate. The 2017/18 tax rate in the area is \$3.4607 per \$100 of assessed value. According to the Storey County Assessor's Office the assessed values, taxes, and market values for the sites are as follows:

APN	Assessed Value Land	Assessed Value Imprvmnts.	Total Assessed Value	Taxes	Mkt. Vale	Size - acres
01-172-04	\$1,998	\$259	\$2,257	\$35.58	\$6,449	0.16

Easements and Encroachments

No title report was available for review by the appraiser but it does not appear there are any physical easements or encroachments that would adversely affect the subject property.

Surrounding Land Use

The subject is bordered on the south by a small warehouse and storage lot property, to the east by generally level land and then a ravine. To the north is a large level parcel currently leased to Storey County and used as part of the Virginia City Fairgrounds and Events Center. To the north is an access road, then vacant hillside land and then the V&T Railroad tracks. None of the surrounding uses are considered detrimental to the subject property and there were no conditions noted in the neighborhood that would adversely affect the subject property. In conclusion, the subject site is considered a good site for assemblage because it is part of the only larger almost level site in the community.

HIGHEST AND BEST USE

Highest and best use is defined as that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal.

There are four criteria which must be met in the analysis of highest and best use for both land that is vacant and property that is improved. The highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Generally, these criteria are analyzed in the preceding sequence because if a property fails any one of the criteria, the subsequent criteria are irrelevant to the analysis.

Highest and Best Use As If Vacant

Physically, the site is rectangular and is part of the original Virginia City plat but the street have never been improved. It is bordered to the west by an access road, to the east and north by open land, to the south by a small warehouse/storage lot property. The subject site is smaller than parcels in the area but this is not considered a real detriment to the property as it could probably be assembled with other sites in the area to create a parcel with more utility.

Legally, the site is zoned L-2, Heavy Industrial but most other land in the area is zoned L-1 or Light Industrial. In any case, the subject's zoning would probably not be adhered to as any development plan for the area should allow a variance for this parcel to some sort of commercial

or quasi-public use such as a park, events center and assemblage with surrounding parcels for a larger plan for the area instead of just for this parcel.

The maximally most productive use of the site would appear to be to assemble it with adjoining parcels and seek abandonment of the platted lot status to create a large enough parcels to accommodate a fairgrounds and events center and/or an smaller RV park.

Highest and Best Use As Improved

The parcel has an interim use as a fenced storage lot but ultimately the highest and best use of the site is assemblage with adjoining parcels into a higher and better use such as a county fairgrounds and events center or possibly as an RV park, or a combination of the two uses.

VALUATION

Normally, an appraiser has three methods of estimating the value of a property. These are known as the Cost Approach, the Sales Comparison Approach, and the Income Approach. In this appraisal, only the Sales Comparison using comparable land sales will be used.

A search was conducted for sales and listings of similar sites in the area. The four most comparable land sales in the area have been researched and analyzed and compared to the subject on a price per square foot basis which is the typical unit of comparison for this type of property used by market participants.

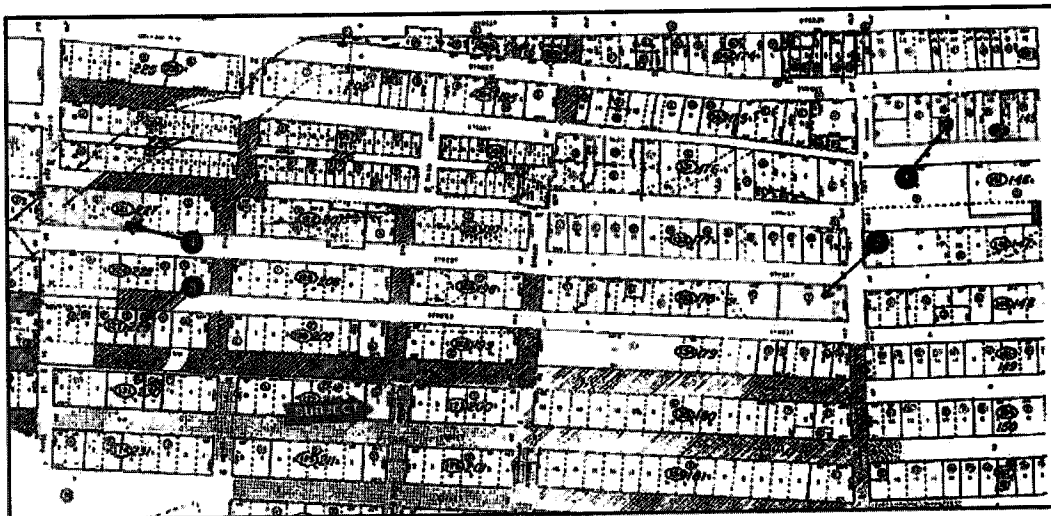
Factors that affect value include the motivation of the buyer and seller or conditions of the sale, market conditions at the time of sale (time), location and access, size, shape and utility, zoning, and availability of utilities and whether or not there were any improvements included in the sale; any other factors that might affect value were also considered. Due to lack of sales in the area and insufficient data to use paired sales for the factors affecting value, so subjective percentage adjustments in 5% increments were used to recognize clear superiority or inferiority of a characteristic of each sale in comparison to the subject site.

On the following page is a Land Sales Chart showing the salient facts regarding each comparable followed by a discussion, analysis and adjustment grid.

LAND SALES CHART

Sale No	APN # Location	Sale Price Sale Date	Land Area Zoning	Price/ Sq.Ft.	Comment
1	001-173-01, 02, 07, 12, 17, 19-21 220-289 S. C St.	\$200,000 * 7/28/2017	1.78 C2	\$2.58	Steep lots, w/2 old rentals on prop. * Net s/p - \$80,000 for imprvmts.
2	01-133-07 316 So. G St.	\$45,000 10/17/2017	.42 CR	\$2.46	Corner lot with streets on east and west sides, not parceled but util. available.
3	01-127-03 646 So. H St.	\$15,000 12/08/2016	.17 CR	\$2.03	Steep lot on paved street with util. in street
4	01-121-02 660 S. F St.	\$70,000 07/11/2018	.5632 CR	\$2.85	Corner lot. ,moderate slope, paved st.
Subj.	01-172-04 bet. H & I Streets bet. Potosi St. & Page St.	N/A	.16 ac I-2		Level lot with easement access, no utilities

Location Map



Discussion and Analysis

Sale 1 is a multi-parcel sale of eight separate contiguous sites, including two with old buildings on the lots which have marginal value estimated at \$40,000 each, leaving a net land value of \$200,000. The property is on C Street which has good exposure but the lots have a fairly steep downslope from the highway and it will be difficult to develop, albeit, the subject will need a legal street extension and some utilities extended if it is ever developed. This was an all cash sale through a Realtor at close to the listing price. This sale needs no adjustment for conditions of the sale or for time but should be adjusted downward for location and access and availability of utilities. Alternately, this sale should be adjusted upward for the considerable slope and the difficulty that will be encountered in developing the lots but development expenses will also be incurred for the subject as it will need a legal street and utilities to be developed. This sale also needs a considerable upward adjustment for size as all else being equal, larger parcels tend to sell for less per square foot smaller parcels. No adjustment is considered required for zoning.

Sale 2 is a single parcel with paved streets on two sides and utilities available in the streets. The terrain has a gentle slope to the east but the parcel is buildable without too much expense. This was an all cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is superior and more homogeneous than the subject site and it has utilities available in the paved streets. The terrain is sloping, so some expense will be required to develop the parcel. This sale needs an upward adjustment for size in comparison to the subject parcel but no adjustment is considered required for zoning.

Sale 3 is a single parcel with a paved street on one side but it is very steep. This was a cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is considered comparable to the subject because but it is on a paved street with utilities available. The terrain is steep, so it will require considerable expense to develop the parcel. This sale needs no adjustment for size.

Sale 4 is a very recent sale of a parcel located southwest of the subject a short distance. It has a gentle down slope from a paved street and borders SR 341. It was a cash sale to a party who had been interested in buying a parcel in the area and made a personal inquiry to the owner. The buyer plans on building a shop on the site and a home sometime in the future. This sale needs no adjustment for conditions of the sale or time but the location and access are slightly more superior than the subject's location and access. This sale needs an upward adjustment for size as all else being equal larger parcels typically sell for less per unit value than smaller parcels like the subject.

Discussion & Analysis of Factors Affecting Value

Following is a discussion of the previously described factors that affect value.

Financing and Conditions of the Sale

All the sales are considered open market transactions, so no adjustment is required for this category.

Market Conditions (time)

No time adjustment is considered necessary for the sales as are fairly recent.

Location and Access

The subject is in an area where there are no permeant street improvements or utilities but there is access into the general area through proscriptive road easements. Sale 1 is on C Street which has good access and exposer, streets and utilities available; likewise, Sales 2 borders two paved streets and all utilities available. Sale 3 also is on a paved street with utilities available and Sale 4 has power and water available but no sewers; the location and access are superior to the subject site.

Lot Size

All the sales require upward adjustments for size in comparison to the subject as all else being equal, larger sites typically sell for less per square foot than smaller sites like the subject site.

Use or Zoning

No adjustment is made for this category as the uses and zoning for all the sales are compatible with each other.

Terrain

Sale 1 has a moderate to steep down slope from the street as does Sale 3, so both sales should be adjusted upward in comparison to the subject for this item. Sales 2 and 4 has gentle slopes and will be less difficult to develop and are comparable to the subject in this category.

On the following page is an adjustment grid showing the adjustments to the comparable sales for the various categories that affect value on a price per square foot basis.

ADJUSTMENT GRID					
Sale	Subject	1	2	3	4
Location	Both sides of I St. bet. Page St & Flowery St.	220-289 S. C St.	316 S. G St.	646 So. H St.	660 So. F St.
Sale/ Price		\$200,000*	\$45,000	\$15,000	\$70,000
Sale Date		7/28/2017	10/17/2017	12/08/2016	07/11/2018
Size (acre)	0.16	1.78	0.43	0.17	0.56
Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Time Adj.		0%	0%	0%	0%
Cond. Of Sale		0%	0%	0%	0%
Adj. Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Adjustments					
Location/ Access		-5%	-5%	-5%	-5%
Size		20%	15%	0%	15%
Shape/Utility		5%	0%	5%	0%
Dev. Expense		-5%	-5%	-5%	-5%
Zoning		0%	0%	0%	0%
Other		0%	0%	0%	0%
Total Adj.		15%	5%	-5%	5%
Adjusted \$/SF		\$2.97	\$2.52	\$1.92	\$3.00

* adj. for improvements

With adjustments the price per square foot ranges from \$1.92/SF to \$3.00/SF with the arithmetic average of the sales is \$2.60/SF and the median \$2.75/SF. Sale 1 is the least comparable to the subject in location and size and is weighted the least. Sale 2 along with Sale 4 are the most comparable overall to the subject site and with most weight to these two sites and some consideration to the mean and median values, the final value is supported at \$3.00/SF for a value

indication of the subject property of:

$$.16 \text{ acres (7,000 SF)} \times \$2.75/\text{SF} = \$19,250, \text{ rounded to } \$19,500$$

With some contributory value of the fencing estimated at \$1,500, the final value of this property is placed at \$21,000.

RECONCILIATION AND FINAL CONCLUSION OF VALUE

INDICATED VALUE BY SALES COMPARISON APPROACH: \$21,000

The Cost Approach the Income Approach were not considered relevant as the subject is has no substantial improvements, nor is it considered and income property, per se.

The Sales Comparison Approach is used by Realtors® and by buyers and sellers as well. Through the common unit of comparison, namely the price per square foot basis for the land area, sales can be compared to the subject property and a meaningful value range formed if proper recognition is given to the factors affecting value. With adjustments to the sales for the factors affecting value, and the addition value contributory value of the improvements added to the land value, there is good support for the final value indication by this approach.

After considering all the factors and information contained in this report, it is the opinion of the appraiser that the Market Value of the subject property is supported at \$21,000.

Exposure Time and Marketing Time

Based on a discussion with a discussion with an industrial broker in the area and observation of the marketing time of the sales and listings, it is estimated that at the appraised value the exposure time would be from three months to one year and without any evidence to the contrary, the marketing time in the future is expected to be the same, or from three months to one year at the appraised value.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this appraisal and no personal interest with respect to the parties involved and have acted in our own independent capacity.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with the assignment.
- My engagement in this assignment is not contingent upon the development or reporting of a predetermined value, a requested minimum value or approval of a loan 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.

- My analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice and the Appraisal Institute. The appraiser is competent by education, training and experience to perform this appraisal.
- This appraiser has not appraised the subject property nor performed any services regarding the subject in any capacity in the last 36 months time period.
- I, Sam Ward, have made a personal inspection of the property that is the subject of this appraisal.



Samuel K. Ward
Nevada Certified General Appraiser,
No. A.0000123-CG

ADDENDA

**QUALIFICATIONS
SAMUEL K. WARD**

Real Estate Appraisers/Consultants
106 East Adams St., Suite 212
Carson City, NV 89706
(775) 885-8822 FAX (775) 885-7808
e-mail: sward@skwrea.com

Nevada Certified General Appraiser - A.0000123-CG Expiration date: 4/30/2019

Background and Experience

Farming & Ranching Background on Family Ranch - Yakima, Washington	1965-67
Farm & Heavy Equipment Marketing (Caterpillar/John Deere) - Yakima Washington	1968
Custom Home Construction - Seattle, Washington	1969-76
Real Estate Sales - Seattle & Spokane, Washington, & Carson City, Nevada	1977
Nevada Division of State Land, Land Agent	1977-80
Eagle Service Corporation (First Federal Savings & Loan), Staff Appraiser	1981-82
Eagle Service Corporation, Senior Commercial Appraiser	1983-Present
Independent Fee Appraiser, Northern Nevada & North Eastern California	

Education and Technical Training

Univ. of Colorado	1959-61
Univ. of Washington, B.A. Business Administration (Marketing-Finance)	1961-64
Real Estate Sales (Brokers License), Washington State	1969-72
Real Estate Sales - Carson City, Nevada	1973-76
Society of Real Estate Appraisers:	1979-83
Appraisal Institute Associate Member:	1983-present

Type of Appraisals Completed

Residences, Land, including Farms, Ranches, Subdivisions, Mining Properties, Apartments, All Types of Commercial & Income Properties, Industrial Properties, Condemnation, Estate and Various Specialty Properties (Banks, Motels, Convenience Mkts./Service Stations, Casinos, etc.), Fractional Interests & Lease Analysis, Estates & Estate Planning

Areas Served

All of Northern Nevada & Lake Tahoe Area, plus surrounding Counties in California

Affiliations

Affiliate Member of the Appraisal Institute- Reno/ Carson City/ Lake Tahoe Chapter

Partial List of Banks, Large Corporations & Government Agencies Served

<u>Partial List of Banks:</u>	<u>Large Corporation:</u>	<u>Expert Witness:</u>
Nevada State Bank	Texaco, Exxon, Mobil, ARCO	Carson District Court
City National Bank	Unocal, Standard Oil Co.	Douglas District Court
Focus Business Bank	<u>Government Entities:</u>	Washoe District Court
Bank of America	Reno Airport Authority	Fed. Bankruptcy Court, Reno
Union Bank of California	City of Reno, Nevada	
The Mechanics Bank	City of Carson, Douglas, Lyon, Washoe, Store counties in Nevada	
Bruning State Bank	U.S. Department of Interior, BLM & U.S. Forest Service	

Sam Ward

From: Jeff Peters <ltdrvparts1@yahoo.com>
Sent: Tuesday, August 07, 2018 11:00 AM
To: sward@skwrea.com
Subject: PD5110610

Sam your FedEx tracking # is 772916251064.

Thank you for your business!

Jeff
Leisure Time Distributing

AGREEMENT FOR PURCHASE OF REAL PROPERTY

THIS AGREEMENT is entered into by and between Virginia City Ventures, Inc. a Nevada corporation hereafter referred to as VC Ventures and the County of Storey, a political subdivision of the State of Nevada, hereafter referred to as "County" and is entered into as of the date of its execution by the last party signing this Agreement as is hereafter set forth.

WHEREAS, VC Ventures owns a parcel of real property in Virginia City, Nevada suitable for use in conjunction with the staging of special events on what is known as the fairgrounds in Virginia City; and,

WHEREAS, County desires to purchase the area for use in conjunction with the staging of special events on the fairgrounds; and,

WHEREAS, County has had the real property owned by VC Ventures appraised as required by NRS 244.275; which appraisal has valued the property at \$41,000.00 as of August 8, 2018; and,

WHEREAS, County and VC Ventures are willing to purchase and sell the property on the terms hereafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, and other good and valuable consideration, it is agreed as follows:

1. Subject Property. VC Ventures does hereby agree to sell and County does hereby agree to purchase all that certain real property situate in Virginia City, Nevada described as Lots 6, 7, and 8 of Block 210 Range H, Virginia City, Nevada and bearing Assessor Parcel Number 001-172-01 (the Property) which is more particularly described on Exhibit "A", attached hereto and incorporated herein as if set out in full, together with all improvements thereon and easements appurtenant thereto.

2. Purchase Price. The total purchase price for the real property is the sum of Forty-One Thousand Dollars (\$41,000.00).

3. Payment of Purchase Price. The purchase price shall be paid in full on the date of the close of escrow.

4. Appraisal Cost. The VCTC has had an appraisal performed with regard to the property by Samuel K. Ward, Nevada Certified General Appraiser No. 00123. The VCTC will be responsible for all costs incurred in having the appraisal conducted.

5. Escrow. Upon the execution of this Purchase Agreement, the parties shall open an escrow at Ticor Title Company, in Carson City, Nevada, to consummate the purchase in accordance with the terms and provisions hereof. The provisions hereof shall constitute joint instructions to the escrow holder; provided, however, that the parties shall deposit all funds and execute such additional instructions as requested by the escrow holder in order to complete the sale in accordance with the terms set forth herein. Said escrow shall



close on or about January 5, 2019, but in no event prior to County's opportunity to review and offer exceptions to the preliminary title report. County will pay the escrow fee.

6. Possession. VC Ventures agrees to, and shall, deliver possession of the subject property to County upon the close of escrow. All of the personal property must be removed from the property by August 1, 2019.

7. Termination of Fairgrounds Lease. At the close of escrow, the parties agree that the lease between the Virginia City Tourism Commission, the Comstock Gold Mill LLC and VC Ventures, Inc., regarding the Property will be terminated by an instrument deposited into escrow and effective as of the day of close of escrow.

8. Title Policy. The Owner's policy of title insurance shall be a standard coverage form policy of title insurance to be paid for by County, subject only to the following exceptions: non-delinquent taxes, non-delinquent assessments, and any restrictions, conditions, reservations, right-of-way or easements of record

9. Proration. All adjustments shall be made as of the date of closing of the escrow opened by this Agreement, and shall be prorated between VC Ventures and County to that date. The items to be adjusted and prorated are:

A. Current taxes against the real property computed on a calendar year basis.


B. Unpaid but not delinquent special assessments for local improvements, but all installments of such assessments due after the closing date shall be assumed and paid by the County.

C. Other prepaid expenses and accrued liabilities which the parties shall agree upon.

10. Inspections. County will accept the Property "as is". County does not request any inspections of the Property.

11. Entire Agreement. VC Ventures and County agree that this Agreement contains all of the provisions of the agreement between VC Ventures and County for County's purchase of the Property and its improvements. There are no agreements, warranties or representations, express or implied, except those expressly set forth herein. Neither County or VC Ventures shall have any liability for agreements, warranties or representations, except those expressly set forth herein, and VC Ventures shall not be liable by reason of any agreement, representation or warranty made by any third party to County. All agreements, representations and warranties contained in this Agreement shall apply as of the closing date and shall survive the closing of this Agreement.

12. Full Performance. This Agreement and the terms and conditions hereof shall apply to and are binding upon the heirs, legal representatives, successors and assigns of VC Ventures and County.



13. Conflicts of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada.

14. Time of Essence. Time is of the essence in all of the provisions of this Agreement.

15. Notices. All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid, and return receipt requested, to the party or parties to be notified at the address or addresses set forth herein, or at such other address as either party may, from time to time, designate in writing. Every notice shall be deemed to have been given at the time it shall be deposited in the United States mail in the manner prescribed herein. Nothing contained herein shall be construed to preclude personal service of any notice.

The address for County for purposes of this paragraph is:

Storey County
P.O Box 176
Virginia City, NV. 89440

With copy to:

Storey County District Attorney
PO Box 496
Virginia City, Nevada 89440

The address for VC Ventures for purposes of this paragraph is:

2656 Danielle Drive
Carson City, NV 89706

16. Attorney's Fees. Should any litigation be commenced between the parties hereto concerning this Agreement or the property the subject of this Agreement, or the rights or duties of either party relating thereto, the party prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for said attorney's fees in such litigation and costs of court herein.

17. Time for Acceptance. VC Ventures understands that the consummation of this agreement is dependent upon the approval of this agreement by the Board of County Commissioners in a duly noticed public meeting of the Board. Accordingly VC Ventures agrees that authority of the County to accept this agreement will remain open for a period of thirty days from the date VC Ventures signs this Agreement.

18. Real Estate Agency and Commission County has not utilized the services of a real estate broker or real estate sales person in connection with this transaction, and County shall not be liable for the payment of



any commission to any real estate broker or sales person, or to any other person or entity, in connection with this transaction.

19. Interpretation and Representation. No provision in this Agreement is to be interpreted either for or against either VC Ventures or County because that party or that party's legal representative drafted the provision. VC Ventures and County acknowledge that VC Ventures and County have each had the opportunity to consult with independent legal counsel concerning the terms and conditions and consequences of this Agreement prior to signing the Agreement.

County agrees to Purchase the property on the terms and conditions set forth in this Agreement.

Dated this ____ day of _____, 2018.

STOREY COUNTY

By Marshall McBride
Chairman Board of County Commissioner of Storey County

Attest:

Storey County Clerk

The undersigned VC Ventures agrees to sell the property on the terms and conditions as stated in this agreement.

Dated this 26th day of Nov., 2018.

Virginia City Ventures, Inc.

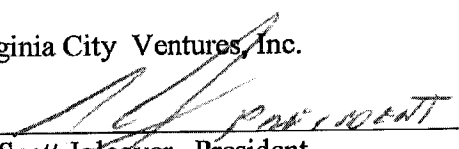

By Scott Jolcover, President

EXHIBIT A

LEGAL DESCRIPTION

All that certain real property situate in the County of Storey, State of Nevada, described as follows:

THE SURFACE RIGHTS ONLY IN AND TO:

Lots 6, 7 and 8 in Block 210, Range H, as shown on the Official Map of Virginia City filed June 6, 1865 in the office of the County Recorder of Storey County, State of Nevada.

Excepting therefrom any portion of the herein described lands lying within the existing public right of way for roads and appurtenances thereto and bearing Assessor's Parcel Number 001-072-01



EXHBIT B
PICTURE OF ACCESS LOCATION

EXHIBIT A

LEGAL DESCRIPTION

All that certain real property situate in the County of Storey, State of Nevada, described as follows:

THE SURFACE RIGHTS ONLY IN AND TO:

Lots 6, 7 and 8 in Block 210, Range H, as shown on the Official Map of Virginia City filed June 6, 1865 in the office of the County6 Recorder of Storey County, State of Nevada.

Excepting therefrom any portion of the herein described lands lying within the existing public right of way for roads and appurtenances thereto and bearing Assessor's Parcel Number 001-072-01

EXHBIT B

PICTURE OF ACCESS LOCATION



Storey County Board of County Commissioners Agenda Action Report

Meeting date: December 4, 2018
minutes

Estimate of time required: 15

Agenda: Consent [] Regular agenda [X] Public hearing required []

1. **Title:** Discussion/Possible Action to approve purchase of property from Virginia City Holdings LLC of parcels of real property identified as Lots 6 – 16 and the south half of Lot 5 Block 180, Lots 3 – 17 Block 181; Lots 1- 6 Block 200; and Lots 1-6 Block 201 all within Range H, Virginia City, Nevada and bearing Assessor Parcel Numbers 001-135-07; 001-136-01; 001-173-01 and 001-176-01 (the Property) for the price of \$445,000.00
2. **Recommended motion:** I _____ move to approve the agreement for the purchase of the Property from Virginia City Virginia city Holdings LLC for the price of \$445,000.00

3. **Prepared by:** Keith Loomis

Department: District Attorney's Office

Telephone: 847-0964

4. **Staff summary:** The Virginia City Tourist Commission has had the Property appraised by Sam Ward who determined that the appraised value of the property is \$445,000.00. The property is presently leased by the Virginia City Tourism Commession for use as a fairgrounds. For this reason, the VCTC is asking that the County purchase the Property.

5. **Supporting materials:** Agreement for the purchase of real property from Virginia City Holdings LLC. Sam Ward appraisal.

6. **Fiscal impact:**

Funds Available:

Fund:

____ Comptroller

7. **Legal review required:**

__X__ District Attorney

8. **Reviewed by:**

____ Department Head
____ County Manager

Department Name: _____
Other agency review: _____

9. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

APPRAISAL REPORT

**OF
FOUR PROPERTIES
LOCATED IN THE VICINITY OF THE
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NEVADA**

**AS OF
July 26, 2018**

**PREPARED FOR
Mr. Deny Dotson, Tourism Director
Virginia City Tourism Commission (VCTC)
86 South C Street
Virginia City, NV 89440**

**BY
SAMUEL K. WARD
REAL ESTATE APPRAISERS/CONSULTANTS
106 EAST ADAMS STREET, SUITE 212
CARSON CITY, NEVADA 89706
18010B**

SAMUEL K. WARD • REAL ESTATE APPRAISERS/CONSULTANTS

106 E. ADAMS ST., SUITE 212 • CARSON CITY, NEVADA 89706
(775) 885-8822

August 8, 2018

Mr. Deny Dotson, Tourism Director
Virginia City Tourism Commission (VCTC)
86 South C Street
Virginia City, NV 89440

Re: Appraisal Report of four properties located in the Virginia City Fairgrounds area of
Virginia City, Nevada

Dear Mr. Dotson:

As you requested, I have completed an investigation and analysis of the above referenced properties in order to estimate their current Market Value as a basis for negotiating the sale of the properties to Storey County.

The following report provides a description of each property and presents a review of all pertinent data analyzed in forming the final estimates of value. A fee simple ownership is presumed.

Based on my investigation and analysis, it is my opinion that the Market Value of the properties as of July 26, 2018, the last date of inspection and effective date of the appraisal, were as follows:

VC Holdings - 4.54-acre parcel	\$445,000
VC Ventures - .34-acre parcel	\$ 41,000
Richard Correll - Warehouse property	\$ 97,000
Mark Charlton - .16-acre parcel	\$ 21,000

Sincerely,



Samuel K. Ward,
Nevada Certified General Appraiser No. 00123

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INTENDED USER AND USE OF THE APPRAISAL

This appraisal is being prepared for use by the Storey County, the Virginia City Tourism Commission and the current property owner's for use in determining the fair market value of each property as a basis in negotiating the sale of each property to Storey County.

DEFINITION OF MARKET VALUE

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a) buyer and seller are typically motivated;
- b) both parties are well informed or well advised, and each acting in what he considers his own best interest;
- c) a reasonable time is allowed for exposure in the open market;
- d) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

PROPERTY RIGHTS APPRAISED

The property rights in this appraised are the fee simple ownership assuming no indebtedness against each property.

EFFECTIVE DATE OF VALUATION

The estimate of value applies as of July 26, 2018, the last date of inspection. The report date is August 8, 2018.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

In preparing this appraisal, I

- inspected each property and improvements;
- gathered and analyzed local economic and demographic data and searched county data and MLS data for sales and listings of comparable properties in the area; and
- applied the Sales Comparison Approach in estimating the final value for each property.

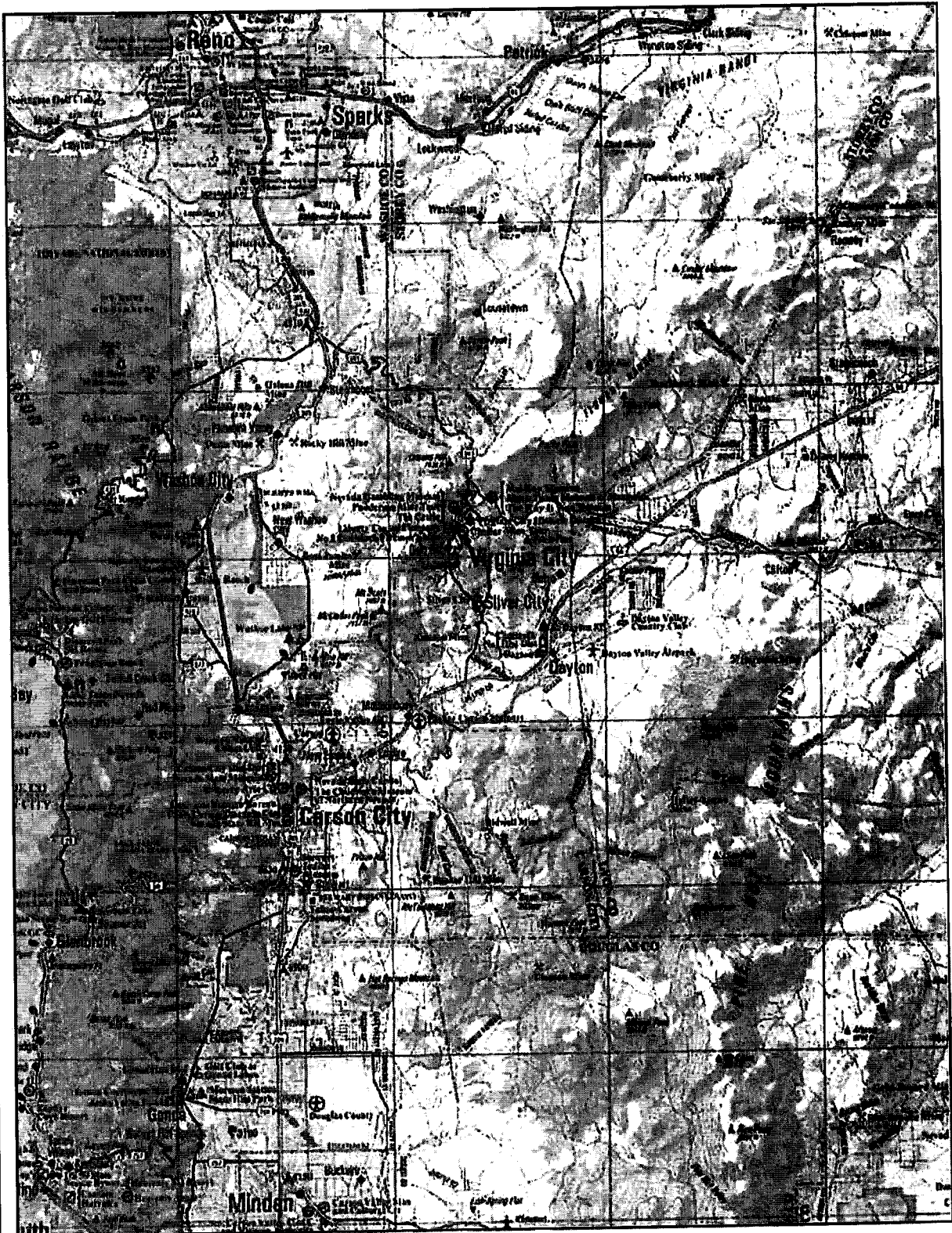
¹(Ref.: Federal Home Loan Bank Board)

CONTINGENT AND LIMITING CONDITIONS

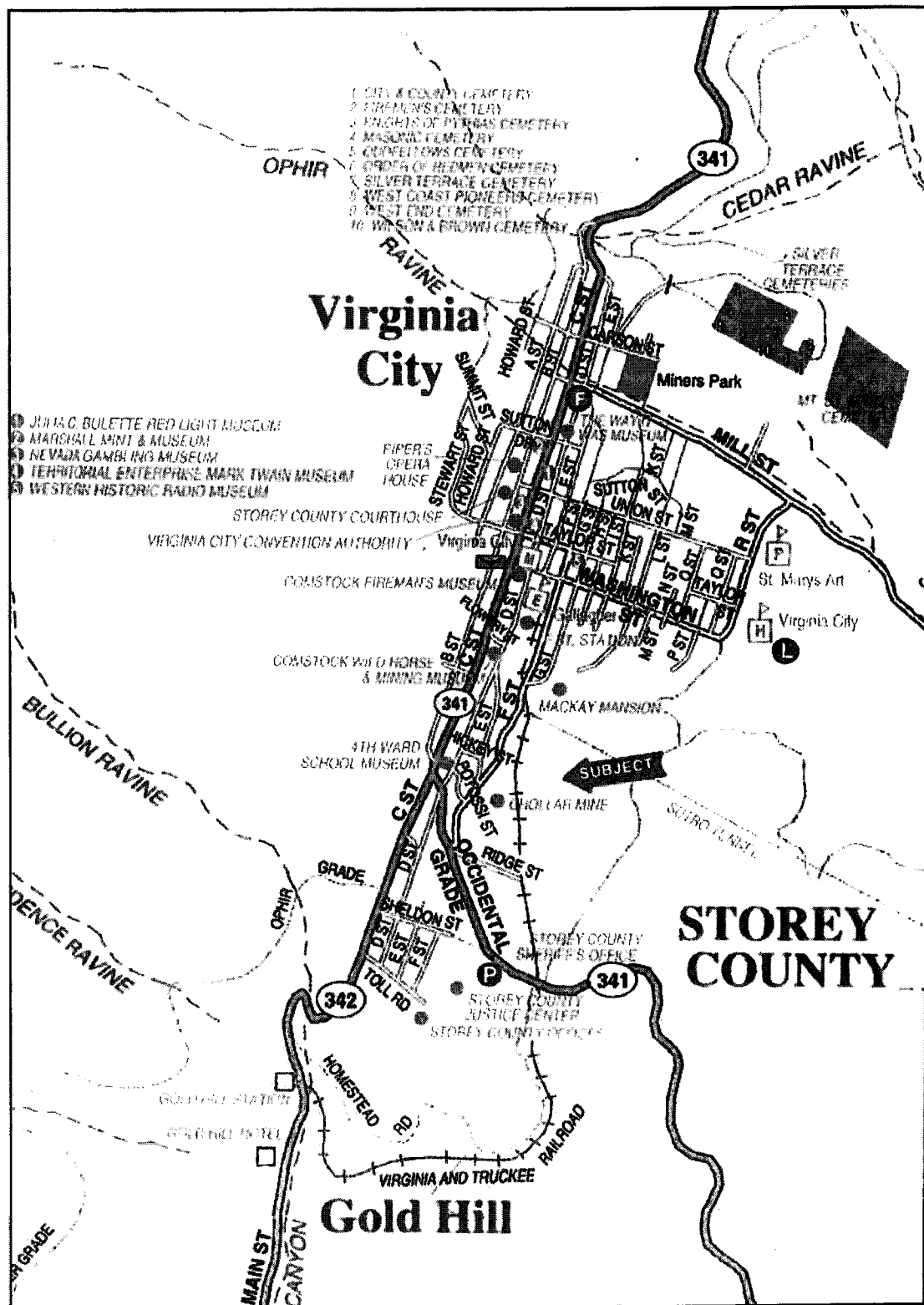
This appraisal report and the valuation reported herein are made subject to the following assumptions and limiting conditions.

1. I have conducted an analysis in the form of an appraisal report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice reporting options. As such, much of the discussion of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value are not reported herein. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and is for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto. Title to the property is assumed to be marketable.
3. Estimates, data, and opinions furnished by informed persons are believed to be correct and reliable but are not guaranteed.
4. This appraisal is to be considered in its entirety. The distribution of land and improvements applies only under current land utilization and is invalid under any other use.
5. The appraiser is not required to give testimony or appear in court because of having made this appraisal unless arrangements have been previously made.
6. It is assumed the property will be under competent management and that reasonable maintenance will prevail.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors.
8. No survey of the property was made. All maps and sketches in the report are made for illustrative purposes and are submitted to assist the reader in visualizing the property.
9. Neither all, nor any part of the contents of this report or copy thereof, shall be used for any purpose by anyone but the client without the previous written consent of the appraiser and/or client; nor through advertising, public relations, news, sales, or other media without the written consent and approval of the author, regarding valuation conclusions, reveal the identity of the appraiser, or a firm with which he is connected, or make any reference to any professional society or institute with which he is affiliated.

REGIONAL MAP



VIRGINIA CITY MAP



VIRGINIA CITY AREA DATA

Virginia City, the county seat of Storey County, is a historic mining town listed as a national historic landmark. In its heyday as a mining town in the 1860s, Virginia City was home to over 30,000 people. According to the 2010 estimates by the Nevada State Demographer's Office, Virginia City has a population today of 998 and listed the number of people in Storey County at 4,234. The majority of the population is located in Virginia City, Gold Hill, and Silver City with smaller populations in the Virginia Highland development north of Virginia City as well as the extreme northern portions of the Mark Twain area of Dayton Valley and the community of Stagecoach.

State Highway 341, which connects Virginia City to Reno and Carson City, is the primary thoroughfare through town, where it is known as "C" Street. C Street is developed with over sixty gift shops, plus numerous restaurants and historic saloons. Other tourist attractions include some historic mansions, the Chollar mine office, the Fourth Ward School House, three historic churches, Piper's Opera House and the V & T Railroad, which makes several runs per day from April through October over a short distance to Gold Hill. The V&T Railroad also runs from Moundhouse which is five miles east of Carson City, to Virginia City with service from Memorial Day through October every Friday, Saturday and Sunday with a three hour layover in Virginia City. In addition, several small museums are housed in stores or saloons on "C" Street, including several gift shops and jewelry shops. There are two convenience markets, a public library, one gas station and a post office in the community, plus a landing pad for care-flight service to Renown Regional Hospital in Reno.

The economy of Virginia City is centered on tourism, which accounts for about 90% of the economic base of the town; it is estimated that over two million visitors come to Virginia City every year. Although most tourists are day-trippers who arrive by car or bus, construction of the Silverland Inn (formerly Ramada Hotel) completed in August of 2006, does offer overnight lodging. The hotel has 68 rooms available and it's location near the former Virginia & Truckee railroad route provides modern amenities while maintaining the Victorian style that is prevalent in Virginia City.

It is noted that since there are no major shopping stores or grocery stores in the area, and because of its altitude (6,200') and windy roads to the community, plus the fact there is a limited amount of water available for future development, there is very little new construction in Virginia City.

NEIGHBORHOOD DESCRIPTION

The four subject properties are all located in the area of the Storey County Fair Grounds or in the southwest quadrant of Virginia City which was in the past an area with a large mine dump of material taken from mines in the immediate area. However, several years ago one of the mining companies who owned the land, leveled the ground which is now an area of approximately 15 - 20 acre that is used as the Storey County Fair Grounds and Events Center. Much of the land outside the platted but undeveloped streets is privately owned by several individuals or entities and is leased to the county. Access is via F Street with a railroad crossing just south of Flowery Street. The area is predominantly zoned light industrial but there has been no new development in the area except for one small privately owned metal storage building and of course the uses of the area for the Virginia City Fairgrounds and Events Center. Utilities are extended along F Street to the west and along Flowery Street to the north. Power is available in the area. Extensions may have to be made to bring utilities to each site, depending on what type of development may some day be proposed for the sites; albeit, there are immediate plans to run a sewer line through the area.

Trend

The neighborhood is stable but is gradually improving as the access into the fairgrounds is being improved and utilities are being brought into the area.

**VIRGINIA CITY HOLDINGS, LLC 4.54-ACRE SITE
LOCATED BETWEEN H & K STREETS & SILVER STREET
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NV
PROPERTY IDENTIFICATION**

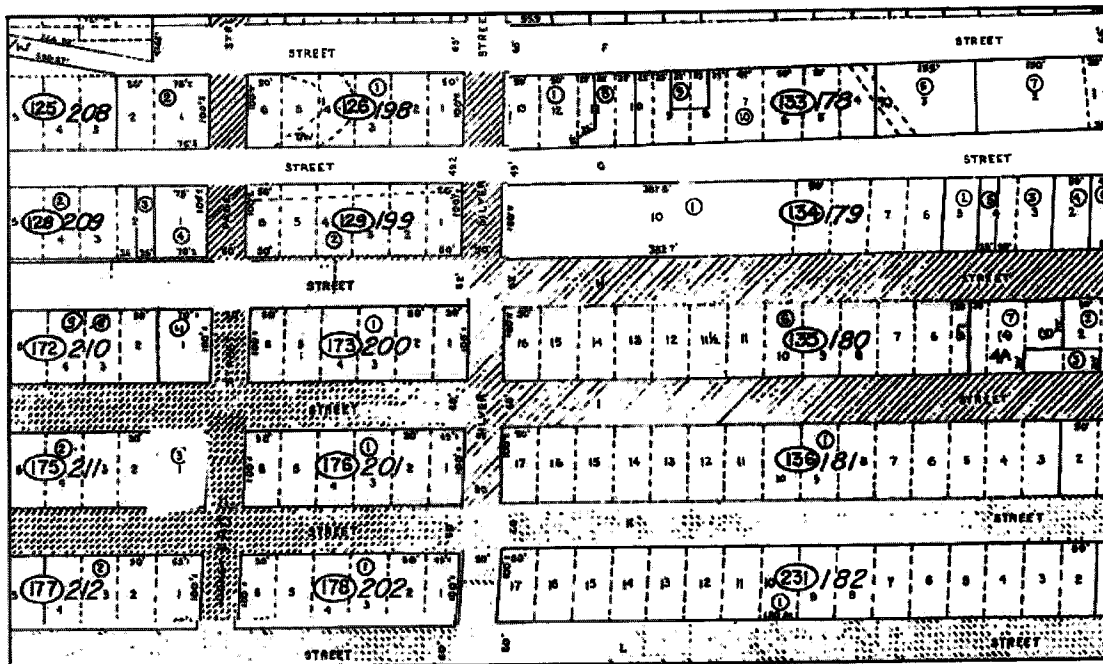
Address and Location - The subject property consists of four non-contiguous parcels located on both sides of I Street between Page Street and Flowery Street in the southeast quadrant of Virginia City in an industrial area currently used as the Virginia City Fairgrounds and Events Center because of its level terrain. The undeveloped streets in the old plat of Virginia City separate the sites but these right of ways probably would be abandoned if the sites were developed as one parcel.

Legal Description - A complete legal description was not available to the appraiser. The sites may briefly be described as Lots 6-16 and the south half of Lot 5 Block 180; Lots 3 - 17 Block 181; Lots 1 - 6 Block 200, and Lots 1 - 6 Block 201, Range H, Virginia City, Nevada. The parcels are also listed by the Storey County Assessor as Assessor's Parcel Numbers (APNs) 001-135-06; 001-136-01; 001-173-01 and 001-176-01

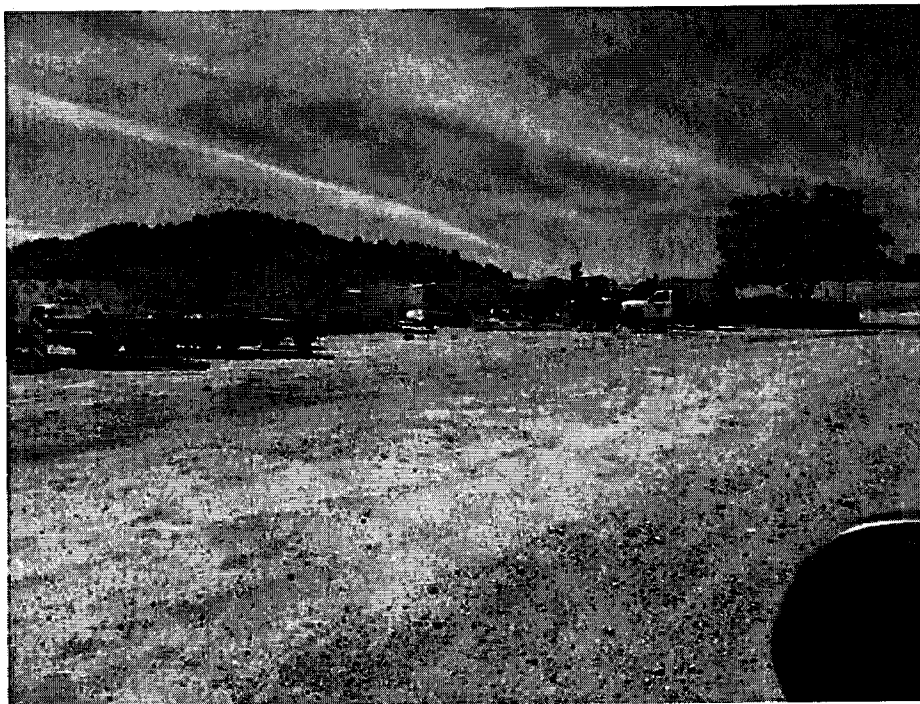
Owner of Record - Virginia City Holdings, LLC

Ownership History - The property has been under the same ownership for over 10 years and to the knowledge of the appraiser it has never been offered for sale since it was last purchased.

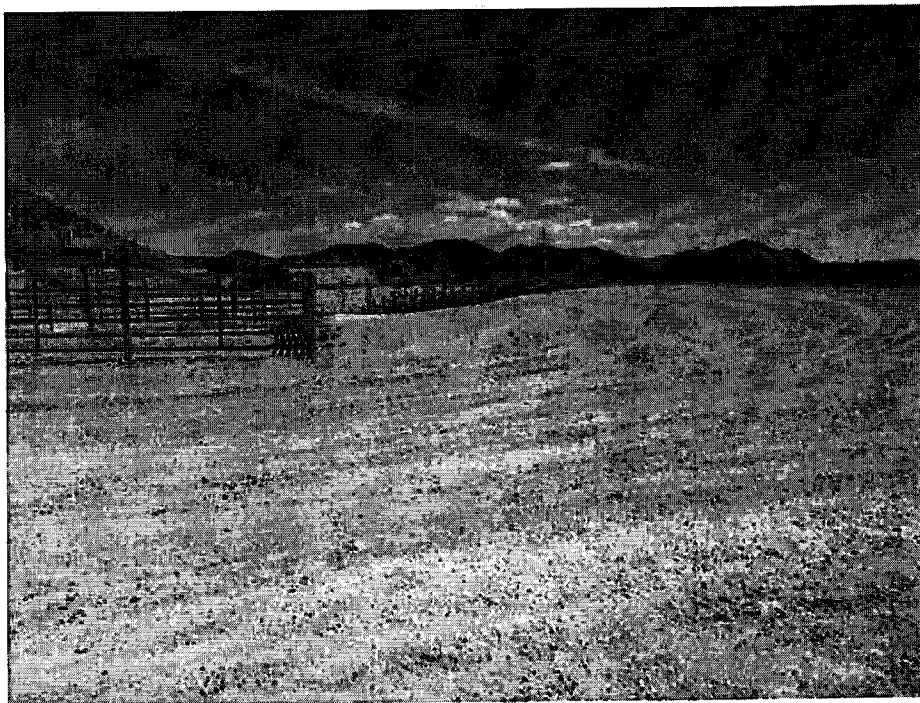
SITE MAP



SUBJECT PHOTOS

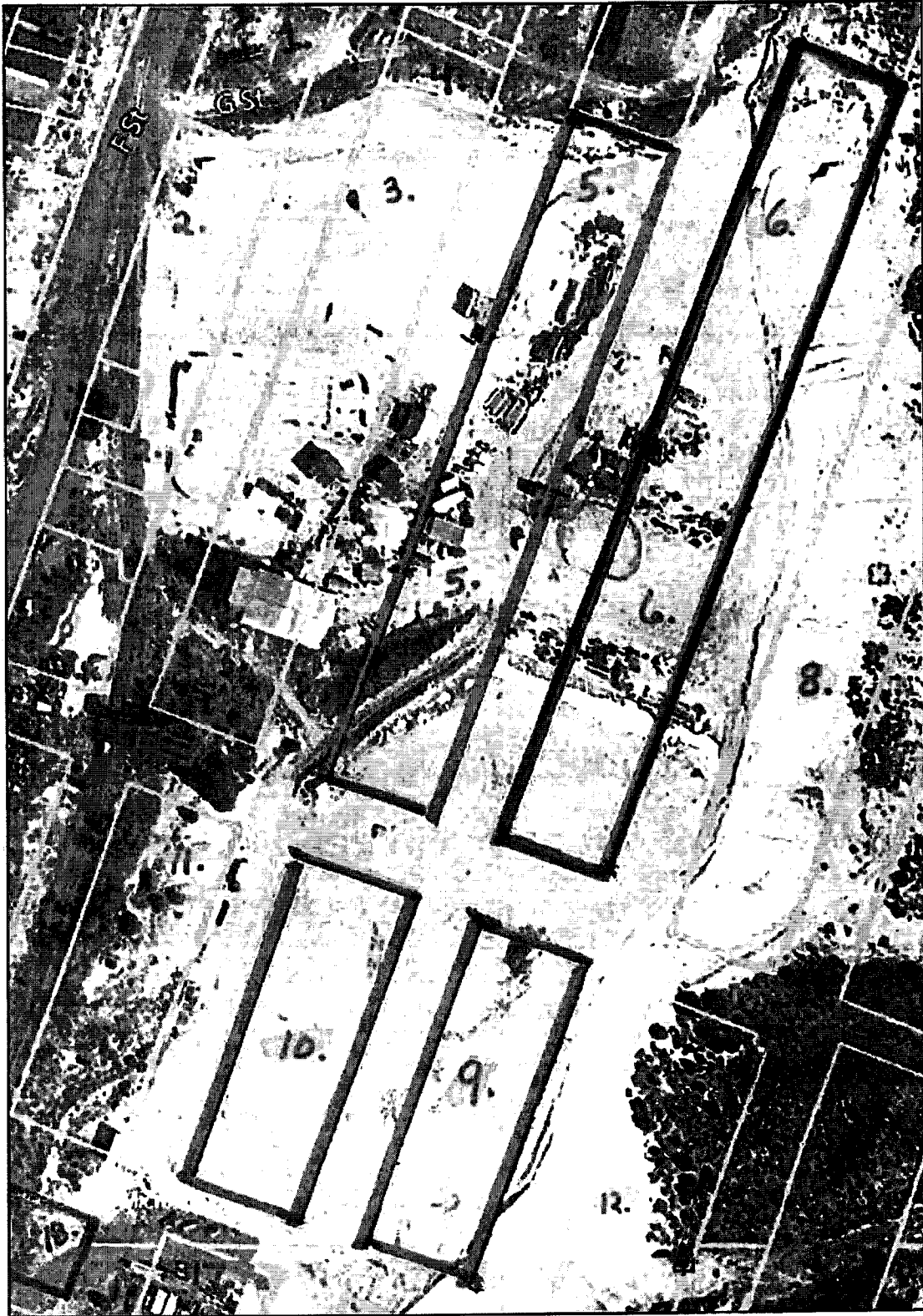


View of the site
looking south
from near the
north end



View of the site
looking north from
near the south end

AERIAL SITE MAP



SITE DATA

Location

The subject site or sites (they are all non-contiguous with the platted streets not in but presumed to be abandoned if the site is ever developed) and are all located between H Street and K Street north of Page Street and south of Flowery Street in the southeast section of Virginia City in an industrial zoned area currently leased to Storey County as the Virginia City Fairground and Events Center.

Dimensions, Area and Shape

The parcels vary in size from (15), 50' x 100' lots to (6), 50' x 100' lots; albeit, they have never been developed and for the most part are zoned industrial, so the fact they are part of the original plat of Virginia City, has no relevance in this instance. The total land area for all the lots is 4.54 acres plus the use of the streets in between the parcels which have never been developed and should probably be available for use if the parcels are development as one site.

Topography & Drainage

The grade in the vicinity of the subject site generally level on the north end and south ends with a grade change near the middle. The site is part of a large dump dirt excavated from the old mines in the area that was leveled and terraced and compacted several years ago.

Soils and Subsoils

No soil report was made available to this appraiser. The soils in the area appear to be a rocky, sandy, gravel type compacted soil which is "dump" material from the adjoining mines that operated in the area over 100 years ago. Several years ago the large pile of dump dirt that overburdened the site was leveled, compacted and is currently mostly leased to the Storey County for a nominal fee and operated as the Virginia City Fairgrounds and Events Center. It is noted there are many miles of mining tunnels under the city that were dug in the later 1800s during the search for gold and silver ore in the area but there is no evidence of settling under the subject site now.

Availability and Description of Utilities

Storey County provides water and sewer service in the area. Virginia City and Gold Hill get their potable water from Marlette Lake in the Sierras via a pipeline. There is limited water available for new development with new service on an allocation basis. Electricity is provided by NV Energy and telephone service is provided by AT&T; albeit, it was not determined if there are water and sewer lines or electricity in the immediate area as it was never developed but there is a sewer line proposed to the south of the subject property. There is no natural gas to the town; instead, residents and businesses use propane, augmented by wood stoves or fireplaces.

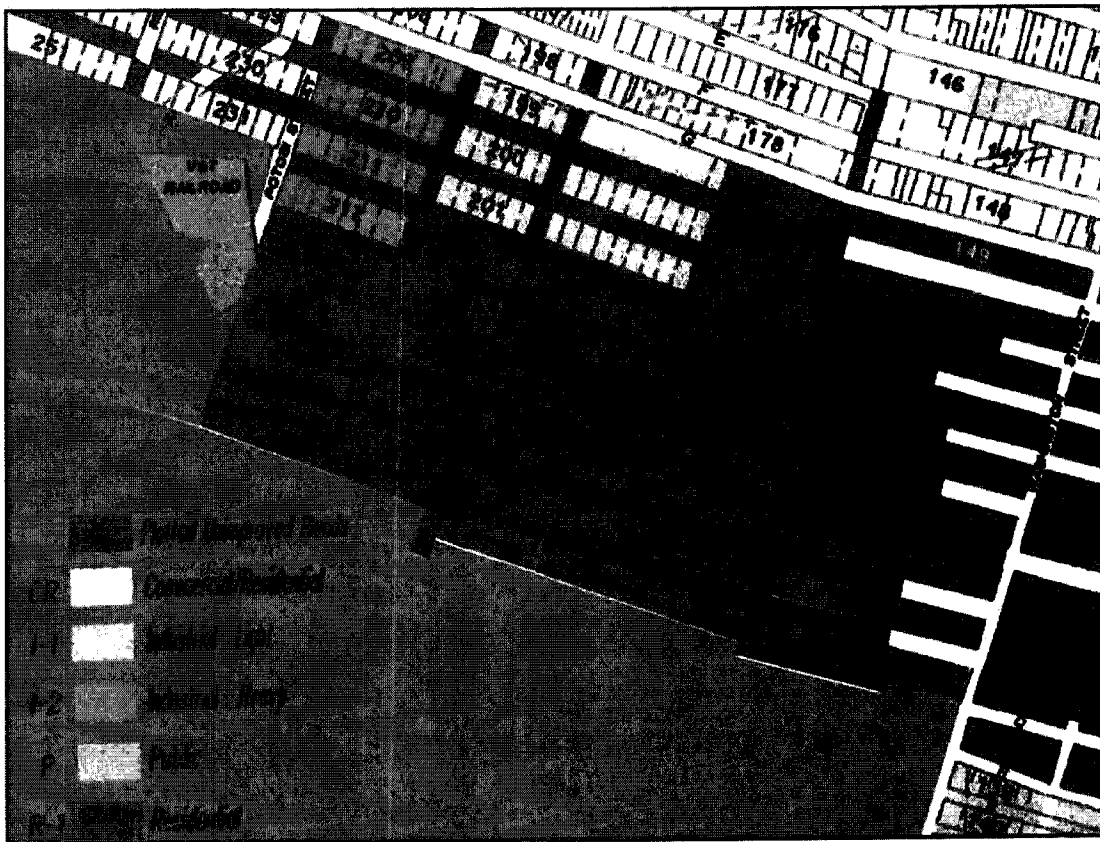
Street Improvements and Access

There are no street improvements in the immediate area, even though the streets are platted they were never physically laid out or improved, so the street right of ways can probably be abandoned and used for development of the subject sites; there are no known plans to install any streets and utilities, except for sewer service, in the immediate area, except for a roadway east off of F Street which goes into the general area.

Zoning

The lots in Blocks 200 and 201 are zoned L-1 or light industrial and the zoning in Blocks 180 and 181 have split zoning with the south half of these two blocks zoned L-1 and the eastern half R-1 or residential. Any development of the lots would require a design review and most likely any public or private development would be approved if consistent with the desires of the governing bodies and local residents. The zoning map below shows the current zoning of the parcels. Note the subject parcels are in Blocks 180, 181, 200 and 201.

Zoning Map



Assessments and Taxes

The sites are identified by the Storey County Assessor's Office as parcel numbers 01-135-06; 136-01; 173-01 and 175-01. In Nevada the assessed value is 35% of the assessor's fair market value estimate. In actual practice land values based on the assessor's estimate of fair market value and improvement value are based on replacement cost new less 1.5% per year for depreciation down to a minimum of 25% of the estimated replacement cost and land value is based on the assessor's estimate of its fair market value. The 2017/18 tax rate in the area is \$3.4607 per \$100 of assessed value. According to the Storey County Assessors Office the assessed values, taxes, and market values for the sites are as shown on the following page:

APN	Assessed Value	Taxes	Mkt. Vale	Size - acres
01-135-06	\$7,065	\$244.50	\$20,186	1.45
01-136-01	\$13,748	\$266.80	\$39,280	1.72
01-173-01	\$7,710	\$149.61	\$22,029	0.69
01-176-01	\$3,722	\$244.50	\$10,634	0.68
TOTAL	\$32,245	\$905.41	\$92,129	4.54

HIGHEST AND BEST USE

Highest and best use is defined as that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal.

There are four criteria which must be met in the analysis of highest and best use for both land that is vacant and property that is improved. The highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Generally, these criteria are analyzed in the preceding sequence because if a property fails any one of the criteria, the subsequent criteria are irrelevant to the analysis.

Physically, the sites are considered one parcel and are a rectangular shaped. The parcel is larger than most sites in the area but this is not considered a detriment to the property.

Legally, the site is zoned L-1, Light Industrial, and R-1, Residential, which is mixed zoning but given the general development in the immediate area as an events center, the L-1 zoning would have precedence in this instance and the need for a public use or private use as say an RV park would probably be an acceptable use of the property.

Some of the financial beneficial uses would be those that meet the needs of the community as an events center in combination with an RV park.

Right now the cost of money is still fairly low historically and there is demand in the community for a fairgrounds and events center and for an RV park, so given these facts, a mixed use of the site for a fair grounds and events center along a smaller RV would appear to result in the highest and best use of the property. The financial feasibility is tested by the alternative of buying an existing property for less than it costs to build a comparable property with the same utility or renting a property with the same utility for less than it costs to build or own a similar property. Because there are no other large, generally level sites in the area available or for sale right now with the same utility as the subject site, the only alternative is buy or develop the subject property.

The next test for what use would be the maximally most productive use of the sites. The maximally most productive use of the site would be appear to be to assemble the sites as a single parcel and seek abandonment of the platted but never built streets and possibly join this parcel with adjoining sites to create a large enough parcel to accommodate a fair grounds and events

center and/or an smaller RV park in combination with development into a fairgrounds events center.

Easements and Encroachments

No title report was available for review by the appraiser but it does not appear there are any physical easements or encroachments that would adversely affect the subject property.

Surrounding Land Use

The subject is bordered on the south open vacant hilly industrial land, to the east by a ravine, to the north by vacant parcels and a few modest homes and to the west by the V&T Railroad tracks. None of the surrounding uses are considered detrimental to the subject property and there were no conditions noted in the neighborhood that would adversely affect the subject property. In conclusion, the subject property is considered a good site for assemblage and development as it is part of the only larger almost level site in the community.

VALUATION

Normally, an appraiser has three methods of estimating the value of a property. These are known as the Cost Approach, the Sales Comparison Approach, and the Income Approach. In the appraisal of this property only the Sales Comparison using comparable land sales will be used.

SALE COMPARISON APPROACH

The Sales Comparison Approach is a technique in which the market value estimate is predicated upon prices paid in actual market transactions or current listings, the former fixing the lower limit of value in a static or advancing market (price-wise) and fixing the higher limit of value in a declining market, and the latter fixing the higher limit of value in any market. The sales listed in the tabular chart on the following page have been investigated, analyzed and compared to the subject on a price per square foot of first floor area.

Land Sales

A search was conducted for comparable land sales and listings in the area and only four comparable sales were noted that were considered acceptable in estimating the value of the subject site. The sales were investigated, analyzed and compared to the subject property on a price per acre basis. Factors that affect value include the motivation of the buyer and seller or conditions of the sale, market conditions at the time of sale (time), location and access, size, shape and utility, zoning, and availability of utilities and whether or not there were any improvements included in the sale. Any other factors that might affect value were also considered. Due to lack of sales in the area and insufficient data to use paired sales for the factors affecting value, subjective percentage adjustments in 5% increments were used to recognize clear superiority or inferiority of a characteristic of each sale in comparison to the subject site. On the following page is a Land Sales Chart showing the salient facts regarding each comparable followed by a discussion, analysis and adjustment grid.

LAND SALES CHART

Sale No	APN # Location	Sale Price Sale Date	Land Area Zoning	Price/ Sq.Ft.	Comment
1	001-173-01, 02, 07, 12, 17, 19-21 220-289 S. C St.	\$200,000 * 7/28/2017	1.78 ac C2	\$2.58	Steep lots, w/2 old rentals on prop. * Net s/p - \$80,000 for imprvmts.
2	01-133-07 316 So. G St.	\$45,000 10/17/2017	.43 ac CR	\$2.40	Corner lot with streets on east and west sides, not parceled but util. available.
3	01-127-03 646 So. H St.	\$15,000 12/08/2016	.17 ac CR	\$2.03	Inside lot, steep parcel, on paved st.
4	01-121-02 660 S. F St.	\$70,000 077/11/2018	.5632 CR	\$2.85	Corner lot, gentle slope, paved st., view
Subj.	01-135-06; 136-01; 173-01; 176-01 Both sides of I St. bet. Page St & Flowery St.	N/A	4.54 ac G-I		Level lots with mixed zoning no St. imprvmts. Uti. ext. req.

Location Map



Discussion and Analysis

Sale 1 is a multi-parcel sale of eight separate but contiguous sites, including two with old homes on them which have marginal value estimated at \$40,000 each, leaving a net land value of \$200,000. The property is on C Street which has good exposure but the lots have a fairly steep downslope from the highway and will be difficult to develop. This was an all cash sale through a Realtor at close to the listing price. This sale needs no adjustment for conditions of the sale or for time but should be adjusted downward for its location on a prominent street with a view and availability of utilities. This sale needs a downward adjustment for size as all else being equal, smaller parcels tend to sell for less than larger parcels. It should be adjusted upward for the considerable slope and the difficulty that will be encountered in developing the lots. No adjustment is considered required for zoning.

Sale 2 is a single parcel with paved streets and utilities on two sides. The terrain is sloping but the parcel is buildable without too much development expense. This was an all cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. This sale needs a downward adjustment for size as all else being equal, smaller lots typically sell for more per square foot than larger lots like the subject. The location is superior to the subject because the area is more homogeneous and developed. The terrain is sloping, so it will require some expense to develop the parcel but this is offset that it is on an existing road. No adjustment is considered required for zoning.

Sale 3 is a small single parcel sale with paved street on one side but is very steep. This was a cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is considered comparable to the subject but it is on a paved street with utilities available. This sale needs a considerable downward adjustment for size as all else being equal, smaller lots typically sell for more per square foot than larger lots like the subject. The terrain is sloping, so it will require some expense to develop the parcel.

Sale 4 is a very recent sale of a parcel located southwest of the subject a short distance. It has a gentle down slope from F Street which encroaches into the parcel somewhat and lowers the net usable area of the site. There is power and water available to the site but sewer is about 400'. The buyer has plans for a storage shed on the property and eventually a home. This was a cash sale. The location and access are superior to the subject and it has a good territorial view. This site needs a considerable downward adjustment for size as all else being equal, smaller sites typically sell for less per unit value than larger sites like the subject. The site is rectangular but the street encroached in to the site lower its net usable area or utility. Development expense would be comparable to the subject except it is on a paved road and the subject parcel will require some road construction.

Below is a discussion of the factors affecting value, followed by and adjustment grid.

Financing and Conditions of the Sale

All the sales are considered open market transactions, so no adjustment is required for this category.

Market Conditions (time)

No time adjustment is considered necessary for the sales as are fairly recent.

Location and Access

The subject is in an area where there are no street improvements but there is access into the general area without assemblage with adjoining parcels, streets will have to be improved to the subject property; likewise utilities. Sale 1 is on C Street which has good access and exposer and streets and utilities are available. Sales 2 has paved streets and utilities available. Sale 3 is on a paved road with all utilities available and Sale 4 is on a paved street with utilities available but sewer.

Lot Size

All the lots are smaller than the subject, so they will require downward adjustments for size as all else being equal, smaller parcels sell for more per square foot than larger parcels.

Use or Zoning

No adjustment is made for this category as the uses and zoning for all the sales are compatible with each other.

Terrain

Sale 1 has moderately steep down slope from the street and Sale 3 also has a fairly steep slope which will increase development costs for both parcels but the subject, though level needs street and utility extensions to the site. Sales 2 and 4 has a gentle downslopes from the the street with little development expense involved,

On the following page is an adjustment grid showing the relative percentage adjustments to the comparable sales for the various categories that affect value on a price per square foot basis.

ADJUSTMENT GRID					
Sale	Subject	1	2	3	4
Location	Both sides of I St. bet. Page St & Flowery St.	220-289 S. C St.	316 S. G St.	646 So. H St.	660 So. F St.
Sale/ Price		\$200,000 *	\$45,000	\$15,000	\$70,000
Sale Date		7/28/2017	10/17/2017	12/08/2016	07/11/2018
Size (AC)	4.54	1.78	0.43	0.17	0.56
Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Time Adj.		0%	5%	0%	0%
Cond. Of Sale		0%	0%	0%	0%
Adj. Price/SF		\$2.58	\$2.52	\$2.03	\$2.85
Adjustments					
Location/ Access		-5%	-5%	0%	-5%
Size		-10%	-10%	-15%	-10%
Shape/Utility		5%	0%	-5%	5%
Dev. Expense		0%	-5%	10%	-5%
Zoning		0%	0%	0%	0%
Other		0%	0%	0%	0%
Total Adj.		-10%	-20%	-10%	-15%
Adjusted \$/SF		\$2.32	\$2.02	\$1.82	\$2.43

* adj. for improvements

With adjustments the price per square foot ranges from \$2.02/SF to \$2.43/SF with the arithmetic average of the sales \$2.15/SF and the median is \$2.17/SF. Sale 1 is the least comparable except for size as it is on main street but has a steep downslope from the street. Sale 2 is the most similar overall in location and but requires a downward adjustment for size and for the better location on paved streets with utilities available. Sale 3 is has a steep slope but is on a paved street with utilities available but is much smaller than the subject. Sale 4 is a very recent sale and is a superior lot with better frontage on a paved street. With the most weight to Sale 2 and 4, and some consideration to the mean and median values, the final value is supported at \$2.25/SF for a value indication of the subject property of:

$$4.54 \text{ acres (197,762 SF)} \times \$2.25/\text{SF} = \$444,964, \text{ rounded to } \$445,000$$

RECONCILIATION AND FINAL CONCLUSION OF VALUE

INDICATED VALUE BY SALES COMPARISON APPROACH: \$445,000

The Cost Approach and the Income Approach are not considered relevant when valuing a vacant site like the subject and therefore were not used.

The Sales Comparison Approach is used by Realtors® and by buyers and sellers as well. Through the common unit of comparison, namely the price per square foot basis for the land area, sales can be compared to the subject property and a meaningful value range formed if proper recognition is given to the factors affecting value. With adjustments to the sales for the factors affecting value, there is good support for the final value indication by this approach.

After considering all the factors and information contained in this report, it is the opinion of the appraiser that the Market Value of the subject property is supported at \$445,000.

Exposure Time and Marketing Time

Based on a discussion with a discussion with an industrial broker in the area and observation of the marketing time of the sales, it is estimated that at the appraised value the exposure time would be from three months to one year and without any evidence to the contrary, the marketing time in the future is expected to be the same, or from three months to one year at the appraised value.

**VIRGINIA CITY VENTURES, INC. .34-ACRE SITE
LOCATED BETWEEN H & I STREETS
AND POTOSI AND PAGE STREETS
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NV**

PROPERTY IDENTIFICATION

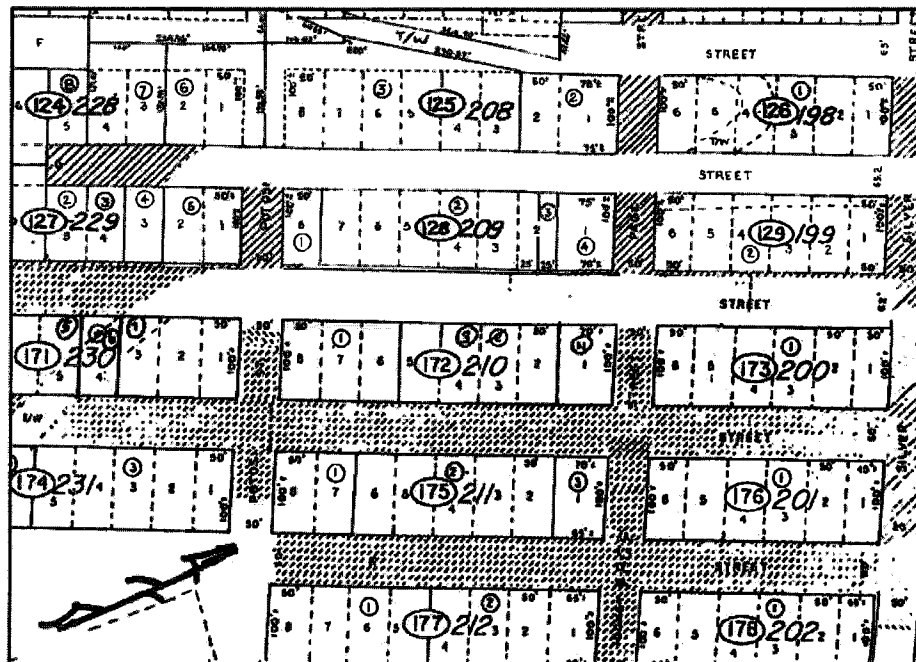
Address and Location - The subject site is a rectangular parcel located on the north side of Potosi Street between H Street and I Street in the southeast quadrant of Virginia City in an industrial area currently used as the Virginia City Fairgrounds and Events Center because of its level terrain.

Legal Description - A complete legal description was not available to the appraiser. The site may briefly be described as Lots 6, 7 and 8 Block 210, Range H, Virginia City, Nevada. The parcel is also listed by the Storey County Assessor as Assessor's Parcel Number (APN) 001-172-01.

Owner of Record - Virginia City Ventures, Inc.

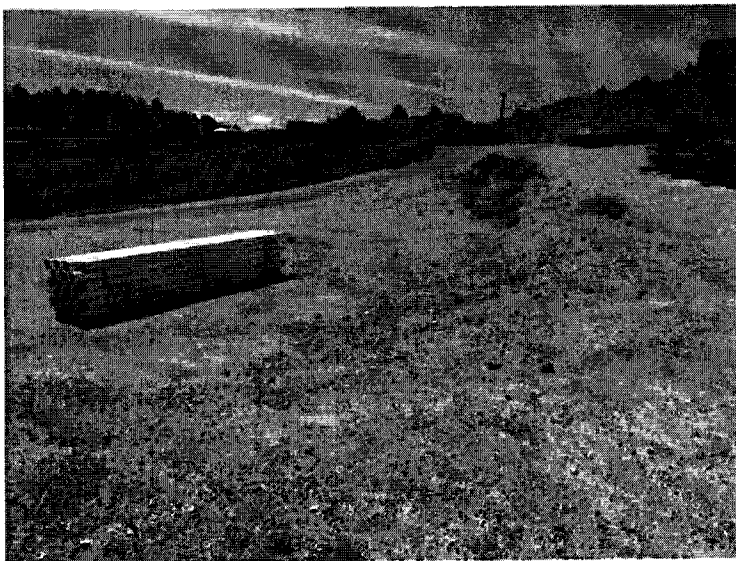
Ownership History - The property has been under the same ownership for over 10 years and to the knowledge of the appraiser it has never been offered for sale since it was last purchased.

SITE MAP

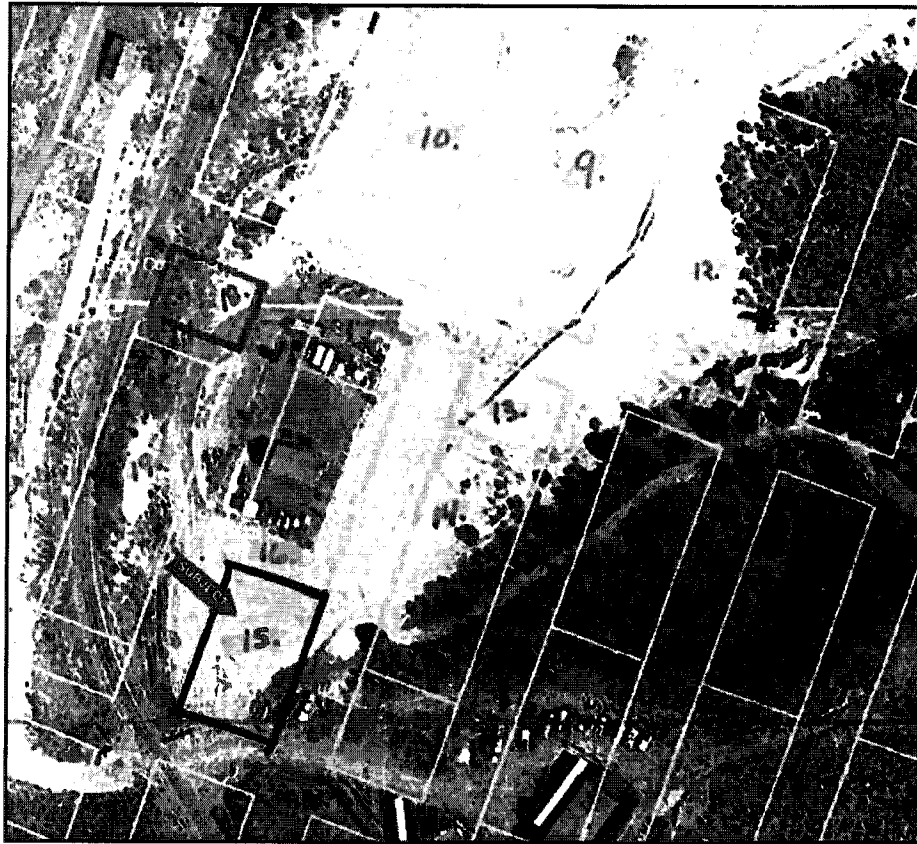


SUBJECT PHOTOS

View of the site looking north with subject site in foreground before the building, note roadway easement over the subject site.



View of the site looking south with easement access over the south portion of the site

AERIAL SITE MAP**SITE DATA****Location**

The subject site is located on the north side of Potosi Street between H and I Streets in the southeast section of Virginia City in an industrial zoned area currently leased to Storey County as part of the Virginia City Fairground and Events Center.

Dimensions, Area and Shape

The parcel is rectangular measuring 100' x 150' with a total land area of .34 of one acre or 15,000 square feet. The parcel has legal access but the street have not been improved.

Topography & Drainage

The grade in the vicinity of the subject site is generally level near the north end and slopes up some toward the south end. The property was a mine dump area excavated from the old mines in the area but was leveled and compacted several years ago.

Soils and Subsoils

No soil report was made available to this appraiser. The soils in the area appear a rocky, sandy, gravelly type soil which are "dump" material from the adjoining mines that operated in the area over 100 years ago. Several years ago the large pile of dump dirt was leveled and compacted and currently most of the area is leased to the Storey County and operated as the Virginia City

Fairgrounds and Events Center. There are many miles of mining tunnels under the city that were dug in the later 1800s during the search for gold and silver ore but there is no evidence of settling under the subject site now.

Availability and Description of Utilities

Storey County provides water and sewer service in the area. Virginia City and Gold Hill get there potable water from Marlette Lake in the Sierras via a pipeline and there is limited water available for new development with new service on an allocation basis. Electricity is provided by NV Energy and telephone service is provided by AT&T; albeit, it was not determined if there is water or power in the immediate in the area but a sewer line is proposed to go near the site.

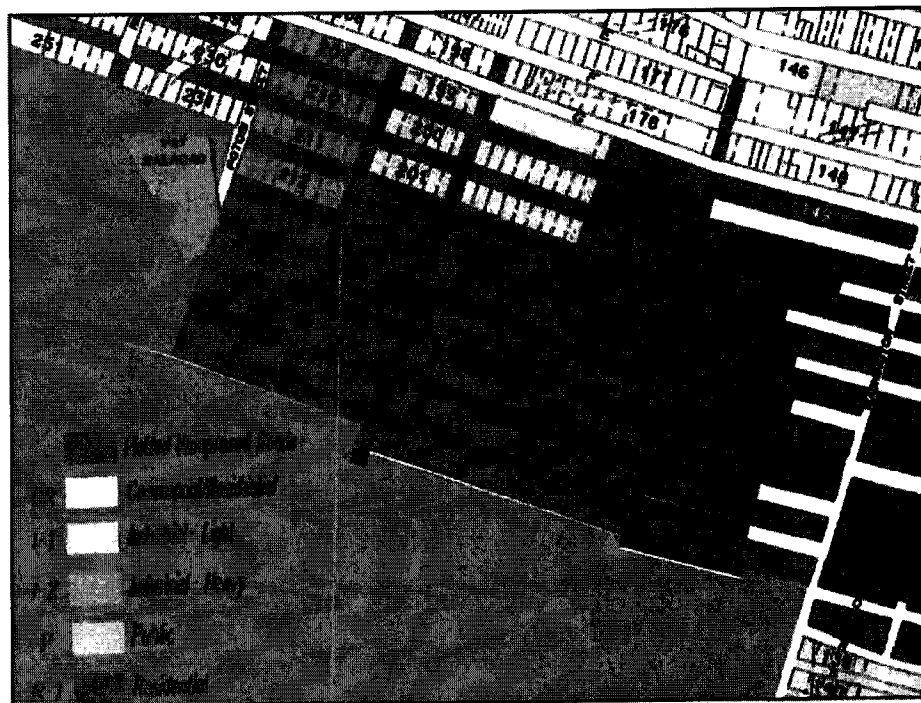
Street Improvements and Access

Even though the streets are platted, they were never improved. Depending on development in the area, the streets could be abandoned; albeit, the subject site would need still need access which is currently has from a roadway into the area.

Zoning

The lots in Block 210, including the subject site are zoned Industrial I-2 or heavy industrial. Any development of the lot would require a design review and most likely any public or private development would be approved if consistent with the desires of the governing bodies and local residents. The zoning map below shows the current zoning for the parcel. Again, note the subject parcel is at the west end of Blocks 210.

Zoning Map



Assessments and Taxes

The site is identified by the Storey County Assessor's Office as parcel number 01-172-01. According to the Storey County Assessors Office the assessed values, taxes, and market values for the site are as follows:

APN	Assessed Value	Taxes	Mkt. Vale	Size - acres
01-172-01	\$2,102	\$72.74	\$6,006	0.34

Easements and Encroachments

No title report was available for review by the appraiser but it does not appear there are any physical easements or encroachments that would adversely affect the subject property other than the roadway easements over the south portion of the site. Access is proscriptive as the roads in the area do not follow the old platted roads; again, it does appear the access roadway encroaches into the subject site (see Aerial Map). Access is presumed to be legal.

Surrounding Land Use

The subject is bordered on the south by a roadway into the old V&T Railroad work shop and then open vacant hilly industrial land with considerable mine dump in the area. There is a ravine to the east and a moderate up slope to the west past the access road. The V&T railroad tracks are to the west of the access road and to the north is a small warehouse and storage lot. None of the surrounding uses are considered detrimental to the subject property and there were no conditions noted in the neighborhood that would adversely affect the subject property except the roadway to the adjoining property encroaches into the subject site. In conclusion, the subject site is considered a good site for assembled because it is part of the only larger almost level site in the community.

HIGHEST AND BEST USE

Highest and best use is defined as that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal.

There are four criteria which must be met in the analysis of highest and best use for both land that is vacant and property that is improved. The highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Generally, these criteria are analyzed in the preceding sequence because if a property fails any one of the criteria, the subsequent criteria are irrelevant to the analysis.

Physically, the site is rectangular platted lots with unimproved street right of ways on three sides and a proscriptive roadway in from the south that is presumed to be legal access to the site. The site is smaller than most other sites in the area but this is not considered a detriment to the property.

Legally, the site is zoned L-2, Heavy Industrial but most other land in the area is zoned L-1 or Light Industrial. In any case, the subject's zoning would probably not be adhered to as any development plan for the area would allow a variance for this parcel to some sort of commercial or quasi-public use such as a park, events center or assemblage of the parcel with surrounding parcels for a larger plan for the area instead of just for this parcel.

The maximally most productive use of the site would appear to be to assemble it with adjoining parcels and seek abandonment of the platted lots in the area that were never developed, so as to create a large enough parcel to accommodate a fair grounds and events center and/or an smaller RV park.

VALUATION

Normally, an appraiser has three methods of estimating the value of a property. These are known as the Cost Approach, the Sales Comparison Approach, and the Income Approach. In this appraisal, only the Sales Comparison using comparable land sales will be used.

A search was conducted for sales and listings of similar sites in the area. The four most comparable sales have been researched and analyzed and compared to the subject on a price per square foot basis which is the typical unit of comparison for this type of property used by market participants.

Factors that affect value include the motivation of the buyer and seller or conditions of the sale, market conditions at the time of sale (time), location and access, size, shape and utility, zoning, and availability of utilities and whether or not there were any improvements included in the sale. Any other factors that might affect value were also considered. Due to lack of sales in the area and insufficient data to use paired sales for the factors affecting value, subjective percentage adjustments in 5% increments were used to recognize clear superiority or inferiority of a characteristic of each sale in comparison to the subject site.

On the following page is a Land Sales Chart showing the salient facts regarding each comparable followed by a discussion, analysis and adjustment grid.

LAND SALES CHART

Sale No	APN # Location	Sale Price Sale Date	Land Area Zoning	Price/ Sq.Ft.	Comment
1	001-173-01, 02, 07, 12, 17, 19-21 220-289 S. C St.	\$200,000 * 7/28/2017	1.78 ac C2	\$2.58	Steep lots, w/2 old rentals on prop. * Net s/p - \$80,000 for imprvmnts.
2	01-133-07 316 So. G St.	\$45,000 10/17/2017	.42 ac CR	\$2.46	Corner lot with streets on east and west sides, not parceled but util. available.
3	01-127-03 646 So. H St.	\$15,000 12/08/2016	.17 ac CR	\$2.03	Steep lot on paved street with util. avail.
4	01-121-02 660 S. F St.	\$70,000 077/11/2018	.5632 CR	\$2.85	Corner lot, moderate slope, paved st.
Subj.	01-172-01 bet. H & I Streets bet. Potosi St. & Page St.	N/A	.34 ac I-2		Generally level lot, proscriptive access, util. ext. req.

Location Map



Discussion and Analysis

Sale 1 is a multi-parcel sale of eight separate contiguous sites, including two with old homes on the lots which have marginal value estimated at \$40,000 each, thus leaving a net land value of \$200,000. The property is on C Street which has good exposure but the lots have a fairly steep downslope from the highway which will raise development costs. This was an all cash sale through a Realtor at close to the listing price. This sale needs no adjustment for conditions of the sale or for time but should be adjusted downward for location on a paved street and for access and availability of utilities. This sale also needs a upward adjustment for size as all else being equal, smaller parcels tend to sell for less than larger parcels. No adjustment is considered required for zoning.

Sale 2 is a single parcel with paved streets on two sides and utilities available in the streets. The terrain has a gentle slope but is very buildable without too much expense. This was an all cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is superior to the subject's location as it is more homogeneous. The terrain is sloping but all utilities are available to the site, so overall development expense will be less than for the subject property. This sale needs no adjustment for size or for zoning.

Sale 3 is a parcel on a paved street but has a steep up slope from the street. This was a cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is considered comparable to the subject but it is on a paved street with utilities available, overall development expense would be more for this site than for the subject because of the terrain. This sale needs a considerable downward adjustment for size as all else being equal, smaller lots typically sell for more per square foot than larger lots like the subject.

Sale 4 is a recent sale of a parcel located southwest of the subject a short distance. It has a gentle down slope from F Street which encroaches into the parcel somewhat and lowers the net usable area of the site. There is power and water available to the site but sewer is about 400'. The buyer has plans for a storage shed on the property and eventually a home. This was a cash sale. The location and access are superior to the subject as it has a good territorial view and is on a paved street. This site needs no adjustment for size. The site is rectangular but the street encroached in to the site lower its net usable area or utility.

Discussion & Analysis of Factors Affecting Value

Following is a discussion of the previously described factors that affect value.

Financing and Conditions of the Sale

All the sales are considered open market transactions, so no adjustment is required for this category.

Market Conditions (time)

No time adjustment is considered necessary for the sales as are fairly recent.

Location and Access

The subject has access from a gravel road and utilities are available. Sale 1 is on C Street which has good access and exposure and streets and utilities are available. Sale 2 has paved streets on the

two sides and utilities available. Sale 3 has paved street access and utilities available with Sale 4 is on a paved street with water available but no sewers in the immediate area.

Lot Size

Sale 1 is much larger than the subject and needs to be adjusted upward for size. Sale 3 is smaller than the subject and should be adjusted downward for this factor.

Use or Zoning

No adjustment is made for this category as the uses and zoning for all the sales are compatible with each other.

Terrain

Sale 1 has moderate to steep down slope from the street and Sale 3 a moderate to steep up slope from the street, so both should be adjusted upward in comparison to the subject for this item. Sale 2 has a gentle slope and will be easy to develop as will Sale 4.

On the following page is an adjustment grid showing the adjustments to the comparable sales for the various categories that affect value on a price per square foot basis.

ADJUSTMENT GRID					
Sale	Subject	1	2	3	4
Location	Both sides of I St. bet. Page St & Flowery St.	220-289 S. C St.	316 S. G St.	646 So. H St.	660 So. F St.
Sale/ Price		\$200,000 *	\$45,000	\$15,000	\$70,000
Sale Date		7/28/2017	10/17/2017	12/08/2016	07/11/2018
Size (acre)	0.34	1.78	0.43	0.17	0.56
Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Time Adj.		0%	5%	0%	0%
Cond. Of Sale		0%	0%	0%	0%
Adj. Price/SF		\$2.58	\$2.52	\$2.03	\$2.85
Adjustments					
Location/ Access		-5%	-5%	-5%	0%
Size		10%	0%	-10%	0%
Shape/Utility		5%	0%	5%	5%
Dev. Expense		0%	-5%	5%	0%
Zoning		0%	0%	0%	0%
Other		0%	0%	0%	0%
Total Adj.		10%	-10%	-5%	5%
Adjusted \$/SF		\$2.84	\$2.27	\$1.92	\$3.00

* adj. for improvements

With adjustments the price per square foot ranges from \$1.92/SF to \$3.00/SF with the arithmetic average sales is \$2.51/SF and the median \$2.56/SF. Sale 1 is the least comparable to the subject in location and size and is weighted the least. Sales 2 and 4 are the most comparable but has better access and development potential and are in a more homogeneous areas. Sale 4 is the most recent sale and required the least adjustment and is given the most weight but with fairly equal weight to Sale 2, the final value is supported at \$2.75/SF for a value indication of the subject property of:

$$.34 \text{ acres (15,000 SF)} \times \$2.75/\text{SF} = \$41,250, \text{ rounded to } \$41,000$$

RECONCILIATION AND FINAL CONCLUSION OF VALUE

INDICATED VALUE BY SALES COMPARISON APPROACH: \$41,000

The Cost Approach and the Income Approach are not considered relevant when valuing a vacant site like the subject and therefore were not used.

The Sales Comparison Approach is used by Realtors® and by buyers and sellers as well. Through the common unit of comparison, namely the price per square foot basis for the land area, sales can be compared to the subject property and a meaningful value range formed if proper recognition is given to the factors affecting value. With adjustments to the sales for the factors affecting value, there is good support for the final value indication by this approach.

After considering all the factors and information contained in this report, it is the opinion of the appraiser that the Market Value of the subject property is supported at \$41,000.

Exposure Time and Marketing Time

Based on a discussion with a discussion with an industrial broker in the area and observation of the marketing time of the sales and listings, it is estimated that at the appraised value the exposure time would be from three months to one year and without any evidence to the contrary, the marketing time in the future is expected to be the same, or from three months to one year at the appraised value.

**RICHARD CORRELL .46-ACRE STORAGE WAREHOUSE PROPERTY
LOCATED BETWEEN H & I STREETS
AND BETWEEN POTOSI AND PAGE STREETS
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NV**

PROPERTY IDENTIFICATION

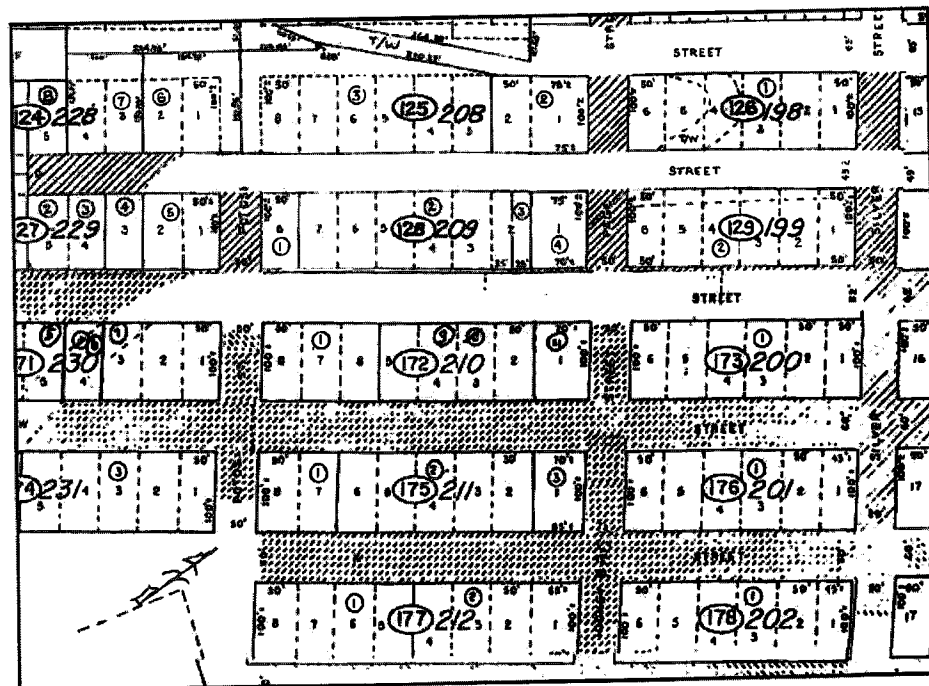
Address and Location - The subject property is located between H and I streets in the southeast quadrant of Virginia City in an industrial area currently used as the Virginia City Fairgrounds and Events Center because of its level terrain.

Legal Description - A complete legal description was not available to the appraiser. The site may briefly be described as Lots 2, 3, 4 and 5 Block 210, Range H, Virginia City, Nevada. The parcel is also listed by the Storey County Assessor as Assessor's Parcel Number (APN) 001-172-03.

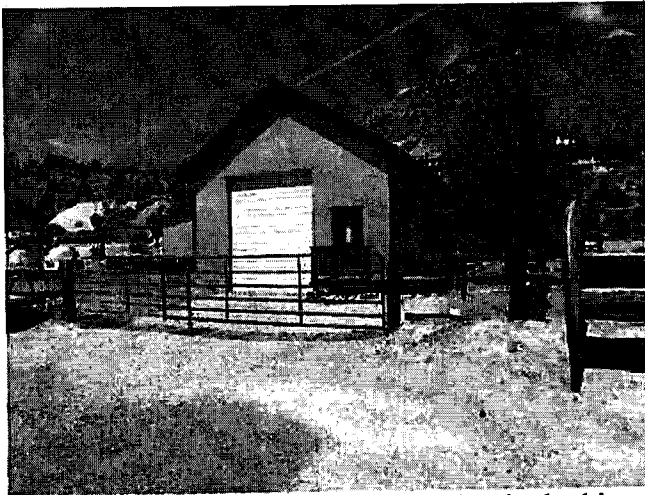
Owner of Record - Richard S. Correll

Ownership History - The property has been under the same ownership for over 10 years and to the knowledge of the appraiser it has never been offered for sale since it was last purchased.

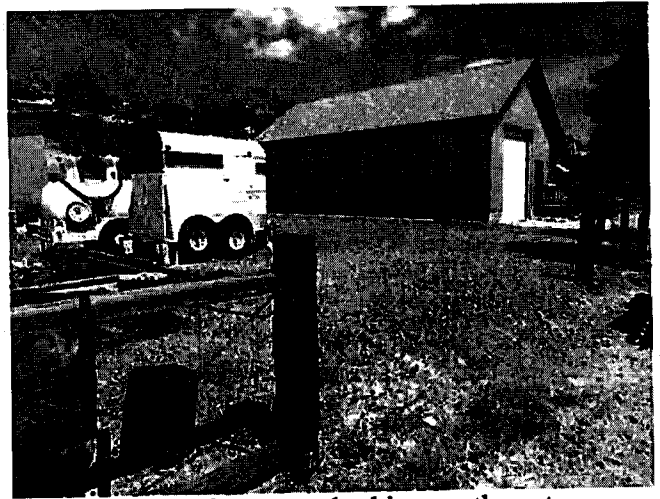
SITE MAP



SUBJECT PHOTOS



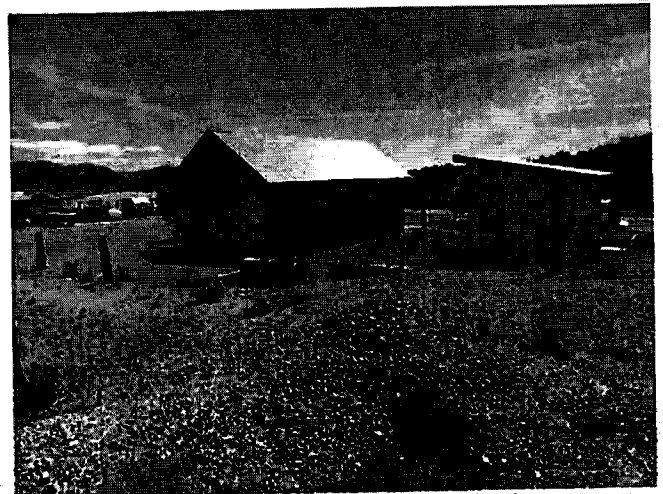
View of the metal storage shed on the site looking west



View of property looking northwest



View of the property looking southeast



View of the property looking northeast

AERIAL SITE MAP



SITE DATA

Location

The subject site is located 70' north side of Potosi Street right of way between H and I Streets in the southeast section of Virginia City in an industrial zoned area currently leased to Storey County as part of the Virginia City Fairground and Events Center.

Dimensions, Area and Shape

The parcel is rectangular measuring 100' x 200' with a total land area of 20,000 SF .46 acres. The parcel has legal access but the street have not been paved.

Topography & Drainage

The grade in the vicinity of the subject site is generally level as the large amount of dump dirt excavated from the old mines in the area was leveled and compacted several years ago.

Soils and Subsoils

No soil report was made available to this appraiser. The soils in the area appear a rocky, sandy, gravel type compacted soil which is "dump" material from the adjoining mines that operated in the area over 100 years ago. Several years ago the large pile of dump dirt was leveled and compacted and is currently mostly leased to the Storey County and operated as the Virginia City Fairgrounds and Events Center.

Availability and Description of Utilities

Storey County provides water and sewer service in area. Virginia City and Gold Hill get there potable water from Marlette Lake in the Sierras via a pipeline and there is limited water available for new development with new service on an allocation basis. Electricity is provided by NV Energy and telephone service is provided by AT&T; albeit, it was not determined if there is water and power adjacent to the site but there is a proposed sewer line to go near the site. There is no natural gas to the town; instead, residents and businesses use propane, augmented by wood stoves or fireplaces.

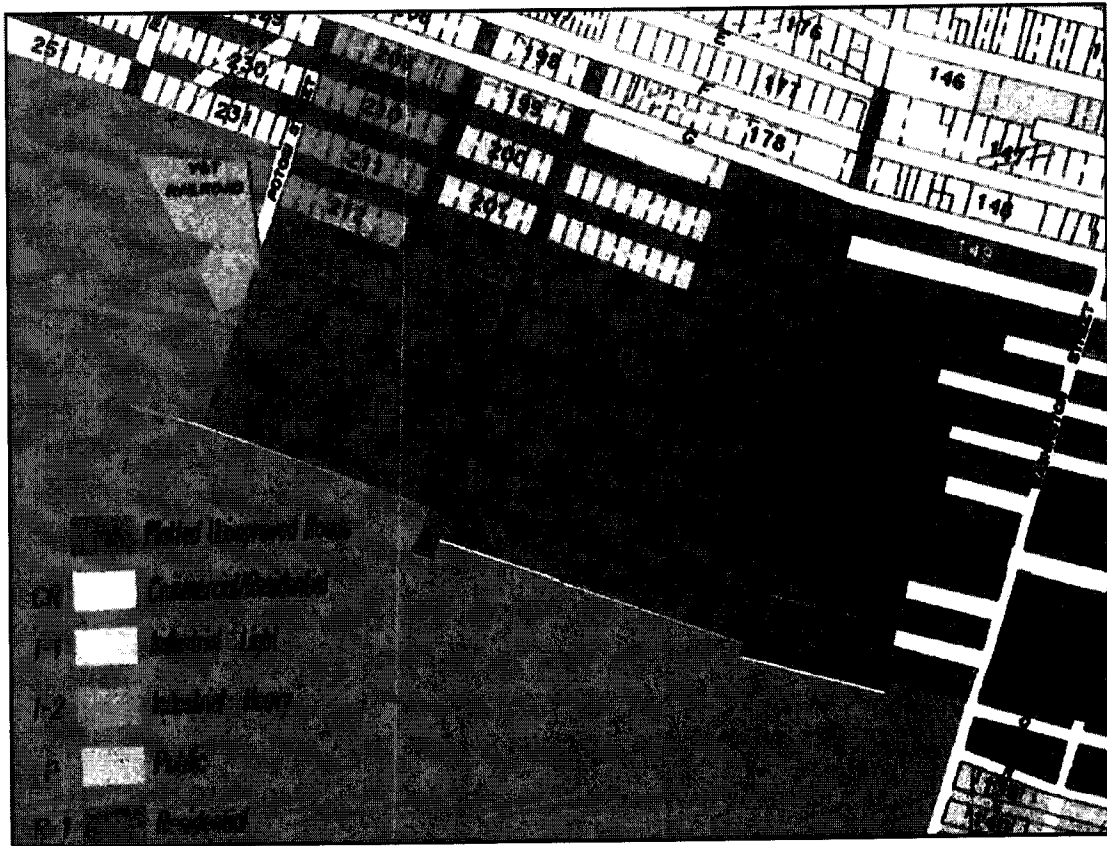
Street Improvements and Access

Even though the streets are platted, they were never improved. Depending on development in the area the streets could be abandoned; albeit, the subject site would need one street for access.

Zoning

The lot is in Block 210 which is zoned I-2 or Heavy Industrial. Any development of the lot would require a design review and most likely any public or private development would be approved if consistent with the desires of the governing bodies and local residents. The zoning map on the following page shows the current zoning of the parcel. Note the subject parcel is in Block 210.

Zoning Map



Assessments and Taxes

The site is identified by the Storey County Assessor's Office as parcel number 01-172-03. In Nevada the assessed value is 35% of the assessor's fair market value estimate. In actual practice, land values are based on the assessor's estimate of fair market value and improvement values are based on replacement cost new less 1.5% per year for depreciation down to a minimum of 25% of the estimated replacement cost and land value is based on the assessor's estimate of its fair market value. The 2017/18 tax rate in the area is \$3.4607 per \$100 of assessed value. According to the Storey County Assessor's Office the assessed values, taxes, and market values for the sites are as follows:

APN	Assessed Value Land	Assessed Value Imprvmnts.	Total Assessed Value	Taxes	Mkt. Vale	Size - acres
01-172-03	\$6,768	\$8,432	\$15,200	\$423.97	\$43,429	0.48

Easements and Encroachments

No title report was available for review by the appraiser but it does not appear there are any physical easements or encroachments that would adversely affect the subject property.

Surrounding Land Use

The subject is bordered on the south by vacant land and a road easement, to the east by generally level land and then a ravine, to the north is a small fenced storage yard and to the west is a driveway and then hillside and the V&T Railroad tracks. None of the surrounding uses are considered detrimental to the subject property and there were no conditions noted in the neighborhood that would adversely affect the subject property. In conclusion, the subject site is considered a good parcel for assemblage because it is part of the only larger almost level area in the community.

IMPROVEMENTS

There is a 1,080 SF metal shop building on the site that was reported built in 1996 and it was built to the historic standards with metal siding and roof to match the prevailing architecture in Virginia City in the 1800s for mining related buildings. The interior was not inspected but the owner said it has a heavy reinforced concrete floor, 2" x 6" frame walls 16" on center 14' high which have R20 insulation and are sheetrocked as is the ceiling which is not insulated. It has an engineered truss roof with a 6/12 slope and it has corrugated steel roofing and siding over plywood sheathing. It has a 10' x 12' overhead steel door in front and also a side man access door. It does not have any power to the building or any plumbing and is used as a storage warehouse by the owner. He provided a cost breakdown to the appraiser with an estimated replacement cost today of \$65,500 or roughly \$60/SF. Other improvements include a small shed on the property valued at around \$2,000 and a perimeter wire fence on railroad ties posts with a steel locked gate at the entry. The site improvements have an estimated replacement cost of about \$2,500 for a total replacement cost estimate of \$70,000 (\$65,500 bldg. + \$2,000 shed + \$2,500 site improvements = \$70,000). The improvements are in good condition and have an estimated contributory value of 60% of replacement cost or \$42,000.

HIGHEST AND BEST USE

Highest and best use is defined as that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal.

There are four criteria which must be met in the analysis of highest and best use for both land that is vacant and property that is improved. The highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Generally, these criteria are analyzed in the preceding sequence because if a property fails any one of the criteria, the subsequent criteria are irrelevant to the analysis.

Highest and Best Use As If Vacant

Physically, the site is rectangular platted parcel with a paved roadway to the east and gravel roadway to the west which are considered proscriptive easement accesses. It is similar in size to many other parcels in the area.

Legally, the site is zoned L-2, Heavy Industrial but most other land in the area is zoned L-1 or Light Industrial. In any case, the subject's zoning would probably not be adhered to as any development plan for the area would probably allow a variance for this parcel to some sort of commercial or quasi-public use such as a park, events center and assemblage with surrounding parcels for a larger plan for the area instead of just for this parcel.

The maximally most productive use of the site would be appear to be to assemble the subject site with adjoining parcels and seek abandonment of the platted but never built streets to create a large enough parcel to accommodate a fair grounds and events center and/or an smaller RV park.

Highest and Best Use As Improved

Ultimately, the highest and best use of the site would be assemblage of the site with adjoining parcels into higher and better use such as a county fairgrounds and events center or possibly as an RV park, or a combination of the two uses.

VALUATION

Normally, an appraiser has three methods of estimating the value of a property. These are known as the Cost Approach, the Sales Comparison Approach, and the Income Approach. In this appraisal, only the Sales Comparison using comparable land sales will be used.

A search was conducted for sales and listings of similar sites in the area and improved sites with warehouses on them. No sales of sites with warehouses on them were found, so the contributory value of the improvements was based on the estimated cost of the improvements less 50% for depreciation. The four most comparable land sales in the area have been researched and analyzed and compared to the subject on a price per square foot basis which is the typical unit of comparison for this type of property used by market participants.

Factors that affect value include the motivation of the buyer and seller or conditions of the sale, market conditions at the time of sale (time), location and access, size, shape and utility, zoning, and availability of utilities and whether or not there were any improvements included in the sale; any other factors that might affect value were also considered. Due to lack of sales in the area and insufficient data to use paired sales for the factors affecting value, so subjective percentage adjustments in 5% increments were used to recognize clear superiority or inferiority of a characteristic of each sale in comparison to the subject site.

On the following page is a Land Sales Chart showing the salient facts regarding each comparable followed by a discussion, analysis and adjustment grid.

LAND SALES CHART

Sale No	APN # Location	Sale Price Sale Date	Land Area Zoning	Price/ Sq.Ft.	Comment
1	001-173-01, 02, 07, 12, 17, 19-21 220-289 S. C St.	\$200,000 * 7/28/2017	1.78 C2	\$2.58	Steep lots, w/2 old rentals on prop. * Net s/p - \$80,000 for imprvmts.
2	01-133-07 316 So. G St.	\$45,000 10/17/2017	.42 CR	\$2.46	Corner lot with streets on east and west sides, util. available.
3	01-127-03 646 So. H St.	\$15,000 12/08/2016	.17 CR	\$2.03	Inside steep lot with paved access and utilities
4	01-121-02 660 S. F St.	\$70,000 07/11/2018	.5632 CR	\$2.85	Corner lot, moderate slope, paved st.
Subj.	01-172-03 bet. H & I Streets bet. Potosi St. & Page St.	N/A	.46 ac I-2		Generally level lot, proscriptive access, util. ext. req., 1080 sf metal warehouse on the site

Location Map



Discussion and Analysis

Sale 1 is a multi-parcel sale of eight separate contiguous sites, including two with old homes on the lots which have marginal value estimated at \$40,000 each, leaving a net land value of \$200,000. The property is on C Street which has good exposure but the lots have a fairly steep downslope from the highway and will be difficult to develop. This was an all cash sale through a Realtor at close to the listing price. This sale needs no adjustment for conditions of the sale or for time but should be adjusted downward for location and access on a paved street and availability of utilities. This sale will have increased development expense because of the slope but it should be less than for the subject which will require street improvements and utility extensions. This sale also needs an upward adjustment for size as all else being equal, larger parcels tend to sell for less per square foot smaller parcels. No adjustment is considered required for zoning.

Sale 2 is a single parcel with paved streets on two sides and utilities available in the streets. The site has a gentle slope to the east but the parcel is very buildable. This was an all cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is superior or more homogeneous than the subject location and it has utilities available in the paved streets. The terrain is sloping but development expense will be less than for the subject. This sale needs a no adjustment for size or for zoning.

Sale 3 is a single parcel with a paved street on one side but a very steep up slope from the parcel. This was a cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is considered comparable to the subject because but it is on a paved street with utilities available. The terrain is steep, so it will require considerable expense to develop the parcel. This sale needs a considerable downward adjustment for size as all else being equal, smaller lots typically sell for more per square foot than larger lots like the subject.

Sale 4 is a very recent sale of a parcel located southwest of the subject a short distance. It has a gentle down slope from a paved street and borders SR 341. It was a cash sale to a party who had been interested in buying a parcel in the area and made a personal inquiry to the owner. The buyer plans on building a shop on the site and eventually maybe a residence. This sale needs no adjustment for conditions of the sale or time. It does need a slight downward adjustment for location and access but no adjustment for size.

Discussion & Analysis of Factors Affecting Value

Following is a discussion of the previously described factors that affect value.

Financing and Conditions of the Sale

All the sales are considered open market transactions, so no adjustment is required for this category.

Market Conditions (time)

No time adjustment is considered necessary for the sales as are fairly recent.

Location and Access

The subject is in an area where there are no permeant street improvements but there is access into the general area through proscriptive gravel and paved road easements. Likewise, there are no utilities in the immediate area, except a sewer line is proposed to go to the north of the subject.

Sale 1 is on C Street which has good access and exposer and utilities available. Sales 2 has paved streets on the east and west and utilities available. Sale 3 has paved road access and utilities available but is very steep.

Lot Size

Sale 1 is much larger than the subject and needs to be adjusted upward for size. Sale 2 is similar in size and Sale 3 is much smaller, so it requires a downward adjustment for size.

Use or Zoning

No adjustment is made for this category as the uses and zoning for all the sales are compatible with each other.

Terrain

Sale 1 has a moderate to steep down slope from the street, and Sale 3, likewise has a steep up slope from the street, so both should be adjusted upward in comparison to the subject for this item. Sale 2 has a gentle slope and will be less difficult to develop.

On the following page is an adjustment grid showing the adjustments to the comparable sales for the various categories that affect value on a price per square foot basis.

ADJUSTMENT GRID					
Sale	Subject	1	2	3	4
Location	Both sides of I St. bet. Page St & Flowery St.	220-289 S. C St.	316 S. G St.	646 So. H St.	660 So. F St.
Sale/ Price		\$200,000 *	\$45,000	\$15,000	\$70,000
Sale Date		7/28/2017	10/17/2017	12/08/2016	07/11/2018
Size (acre)	0.46	1.78	0.43	0.17	0.56
Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Time Adj.		0%	5%	0%	0%
Cond. Of Sale		0%	0%	0%	0%
Adj. Price/SF		\$2.58	\$2.52	\$2.03	\$2.85
Adjustments					
Location/ Access		-5%	-5%	-5%	-5%
Size		10%	0%	-5%	0%
Shape/Utility		5%	0%	5%	5%
Dev. Expense		5%	-5%	5%	0%
Zoning		0%	0%	0%	0%
Other		0%	0%	0%	0%
Total Adj.		15%	-10%	0%	0%
Adjusted \$/AC		\$2.97	\$2.27	\$2.03	\$2.85

* adj. for improvements

With adjustments the price per square foot ranges from \$2.03/SF to \$2.97/SF with the arithmetic average of the sales \$2.53/SF and the median \$2.56/SF. Sale 1 is the least comparable to the subject in location and size and is weighted the least. Sale 2 along with Sale 4 are the most comparable to the subject but both sales have slightly superior access and development potential and is in more homogeneous areas. With most weight to Sales 2 and 4, and some consideration to the mean and median values, the final value is supported at \$2.75/SF for a value indication of the subject property of:

$$.46 \text{ acres (20,000 SF)} \times \$2.75/\text{SF} = \$55,000$$

It was previously estimated that the storage warehouse, shed and site improvements on the site have a contributory value estimated at \$42,000, so the final value of this property is \$97,000.

RECONCILIATION AND FINAL CONCLUSION OF VALUE

INDICATED VALUE BY SALES COMPARISON APPROACH: \$97,000

The Cost Approach was used to the extent that the contributory value of the improvements was estimated based on replacement cost less depreciation. The Income Approach was not considered relevant as the subject is not considered an income property, per se.

The Sales Comparison Approach is used by Realtors® and by buyers and sellers as well. Through the common unit of comparison, namely the price per square foot basis for the land area, sales can be compared to the subject property and a meaningful value range formed if proper recognition is given to the factors affecting value. With adjustments to the sales for the factors affecting value, and additional contributory value of the improvements added to the land value, there is good support for the final value indication by this approach.

After considering all the factors and information contained in this report, it is the opinion of the appraiser that the Market Value of the subject property is supported at \$97,000.

Exposure Time and Marketing Time

Based on a discussion with a discussion with an industrial broker in the area and observation of the marketing time of the sales and listings, it is estimated that at the appraised value the exposure time would be from three months to one year and without any evidence to the contrary, the marketing time in the future is expected to be the same, or from three months to one year at the appraised value.

**MARK ALAN CHARLTON STORAGE .17-ACRE SITE
LOCATED ON THE SOUTH SIDE OF PAGE STREET
BETWEEN H & I STREETS
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NV**

PROPERTY IDENTIFICATION

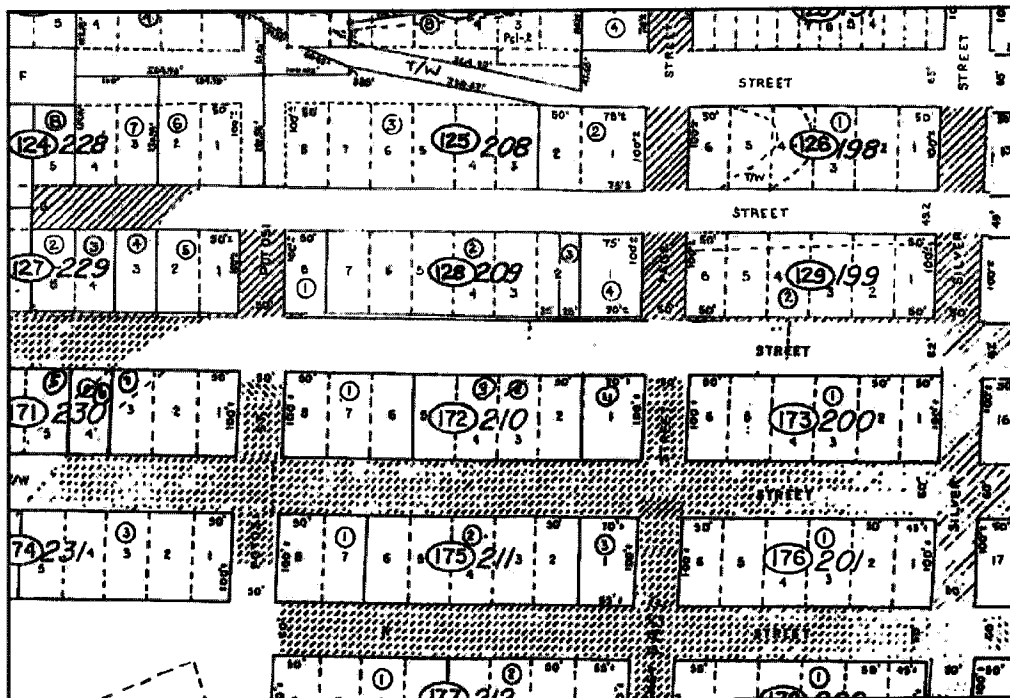
Address and Location - The site is located on the south side of Page Street between H and I streets in the southeast quadrant of Virginia City in an industrial area currently used as the Virginia City Fairgrounds and Events Center because of its level terrain.

Legal Description - A complete legal description was not available to the appraiser. The site may briefly be described as Lots 1 Block 210, Range H, Virginia City, Nevada. The parcel is also listed by the Storey County Assessor as Assessor's Parcel Number (APN) 001-172-04.

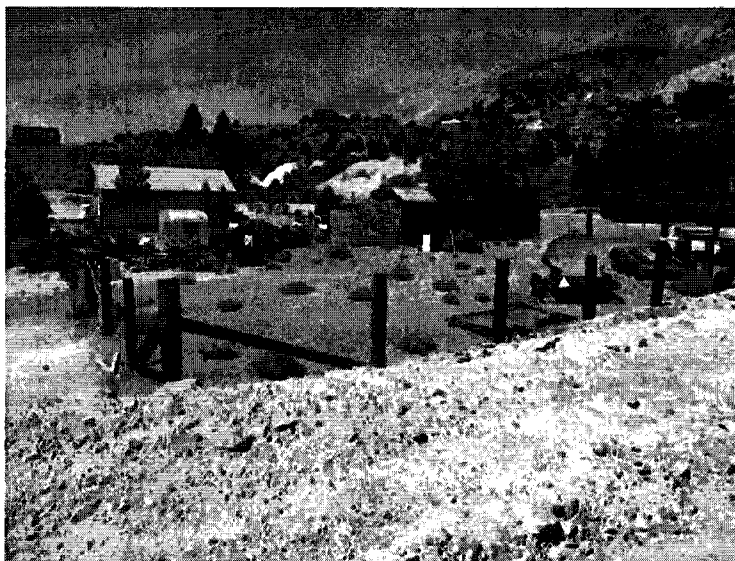
Owner of Record - Mark Alan Charlton

Ownership History - The property has been under the same ownership for over 10 years and to the knowledge of the appraiser it has never been offered for sale since it was last purchased.

SITE MAP



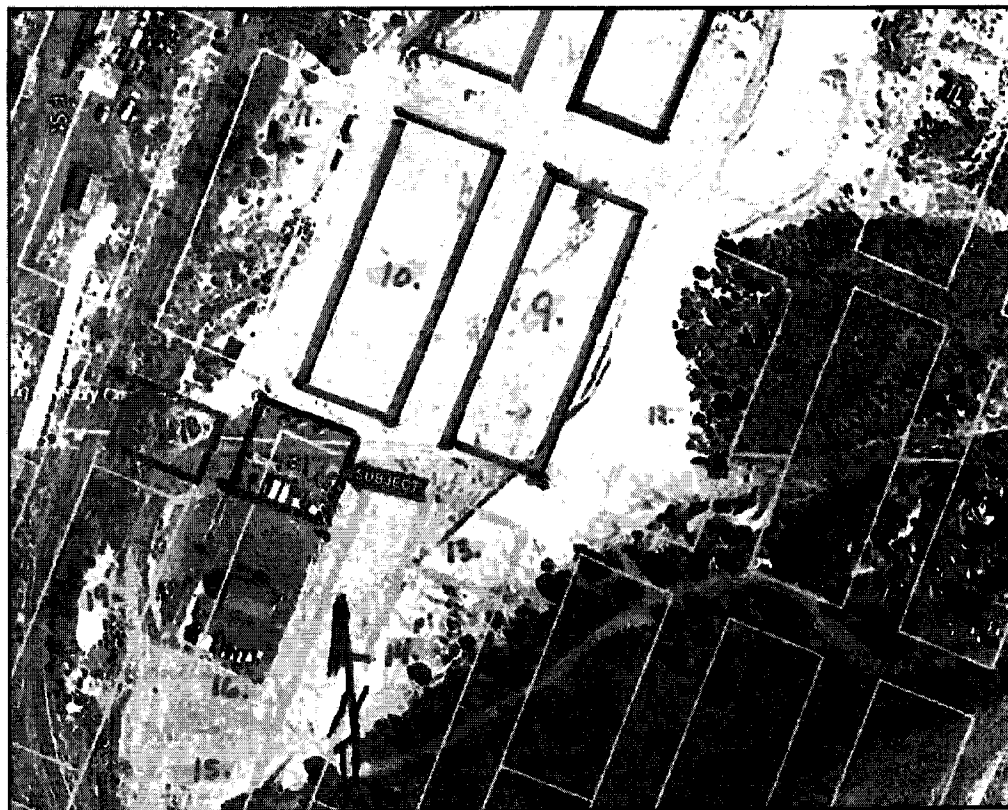
SUBJECT PHOTOS



View of the site looking southwest



View of the site looking west

AERIAL SITE MAP**SITE DATA****Location**

The subject site is located on the south side of Page Street between H and I Streets in the southeast section of Virginia City in an industrial zoned area currently leased to Storey County as part of the Virginia City Fairground and Events Center.

Dimensions, Area and Shape

The parcel is rectangular measuring 70' x 100' with a total land area of 7,000 SF, or .16 acres. The parcel has legal access but the streets have not been improved.

Topography & Drainage

The grade in the vicinity of the subject site is generally level as the large amount of dump dirt excavated from the old mines in the area was leveled and compacted several years ago.

Soils and Subsoils

No soil report was made available to this appraiser. The soils in the area appear a rocky, sandy, gravelly type compacted soil which is "dump" material from the adjoining mines that operated in the area over 100 years ago. Several years ago the large pile of dump dirt was leveled and compacted and most of the area is currently leased to the Storey County and operated as the

Virginia City Fairgrounds and Events Center. There are many miles of mining tunnels under the city that were dug in the late 1800s during the search for gold and silver ore but there is no evidence of settling under the subject site now.

Availability and Description of Utilities

Storey County provides water and sewer service in. Virginia City and Gold Hill get there potable water from Marlette Lake in the Sierras via a pipeline and there is limited water available for new development with new service on an allocation basis. Electricity is provided by NV Energy and telephone service is provided by AT&T; albeit, it was not determined if there is water sewer and power to the site but a proposed sewer line will go very near the site. There is no natural gas to the town; instead, residents and businesses use propane.

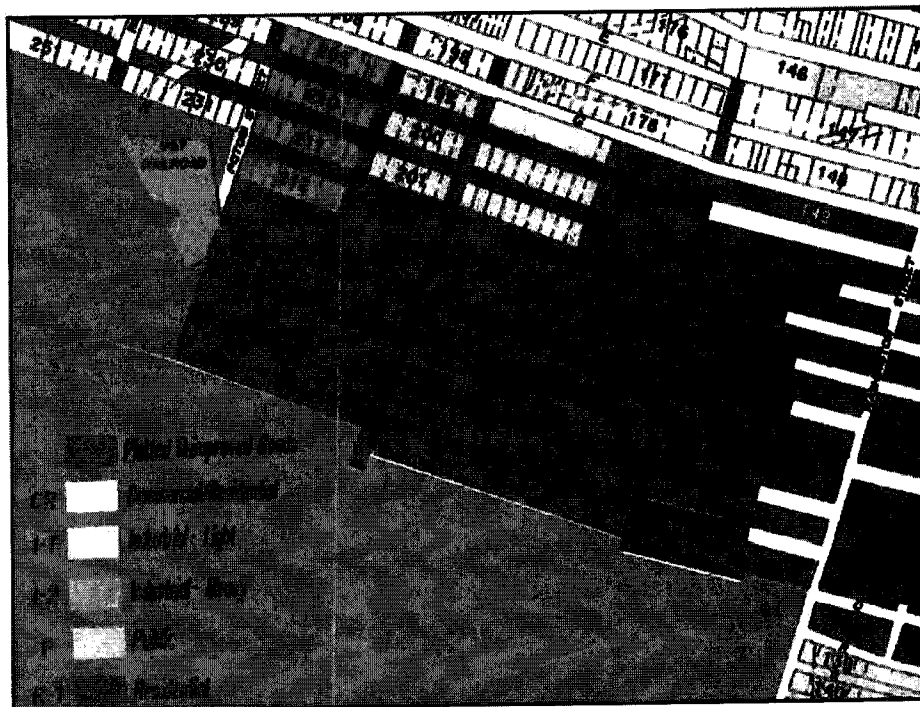
Street Improvements and Access

Even though the streets are platted, they were never improved; albeit there is an unimproved dirt and gravel road to the site over adjoining parcels and the street right of ways. Depending on development in the area the streets could be abandoned; albeit, the subject site would still need legal access which is presumed it does have now. There is no known plans to install any streets in the immediate area.

Zoning

The lots in Block 210 are zoned I-2 or Heavy Industrial. Any development of the lot would require a design review and most likely any public or private development would be approved if consistent with the desires of the governing bodies and local residents. The zoning map on the following page shows the current zoning of the parcel. Note the subject parcel is in Block 210.

Zoning Map



Assessments and Taxes

The site is identified by the Storey County Assessor's Office as parcel number 01-172-04. In Nevada the assessed value is 35% of the assessor's fair market value estimate. The 2017/18 tax rate in the area is \$3.4607 per \$100 of assessed value. According to the Storey County Assessor's Office the assessed values, taxes, and market values for the sites are as follows:

APN	Assessed Value Land	Assessed Value Imprvmts.	Total Assessed Value	Taxes	Mkt. Vale	Size - acres
01-172-04	\$1,998	\$259	\$2,257	\$35.58	\$6,449	0.16

Easements and Encroachments

No title report was available for review by the appraiser but it does not appear there are any physical easements or encroachments that would adversely affect the subject property.

Surrounding Land Use

The subject is bordered on the south by a small warehouse and storage lot property, to the east by generally level land and then a ravine. To the north is a large level parcel currently leased to Storey County and used as part of the Virginia City Fairgrounds and Events Center. To the north is an access road, then vacant hillside land and then the V&T Railroad tracks. None of the surrounding uses are considered detrimental to the subject property and there were no conditions noted in the neighborhood that would adversely affect the subject property. In conclusion, the subject site is considered a good site for assemblage because it is part of the only larger almost level site in the community.

HIGHEST AND BEST USE

Highest and best use is defined as that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal.

There are four criteria which must be met in the analysis of highest and best use for both land that is vacant and property that is improved. The highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Generally, these criteria are analyzed in the preceding sequence because if a property fails any one of the criteria, the subsequent criteria are irrelevant to the analysis.

Highest and Best Use As If Vacant

Physically, the site is rectangular and is part of the original Virginia City plat but the street have never been improved. It is bordered to the west by an access road, to the east and north by open land, to the south by a small warehouse/storage lot property. The subject site is smaller than parcels in the area but this is not considered a real detriment to the property as it could probably be assembled with other sites in the area to create a parcel with more utility.

Legally, the site is zoned L-2, Heavy Industrial but most other land in the area is zoned L-1 or Light Industrial. In any case, the subject's zoning would probably not be adhered to as any development plan for the area should allow a variance for this parcel to some sort of commercial

or quasi-public use such as a park, events center and assemblage with surrounding parcels for a larger plan for the area instead of just for this parcel.

The maximally most productive use of the site would appear to be to assemble it with adjoining parcels and seek abandonment of the platted lot status to create a large enough parcels to accommodate a fairgrounds and events center and/or an smaller RV park.

Highest and Best Use As Improved

The parcel has an interim use as a fenced storage lot but ultimately the highest and best use of the site is assemblage with adjoining parcels into a higher and better use such as a county fairgrounds and events center or possibly as an RV park, or a combination of the two uses.

VALUATION

Normally, an appraiser has three methods of estimating the value of a property. These are known as the Cost Approach, the Sales Comparison Approach, and the Income Approach. In this appraisal, only the Sales Comparison using comparable land sales will be used.

A search was conducted for sales and listings of similar sites in the area. The four most comparable land sales in the area have been researched and analyzed and compared to the subject on a price per square foot basis which is the typical unit of comparison for this type of property used by market participants.

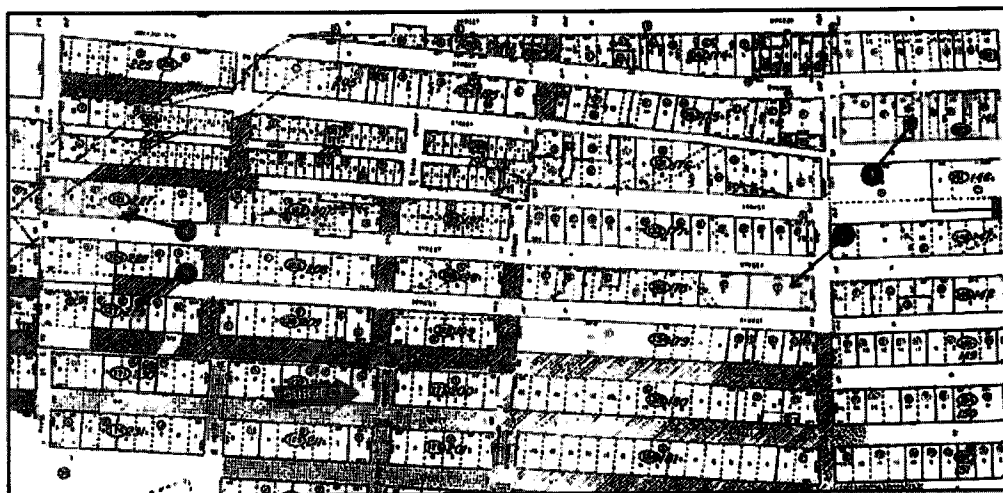
Factors that affect value include the motivation of the buyer and seller or conditions of the sale, market conditions at the time of sale (time), location and access, size, shape and utility, zoning, and availability of utilities and whether or not there were any improvements included in the sale; any other factors that might affect value were also considered. Due to lack of sales in the area and insufficient data to use paired sales for the factors affecting value, so subjective percentage adjustments in 5% increments were used to recognize clear superiority or inferiority of a characteristic of each sale in comparison to the subject site.

On the following page is a Land Sales Chart showing the salient facts regarding each comparable followed by a discussion, analysis and adjustment grid.

LAND SALES CHART

Sale No	APN # Location	Sale Price Sale Date	Land Area Zoning	Price/ Sq.Ft.	Comment
1	001-173-01, 02, 07, 12, 17, 19-21 220-289 S. C St.	\$200,000 * 7/28/2017	1.78 C2	\$2.58	Steep lots, w/2 old rentals on prop. * Net s/p - \$80,000 for imprvmts.
2	01-133-07 316 So. G St.	\$45,000 10/17/2017	.42 CR	\$2.46	Corner lot with streets on east and west sides, not parceled but util. available.
3	01-127-03 646 So. H St.	\$15,000 12/08/2016	.17 CR	\$2.03	Steep lot on paved street with util. in street
4	01-121-02 660 S. F St.	\$70,000 07/11/2018	.5632 CR	\$2.85	Corner lot, moderate slope, paved st.
Subj.	01-172-04 bet. H & I Streets bet. Potosi St. & Page St.	N/A	.16 ac I-2		Level lot with easement access, no utilities

Location Map



Discussion and Analysis

Sale 1 is a multi-parcel sale of eight separate contiguous sites, including two with old buildings on the lots which have marginal value estimated at \$40,000 each, leaving a net land value of \$200,000. The property is on C Street which has good exposure but the lots have a fairly steep downslope from the highway and it will be difficult to develop, albeit, the subject will need a legal street extension and some utilities extended if it is ever developed. This was an all cash sale through a Realtor at close to the listing price. This sale needs no adjustment for conditions of the sale or for time but should be adjusted downward for location and access and availability of utilities. Alternately, this sale should be adjusted upward for the considerable slope and the difficulty that will be encountered in developing the lots but development expenses will also be incurred for the subject as it will need a legal street and utilities to be developed. This sale also needs a considerable upward adjustment for size as all else being equal, larger parcels tend to sell for less per square foot smaller parcels. No adjustment is considered required for zoning.

Sale 2 is a single parcel with paved streets on two sides and utilities available in the streets. The terrain has a gentle slope to the east but the parcel is buildable without too much expense. This was an all cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is superior and more homogeneous than the subject site and it has utilities available in the paved streets. The terrain is sloping, so some expense will be required to develop the parcel. This sale needs an upward adjustment for size in comparison to the subject parcel but no adjustment is considered required for zoning.

Sale 3 is a single parcel with a paved street on one side but it is very steep. This was a cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is considered comparable to the subject because but it is on a paved street with utilities available. The terrain is steep, so it will require considerable expense to develop the parcel. This sale needs no adjustment for size.

Sale 4 is a very recent sale of a parcel located southwest of the subject a short distance. It has a gentle down slope from a paved street and borders SR 341. It was a cash sale to a party who had been interested in buying a parcel in the area and made a personal inquiry to the owner. The buyer plans on building a shop on the site and a home sometime in the future. This sale needs no adjustment for conditions of the sale or time but the location and access are slightly more superior than the subject's location and access. This sale needs an upward adjustment for size as all else being equal larger parcels typically sell for less per unit value than smaller parcels like the subject.

Discussion & Analysis of Factors Affecting Value

Following is a discussion of the previously described factors that affect value.

Financing and Conditions of the Sale

All the sales are considered open market transactions, so no adjustment is required for this category.

Market Conditions (time)

No time adjustment is considered necessary for the sales as are fairly recent.

Location and Access

The subject is in an area where there are no permeant street improvements or utilities but there is access into the general area through proscriptive road easements. Sale 1 is on C Street which has good access and exposer, streets and utilities available; likewise, Sales 2 borders two paved streets and all utilities available. Sale 3 also is on a paved street with utilities available and Sale 4 has power and water available but no sewers; the location and access are superior to the subject site.

Lot Size

All the sales require upward adjustments for size in comparison to the subject as all else being equal, larger sites typically sell for less per square foot than smaller sites like the subject site.

Use or Zoning

No adjustment is made for this category as the uses and zoning for all the sales are compatible with each other.

Terrain

Sale 1 has a moderate to steep down slope from the street as does Sale 3, so both sales should be adjusted upward in comparison to the subject for this item. Sales 2 and 4 has gentle slopes and will be less difficult to develop and are comparable to the subject in this category.

On the following page is an adjustment grid showing the adjustments to the comparable sales for the various categories that affect value on a price per square foot basis.

ADJUSTMENT GRID					
Sale	Subject	1	2	3	4
Location	Both sides of I St. bet. Page St & Flowery St.	220-289 S. C St.	316 S. G St.	646 So. H St.	660 So. F St.
Sale/ Price		\$200,000 *	\$45,000	\$15,000	\$70,000
Sale Date		7/28/2017	10/17/2017	12/08/2016	07/11/2018
Size (acre)	0.16	1.78	0.43	0.17	0.56
Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Time Adj.		0%	0%	0%	0%
Cond. Of Sale		0%	0%	0%	0%
Adj. Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Adjustments					
Location/ Access		-5%	-5%	-5%	-5%
Size		20%	15%	0%	15%
Shape/Utility		5%	0%	5%	0%
Dev. Expense		-5%	-5%	-5%	-5%
Zoning		0%	0%	0%	0%
Other		0%	0%	0%	0%
Total Adj.		15%	5%	-5%	5%
Adjusted \$/SF		\$2.97	\$2.52	\$1.92	\$3.00

* adj. for improvements

With adjustments the price per square foot ranges from \$1.92/SF to \$3.00/SF with the arithmetic average of the sales is \$2.60/SF and the median \$2.75/SF. Sale 1 is the least comparable to the subject in location and size and is weighted the least. Sale 2 along with Sale 4 are the most comparable overall to the subject site and with most weight to these two sites and some consideration to the mean and median values, the final value is supported at \$3.00/SF for a value

indication of the subject property of:

.16 acres (7,000 SF) x \$2.75/SF = \$19,250, rounded to \$19,500

With some contributory value of the fencing estimated at \$1,500, the final value of this property is placed at \$21,000.

RECONCILIATION AND FINAL CONCLUSION OF VALUE

INDICATED VALUE BY SALES COMPARISON APPROACH: \$21,000

The Cost Approach the Income Approach were not considered relevant as the subject is has no substantial improvements, nor is it considered and income property, per se.

The Sales Comparison Approach is used by Realtors® and by buyers and sellers as well. Through the common unit of comparison, namely the price per square foot basis for the land area, sales can be compared to the subject property and a meaningful value range formed if proper recognition is given to the factors affecting value. With adjustments to the sales for the factors affecting value, and the addition value contributory value of the improvements added to the land value, there is good support for the final value indication by this approach.

After considering all the factors and information contained in this report, it is the opinion of the appraiser that the Market Value of the subject property is supported at \$21,000.

Exposure Time and Marketing Time

Based on a discussion with a discussion with an industrial broker in the area and observation of the marketing time of the sales and listings, it is estimated that at the appraised value the exposure time would be from three months to one year and without any evidence to the contrary, the marketing time in the future is expected to be the same, or from three months to one year at the appraised value.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this appraisal and no personal interest with respect to the parties involved and have acted in our own independent capacity.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with the assignment.
- My engagement in this assignment is not contingent upon the development or reporting of a predetermined value, a requested minimum value or approval of a loan 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.

- My analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice and the Appraisal Institute. The appraiser is competent by education, training and experience to perform this appraisal.
- This appraiser has not appraised the subject property nor performed any services regarding the subject in any capacity in the last 36 months time period.
- I, Sam Ward, have made a personal inspection of the property that is the subject of this appraisal.



Samuel K. Ward
Nevada Certified General Appraiser,
No. A.0000123-CG

ADDENDA

**QUALIFICATIONS
SAMUEL K. WARD**

Real Estate Appraisers/Consultants
106 East Adams St., Suite 212
Carson City, NV 89706
(775) 885-8822 FAX (775) 885-7808
e-mail: sward@skwrea.com

Nevada Certified General Appraiser - A.0000123-CG Expiration date: 4/30/2019

Background and Experience

Farming & Ranching Background on Family Ranch - Yakima, Washington	
Farm & Heavy Equipment Marketing (Caterpillar/John Deere) - Yakima Washington	1965-67
Custom Home Construction - Seattle, Washington	1968
Real Estate Sales - Seattle & Spokane, Washington, & Carson City, Nevada	1969-76
Nevada Division of State Land, Land Agent	1977
Eagle Service Corporation (First Federal Savings & Loan), Staff Appraiser	1977-80
Eagle Service Corporation, Senior Commercial Appraiser	1981-82
Independent Fee Appraiser, Northern Nevada & North Eastern California	1983-Present

Education and Technical Training

Univ. of Colorado	1959-61
Univ. of Washington, B.A. Business Administration (Marketing-Finance)	1961-64
Real Estate Sales (Brokers License), Washington State	1969-72
Real Estate Sales - Carson City, Nevada	1973-76
Society of Real Estate Appraisers:	1979-83
Appraisal Institute Associate Member:	1983-present

Type of Appraisals Completed

Residences, Land, including Farms, Ranches, Subdivisions, Mining Properties, Apartments, All Types of Commercial & Income Properties, Industrial Properties, Condemnation, Estate and Various Specialty Properties (Banks, Motels, Convenience Mkts./Service Stations, Casinos, etc.), Fractional Interests & Lease Analysis, Estates & Estate Planning

Areas Served

All of Northern Nevada & Lake Tahoe Area, plus surrounding Counties in California

Affiliations

Affiliate Member of the Appraisal Institute- Reno/ Carson City/ Lake Tahoe Chapter

Partial List of Banks, Large Corporations & Government Agencies Served

<u>Partial List of Banks:</u>	<u>Large Corporation:</u>	<u>Expert Witness:</u>
Nevada State Bank	Texaco, Exxon, Mobil, ARCO	Carson District Court
City National Bank	Unocal, Standard Oil Co.	Douglas District Court
Focus Business Bank	<u>Government Entities:</u>	Washoe District Court
Bank of America	Reno Airport Authority	Fed. Bankruptcy Court, Reno
Union Bank of California	City of Reno, Nevada	
The Mechanics Bank	City of Carson, Douglas, Lyon, Washoe, Store counties in Nevada	
Bruning State Bank	U.S. Department of Interior, BLM & U.S. Forest Service	

Sam Ward

From: Jeff Peters <ltdrvparts1@yahoo.com>
Sent: Tuesday, August 07, 2018 11:00 AM
To: sward@skwrea.com
Subject: PD5110610

Sam your FedEx tracking # is 772916251064.

Thank you for your business!

Jeff
Leisure Time Distributing

AGREEMENT FOR PURCHASE OF REAL PROPERTY

THIS AGREEMENT is entered into by and between Virginia City Holdings LLC., a Nevada limited liability company hereafter referred to as VC Holdings and the County of Storey, a political subdivision of the State of Nevada, hereafter referred to as "County" and is entered into as of the date of its execution by the last party signing this Agreement as is hereafter set forth.

WHEREAS, VC Holdings owns several parcels of real property in Virginia City, Nevada leased by the Virginia City Tourism Commission (VCTC) for staging special events in Virginia City; and,

WHEREAS, County desires to purchase outright the areas used to stage the special events; and,

WHEREAS, County has had the real property owned by VC Holding appraised as required by NRS 244.275; which appraisal has valued the property at \$445,000.00 as of August 8, 2018; and,

WHEREAS, County and VC Holdings are willing to purchase and sell the property on the terms hereafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, and other good and valuable consideration, it is agreed as follows:

1. Subject Property. VC Holdings does hereby agree to sell and County does hereby agree to purchase all that certain real property situate in Virginia City, Nevada described as Lots 6 – 16 and the south half of Lot 5 all in Block 180, Lots 3 – 17 Block 181; Lots 1- 6 Block 200; and Lots 1-6 Block 201 all within Range H, Virginia City, Nevada and bearing Assessor Parcel Numbers 001-135-07; 001-136-01; 001-173-01 and 001-176-01 (the Property) which is more particularly described on Exhibit "A", attached hereto and incorporated herein as if set out in full, together with all improvements thereon and easements appurtenant thereto.

2. Purchase Price. The total purchase price for the real property is the sum of Four Hundred Forty-Five Thousand Dollars (\$445,000.00).

3. Payment of Purchase Price. The purchase price shall be paid in full on the date of the close of escrow.

4. Appraisal Cost. The VCTC has had an appraisal performed with regard to the property by Samuel K. Ward, Nevada Certified General Appraiser No. 00123. The VCTC will be responsible for all costs incurred in having the appraisal conducted.

5. Escrow. Upon the execution of this Purchase Agreement, the parties shall open an escrow at Ticor Title Company, in Carson City, Nevada, to consummate the purchase in accordance with the terms and provisions hereof. The provisions hereof shall constitute joint instructions to the escrow holder; provided, however, that the parties shall deposit all funds and execute such additional instructions as requested by the escrow holder in order to complete the sale in accordance with the terms set forth herein. Escrow Holder shall

obtain a preliminary title report to which County may enter objections, if any, to exceptions set forth in said title report. If the objections are not cured by VC Holdings, then County may cancel the escrow or, at its option continue with the escrow. Said escrow shall close **on or about January 5, 2019, but in no event prior to County's opportunity to review and offer exceptions to the preliminary title report.** County will pay the escrow fee.

6. Possession. VC Holdings agrees to, and shall, deliver possession of the subject property to County upon the close of escrow. All of the personal property must be removed from the property by August 1, 2019.

7. Termination of Fairgrounds Lease. At the close of escrow, the parties agree that the lease between the Virginia City Tourism Commission, the Comstock Gold Mill LLC and VC Holdings, Inc., regarding the Property will be terminated by an instrument deposited into escrow and effective as of the day of close of escrow.

8. Title Policy. The Owner's policy of title insurance shall be a standard coverage form policy of title insurance to be paid for by County, subject only to the following exceptions: non-delinquent taxes, non-delinquent assessments, and any restrictions, conditions, reservations, right-of-way or easements of record

9. Access. Currently, access to the Property is available by a roadway crossing parcels of real property owned by VC Holdings in lots located within Block 178 Range H in Virginia city Nevada further identified as Assessor's Parcel No. 001-133-10 and across lots within Block 179 Range H Virginia city Nevada further described as Assessor's Parcel No. 001-134-01. VC Holdings will continue to allow access across these properties, until such time as VC Holdings and County can agree on the specific location, size and price for the purchase of an easement for access across these parcels.

10. Proration. All adjustments shall be made as of the date of closing of the escrow opened by this Agreement, and shall be prorated between VC Holdings and County to that date. The items to be adjusted and prorated are:

- A. Current taxes against the real property computed on a calendar year basis.
- B. Unpaid but not delinquent special assessments for local improvements, but all installments of such assessments due after the closing date shall be assumed and paid by the County.
- C. Other prepaid expenses and accrued liabilities which the parties shall agree upon.

11. Inspections. County will accept the physical condition of the Property "as is". County does not request any inspections of the Property.

12. Entire Agreement. VC Holdings and County agree that this Agreement contains all of the provisions of the agreement between VC Holdings and County for County's purchase of the Property and its improvements. There are no agreements, warranties or representations, express or implied, except those expressly set forth herein. Neither County or VC Holdings shall have any liability for agreements, warranties or

representations, except those expressly set forth herein, and VC Holdings shall not be liable by reason of any agreement, representation or warranty made by any third party to County. All agreements, representations and warranties contained in this Agreement shall apply as of the closing date and shall survive the closing of this Agreement.

13. Full Performance. This Agreement and the terms and conditions hereof shall apply to and are binding upon the heirs, legal representatives, successors and assigns of VC Holdings and County.

14. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada.

15. Time of Essence. Time is of the essence in all of the provisions of this Agreement.

16. Notices. All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid, and return receipt requested, to the party or parties to be notified at the address or addresses set forth herein, or at such other address as either party may, from time to time, designate in writing. Every notice shall be deemed to have been given at the time it shall be deposited in the United States mail in the manner prescribed herein. Nothing contained herein shall be construed to preclude personal service of any notice.

The address for County for purposes of this paragraph is:

Storey County
P.O Box 176
Virginia City, NV. 89440

With copy to:

Storey County District Attorney
PO Box 496
Virginia City, Nevada 89440

The address for VC Holdings for purposes of this paragraph is:

2656 Danielle Drive
Carson City, NV 89706

17. Attorney's Fees. Should any litigation be commenced between the parties hereto concerning this Agreement or the property the subject of this Agreement, or the rights or duties of either party relating thereto, the party prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for said attorney's fees in such litigation and costs of court herein.

18. Time for Acceptance. VC Holdings understands that the consummation of this agreement is dependent upon the approval of this agreement by the Board of County Commissioners in a duly noticed public meeting of the Board. Accordingly VC Holdings agrees that authority of the County to accept this agreement will remain open for a period of thirty days from the date VC Holdings signs this Agreement.

19. Real Estate Agency and Commission County has not utilized the services of a real estate broker or real estate sales person in connection with this transaction, and County shall not be liable for the payment of any commission to any real estate broker or sales person, or to any other person or entity, in connection with this transaction.

20. Interpretation and Representation. No provision in this Agreement is to be interpreted either for or against either VC Holdings or County because that party or that party's legal representative drafted the provision. VC Holdings and County acknowledge that VC Holdings and County have each had the opportunity to consult with independent legal counsel concerning the terms and conditions and consequences of this Agreement prior to signing the Agreement.

County agrees to Purchase the property on the terms and conditions set forth in this Agreement.

Dated this ____ day of _____, 2018.

STOREY COUNTY

By Marshall McBride
Chairman Board of County Commissioner of Storey County

Attest:

Storey County Clerk

The undersigned VC Holdings agrees to sell the property on the terms and conditions as stated in this agreement.

Dated this ____ day of _____, 2018.

VIRGINIA CITY HOLDINGS LLC.

Scott Jolcover, President of
Virginia City Ventures Ltd, Managing Member of Virginia City Holdings LLC

And by:

Paul Thompson, President
VCE Development Inc., Managing Member of Virginia City Holdings LLC.

EXHIBIT A

Legal Description

The land referred to herein is situated in the State of Nevada, County of STOREY, described as follows:

All of Lots 6-16 and the south half of Lot 5 Block 180; Lots 3-17 of Block 181; Lots 1-6 of Block 200; and, Lots 1-6 of Block 201 all of Range H Virginia City, Nevada as shown on the official plat map of Virginia City, County of Storey, State of Nevada filed in the Office of the County Recorder of Storey County, Nevada on August 17 1865

ASSESSOR'S PARCEL NOS. 001-135-06;

001-136-01;

001-173-01; and,

001-176-01

EXHBIT B
PICTURE OF ACCESS LOCATION



Storey County Board of County Commissioners Agenda Action Report

Meeting date: December 4, 2018
minutes

Estimate of time required: 15

Agenda: Consent [] Regular agenda [X] Public hearing required []

1. **Title:** Discussion/Possible Action to approve purchase of property from Richard Correll of parcels of real property identified as all of Lots 2,3,4, and 5, in Block 210, Range H of Virginia City, Nevada, (the Property) for the price of \$83,333.00 and the conveyance of lot 6 Block 210, Range H Virginia City, Nevada.
2. **Recommended motion:** I _____ move to approve the agreement for the purchase of the Property from Richard Correll for the price of \$83,333.00 and the conveyance of Lot 6 Block 210 Range H Virginia City, Nevada.
3. **Prepared by:** Keith Loomis

Department: District Attorney's Office

Telephone: 847-0964

4. **Staff summary:** The Virginia City Tourist Commission has had the Property appraised by Sam Ward who determined that the appraised value of the property is \$97,000.00. The property is close to the fairground properties and is appropriate for use in conjunction with the fairground property. Mr. Correll, the owner of the property has requested that as part of the consideration for the purchase of the Property, that the County convey Lot 6 Block 210 Range H to him. This parcel is adjacent to the Property and is part of the property being purchased from VC Ventures. The property is proposed for purchase from VC Ventures for the appraised value of \$41,000.00. The VC Ventures property consists of three approximately equal parcels and it is assumed that they have approximately equal values. This would cause one of the lots to have a value of \$13,667.00. In return for transferring this lot to Mr. Correll, the sum of \$13,667.00 will be deducted from the cash to be paid to Correll for the purchase of Correll's property.
5. **Supporting materials:** Agreement for the purchase of real property from Richard Correll. Sam Ward appraisal.

6. **Fiscal impact:**

Funds Available:

Fund:

_____ Comptroller

7. **Legal review required:**

 X District Attorney

8. **Reviewed by:**

____ Department Head
____ County Manager

Department Name:
Other agency review: _____

9. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

AGREEMENT FOR PURCHASE OF REAL PROPERTY

THIS AGREEMENT is entered into by and between Richard S. Correll, hereafter referred to as "Correll", and the County of Storey, hereafter referred to as "County" and is entered into as of the date of its execution by the last party signing this Agreement as is hereafter set forth.

WHEREAS, Correll owns real property in Virginia City, which is further described as Lots 2, 3, 4, and 5 of Block 210 Range H and which bears Assessor's Parcel No, 001-172-003 (the Correll Parcel); and,

WHEREAS, County desires to purchase the Correll parcel; and,

WHEREAS, County has had the Correll Parcel appraised as required by NRS 244.275; which appraisal has valued the property at \$97,000.00 as of August 8, 2018; and,

WHEREAS, Correll is interested in accepting as part of the consideration for the purchase of his parcel, the transfer of a lot adjacent to the Correll Parcel. The lot is one of three contiguous lots presently owned by Virginia City Ventures, Inc. These parcels have been collectively appraised to have a value of \$41,000 by Sam Ward as of an August 8, 2018 appraisal. The three lots within the parcel are identical in shape and size and it is therefore assumed that one third of the appraised value can be applied to each of the lots, i.e., each would be valued at \$13,666.67. This lot is further described as lot 6 Block 210 Range H Virginia City, Nevada being a portion of Assessor's Parcel Number 001-172-01 (hereafter the Adjacent Lot).

WHEREAS County intends to purchase the Adjacent Lot from Virginia City Ventures, Inc. and is prepared to convey the Adjacent Lot as part of the consideration for the purchase of the Correll Parcel. Virginia City Ventures, Inc. does not desire to close escrow for the purchase of Adjacent Parcel until the beginning of 2019.

WHEREAS, County and Correll are willing to purchase and sell the property on the terms hereafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, and other good and valuable consideration, it is agreed as follows:

1. Subject Property. Correll does hereby agree to sell and County does hereby agree to purchase all that certain real property situate in Virginia City, Nevada described as Lots 2, 3, 4, and 5, Block 210 Range H, Virginia City Nevada, Assessor's Parcel Number 001-172-03, which is more particularly described on Exhibit "A", attached hereto and incorporated herein as if set out in full, together with all improvements thereon and easements appurtenant thereto.

2. Consideration. County will convey the Adjacent Lot to Correll and pay \$83,333 in additional cash to Correll to purchase Correll's parcel bearing APN 001-172-03. The cash payment will be made at the time of the close of escrow. Transfer of the Adjacent lot by County to Correll is contingent upon the County purchasing the Adjacent Lot from VC Ventures. If County purchases the Adjacent Lot from VC Ventures, the transfer of this lot will be made at the time of the close of escrow or as soon thereafter as is feasible. If County

does not purchase the Adjacent Lot from VC Ventures, the cash price to be paid Correll will be \$97,000.00 to be delivered at the close of escrow.

3. Property Access. Currently there is access to the Adjacent Lot by use of roadways apparent on the ground, but the title to which is unclear and uncertain. County agrees not to interfere with Correll's use of the roadways, but does not represent or warrant that there will always be access pursuant to the roadways.

4. Time for Payment of Purchase Price. The transfer of the Adjacent Lot and the payment of the additional cash amount shall occur on the date of the close of escrow.

5. Appraisal Cost. The VCTC has had an appraisal performed with regard to the property by Samuel K. Ward, Nevada Certified General Appraiser No. 00123. The VCTC will be responsible for all costs incurred in having the appraisal conducted.

6. Escrow. Upon the execution of this Purchase Agreement, the parties shall open an escrow at Ticor Title Company, in Carson City, Nevada, to consummate the purchase in accordance with the terms and provisions hereof. The provisions hereof shall constitute joint instructions to the escrow holder; provided, however, that the parties shall deposit all funds and execute such additional instructions as requested by the escrow holder in order to complete the sale in accordance with the terms set forth herein. Escrow Holder shall obtain a preliminary title report to which County may enter objections, if any, to exceptions set forth in said title report. If the objections are not cured by Correll, then County may cancel the escrow or, at its option continue with the escrow. Said escrow shall close **on or about January 15, 2018, and in no event prior to County's opportunity to review and offer exceptions to the preliminary title report.** County will pay the escrow fee.

7. Possession. Correll agrees to, and shall, deliver possession of the Correll Parcel to County upon the close of escrow. All of the personal property of Correll must be removed from the property by August 1, 2019. The shop building, fencing and storage shed will remain with the Correll Parcel. County will deliver possession of the Adjacent Lot at the close of escrow. During the time that the Adjacent lot is in the ownership of County, County will provide for hooking up water and sewer service to the Adjacent Lot.

8. Title Policy. The Owner's policy of title insurance shall be a standard coverage form policy of title insurance to be paid for by County, subject only to the following exceptions: non-delinquent taxes, non-delinquent assessments, and any restrictions, conditions, reservations, right-of-way or easements of record

9. Proration. All adjustments shall be made as of the date of closing of the escrow opened by this Agreement, and shall be prorated between Correll and County to that date. The items to be adjusted and prorated are:

- A. Current taxes against the real property computed on a calendar year basis.
- B. Unpaid but not delinquent special assessments for local improvements, but all installments of such assessments due after the closing date shall be assumed and paid by the County.
- C. Other prepaid expenses and accrued liabilities which the parties shall agree upon.

10. Inspections. County will accept the Property "as is". County does not request any inspections of the Property.

11. Entire Agreement. Correll and County agree that this Agreement contains all of the provisions of the agreement between Correll and County for County's purchase of the Property and its improvements. There are no agreements, warranties or representations, express or implied, except those expressly set forth herein. Correll shall have no liability for agreements, warranties or representations, except those expressly set forth herein, and Correll shall not be liable by reason of any agreement, representation or warranty made by any third party to County. All agreements, representations and warranties contained in this Agreement shall apply as of the closing date and shall survive the closing of this Agreement.

12. Full Performance. This Agreement and the terms and conditions hereof shall apply to and are binding upon the heirs, legal representatives, successors and assigns of Correll and County.

13. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada.

14. Notices. All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid, and return receipt requested, to the party or parties to be notified at the address or addresses set forth herein, or at such other address as either party may, from time to time, designate in writing. Every notice shall be deemed to have been given at the time it shall be deposited in the United States mail in the manner prescribed herein. Nothing contained herein shall be construed to preclude personal service of any notice.

The address for County for purposes of this paragraph is:

Storey County
P.O Box 176
Virginia City, NV. 89440

With copy to:

Storey County District Attorney
PO Box 496
Virginia City, Nevada 89440

The address for Correll for purposes of this paragraph is:

Richard S. Correll
Post Office Box 308
Virginia City, NV 89440

15. Attorney's Fees. Should any litigation be commenced between the parties hereto concerning this Agreement or the property the subject of this Agreement, or the rights or duties of either party relating thereto, the party prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for said attorney's fees in such litigation and costs of court herein.

16. Time for Acceptance. Correll understands that the consummation of this agreement is dependent upon the approval of this agreement by the Board of County Commissioners in a duly noticed public meeting of the Board. Accordingly Correll agrees that authority of the County to accept this agreement will remain open for a period of thirty days from the date Correll signs this Agreement.

17. Real Estate Agency and Commission County has not utilized the services of a real estate broker or real estate sales person in connection with this transaction, and County shall not be liable for the payment of any commission to any real estate broker or sales person, or to any other person or entity, in connection with this transaction.

18. Interpretation and Representation. No provision in this Agreement is to be interpreted either for or against either Correll or County because that party or that party's legal representative drafted the provision. Correll and County acknowledge that Correll and County have each had the opportunity to consult with independent legal counsel concerning the terms and conditions and consequences of this Agreement prior to signing the Agreement.

County agrees to Purchase the property on the terms and conditions set forth in this Agreement.

Dated this ____ day of _____, 2018.

STOREY COUNTY

By Marshall McBride
Chairman Board of County Commissioner of Storey County

Attest:

Storey County Clerk

The undersigned Correll agrees to sell the property on the terms and conditions as stated in this agreement.

Dated this ____ day of _____, 2018.

CORRELL:

Richard S. Correll

EXHIBIT A

Legal Description

The land referred to herein is situate in the State of Nevada, County of STOREY, described as follows:

All of Lots 2,3,4, and 5, in Block 210, Range H of Virginia City, Nevada, as shown on the official plat map of Virginia City, County of Storey, State of Nevada filed in the Office of the County Recorder of Storey County, Nevada on August 17 1865.

ASSESSOR'S PARCEL NO. 001-172-03

APPRAISAL REPORT

**OF
FOUR PROPERTIES
LOCATED IN THE VICINITY OF THE
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NEVADA**

**AS OF
July 26, 2018**

**PREPARED FOR
Mr. Deny Dotson, Tourism Director
Virginia City Tourism Commission (VCTC)
86 South C Street
Virginia City, NV 89440**

**BY
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August 8, 2018

Mr. Deny Dotson, Tourism Director
Virginia City Tourism Commission (VCTC)
86 South C Street
Virginia City, NV 89440

Re: Appraisal Report of four properties located in the Virginia City Fairgrounds area of
Virginia City, Nevada

Dear Mr. Dotson:

As you requested, I have completed an investigation and analysis of the above referenced properties in order to estimate their current Market Value as a basis for negotiating the sale of the properties to Storey County.

The following report provides a description of each property and presents a review of all pertinent data analyzed in forming the final estimates of value. A fee simple ownership is presumed.

Based on my investigation and analysis, it is my opinion that the Market Value of the properties as of July 26, 2018, the last date of inspection and effective date of the appraisal, were as follows:

VC Holdings - 4.54-acre parcel	\$445,000
VC Ventures - .34-acre parcel	\$ 41,000
Richard Correll - Warehouse property	\$ 97,000
Mark Charlton - .16-acre parcel	\$ 21,000

Sincerely,



Samuel K. Ward,
Nevada Certified General Appraiser No. 00123

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Addenda

Appraiser's Qualifications

INTENDED USER AND USE OF THE APPRAISAL

This appraisal is being prepared for use by the Storey County, the Virginia City Tourism Commission and the current property owner's for use in determining the fair market value of each property as a basis in negotiating the sale of each property to Storey County.

DEFINITION OF MARKET VALUE

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a) buyer and seller are typically motivated;
- b) both parties are well informed or well advised, and each acting in what he considers his own best interest;
- c) a reasonable time is allowed for exposure in the open market;
- d) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

PROPERTY RIGHTS APPRAISED

The property rights in this appraised are the fee simple ownership assuming no indebtedness against each property.

EFFECTIVE DATE OF VALUATION

The estimate of value applies as of July 26, 2018, the last date of inspection. The report date is August 8, 2018.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

In preparing this appraisal, I

- inspected each property and improvements;
- gathered and analyzed local economic and demographic data and searched county data and MLS data for sales and listings of comparable properties in the area; and
- applied the Sales Comparison Approach in estimating the final value for each property.

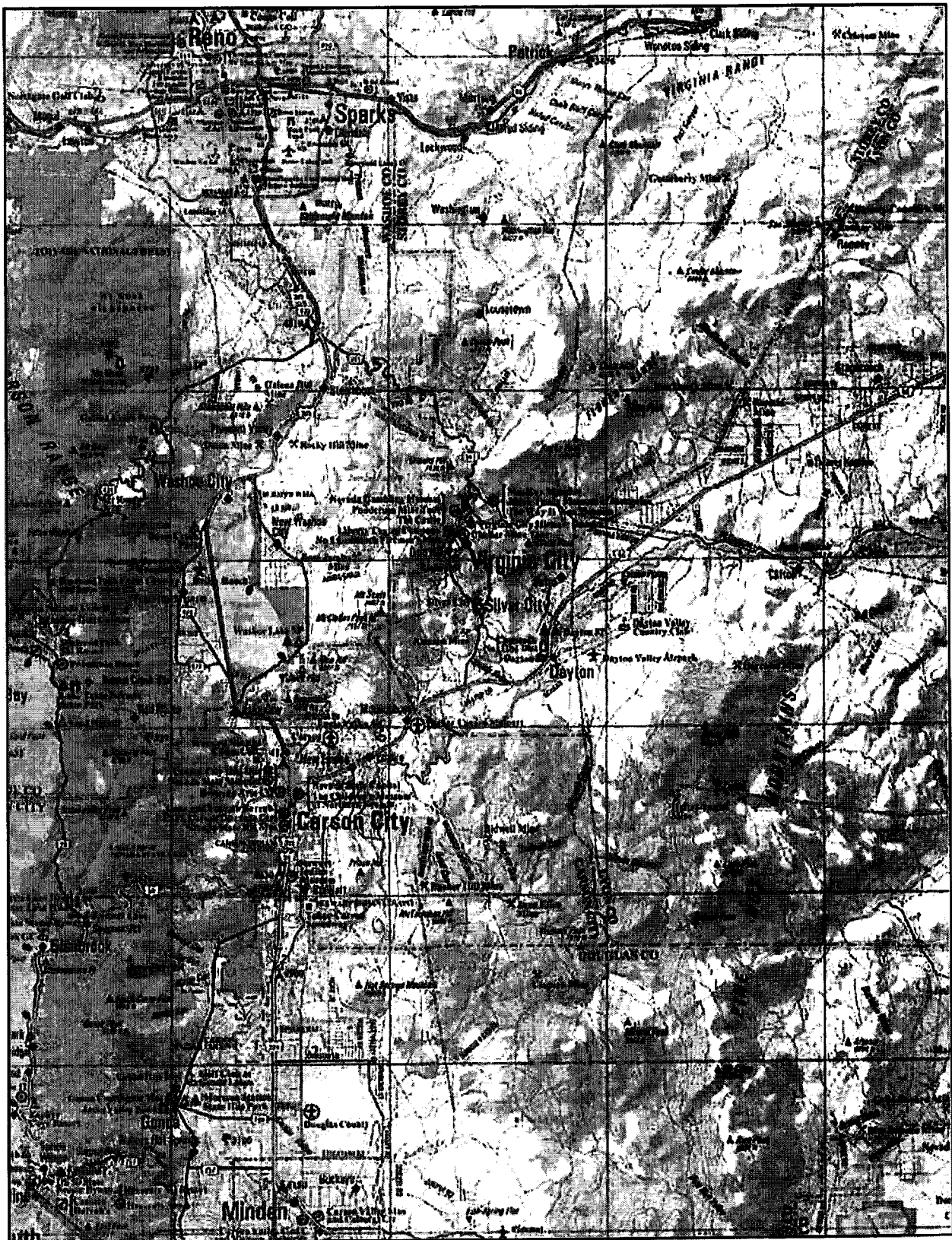
¹(Ref.: Federal Home Loan Bank Board)

CONTINGENT AND LIMITING CONDITIONS

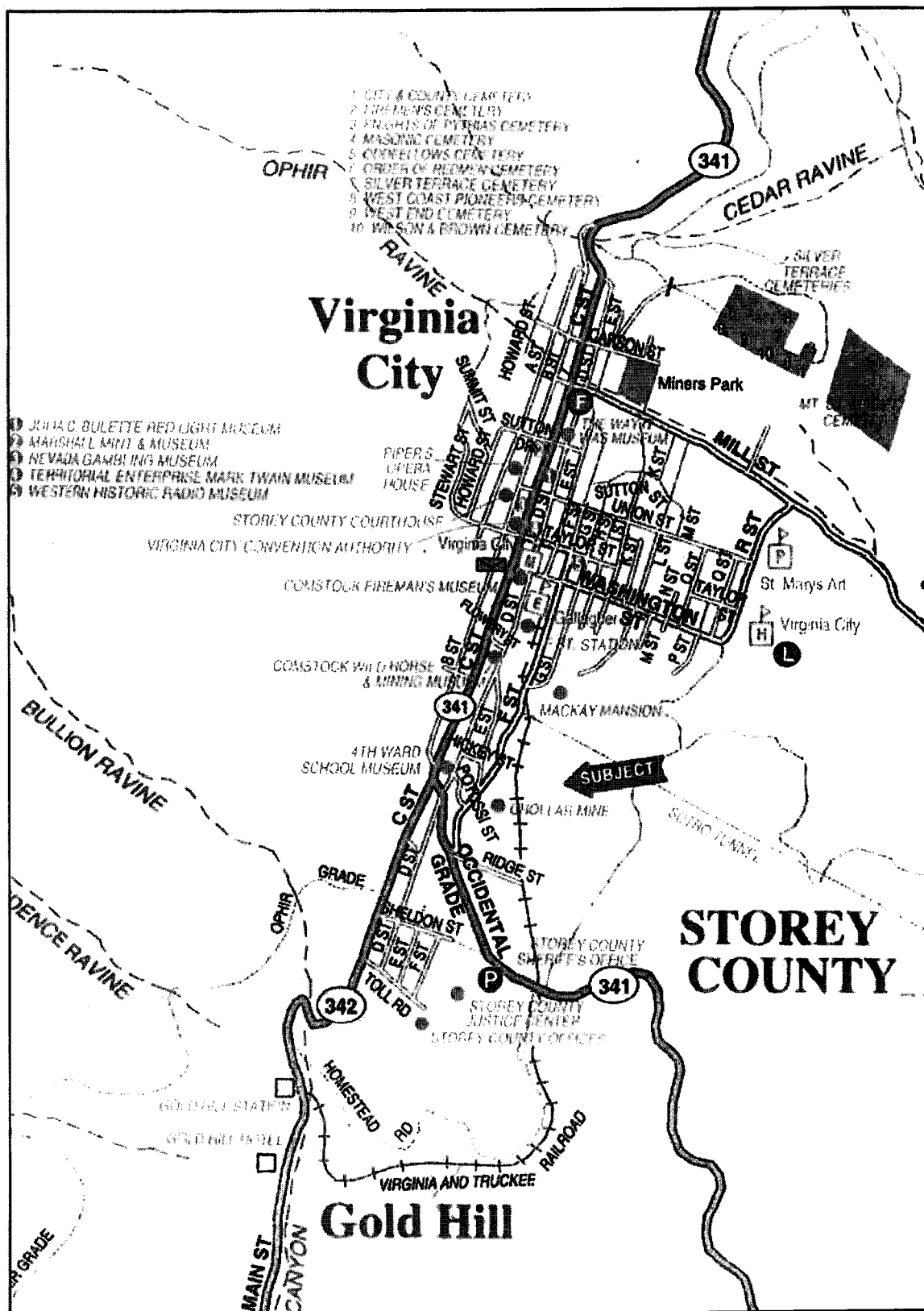
This appraisal report and the valuation reported herein are made subject to the following assumptions and limiting conditions.

1. I have conducted an analysis in the form of an appraisal report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice reporting options. As such, much of the discussion of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value are not reported herein. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and is for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto. Title to the property is assumed to be marketable.
3. Estimates, data, and opinions furnished by informed persons are believed to be correct and reliable but are not guaranteed.
4. This appraisal is to be considered in its entirety. The distribution of land and improvements applies only under current land utilization and is invalid under any other use.
5. The appraiser is not required to give testimony or appear in court because of having made this appraisal unless arrangements have been previously made.
6. It is assumed the property will be under competent management and that reasonable maintenance will prevail.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors.
8. No survey of the property was made. All maps and sketches in the report are made for illustrative purposes and are submitted to assist the reader in visualizing the property.
9. Neither all, nor any part of the contents of this report or copy thereof, shall be used for any purpose by anyone but the client without the previous written consent of the appraiser and/or client; nor through advertising, public relations, news, sales, or other media without the written consent and approval of the author, regarding valuation conclusions, reveal the identity of the appraiser, or a firm with which he is connected, or make any reference to any professional society or institute with which he is affiliated.

REGIONAL MAP



VIRGINIA CITY MAP



VIRGINIA CITY AREA DATA

Virginia City, the county seat of Storey County, is a historic mining town listed as a national historic landmark. In its heyday as a mining town in the 1860s, Virginia City was home to over 30,000 people. According to the 2010 estimates by the Nevada State Demographer's Office, Virginia City has a population today of 998 and listed the number of people in Storey County at 4,234. The majority of the population is located in Virginia City, Gold Hill, and Silver City with smaller populations in the Virginia Highland development north of Virginia City as well as the extreme northern portions of the Mark Twain area of Dayton Valley and the community of Stagecoach.

State Highway 341, which connects Virginia City to Reno and Carson City, is the primary thoroughfare through town, where it is known as "C" Street. C Street is developed with over sixty gift shops, plus numerous restaurants and historic saloons. Other tourist attractions include some historic mansions, the Chollar mine office, the Fourth Ward School House, three historic churches, Piper's Opera House and the V & T Railroad, which makes several runs per day from April through October over a short distance to Gold Hill. The V&T Railroad also runs from Moundhouse which is five miles east of Carson City, to Virginia City with service from Memorial Day through October every Friday, Saturday and Sunday with a three hour layover in Virginia City. In addition, several small museums are housed in stores or saloons on "C" Street, including several gift shops and jewelry shops. There are two convenience markets, a public library, one gas station and a post office in the community, plus a landing pad for care-flight service to Renown Regional Hospital in Reno.

The economy of Virginia City is centered on tourism, which accounts for about 90% of the economic base of the town; it is estimated that over two million visitors come to Virginia City every year. Although most tourists are day-trippers who arrive by car or bus, construction of the Silverland Inn (formerly Ramada Hotel) completed in August of 2006, does offer overnight lodging. The hotel has 68 rooms available and it's location near the former Virginia & Truckee railroad route provides modern amenities while maintaining the Victorian style that is prevalent in Virginia City.

It is noted that since there are no major shopping stores or grocery stores in the area, and because of its altitude (6,200') and windy roads to the community, plus the fact there is a limited amount of water available for future development, there is very little new construction in Virginia City.

NEIGHBORHOOD DESCRIPTION

The four subject properties are all located in the area of the Storey County Fair Grounds or in the southwest quadrant of Virginia City which was in the past an area with a large mine dump of material taken from mines in the immediate area. However, several years ago one of the mining companies who owned the land, leveled the ground which is now an area of approximately 15 - 20 acre that is used as the Storey County Fair Grounds and Events Center. Much of the land outside the platted but undeveloped streets is privately owned by several individuals or entities and is leased to the county. Access is via F Street with a railroad crossing just south of Flowery Street. The area is predominantly zoned light industrial but there has been no new development in the area except for one small privately owned metal storage building and of course the uses of the area for the Virginia City Fairgrounds and Events Center. Utilities are extended along F Street to the west and along Flowery Street to the north. Power is available in the area. Extensions may have to be made to bring utilities to each site, depending on what type of development may some day be proposed for the sites; albeit, there are immediate plans to run a sewer line through the area.

Trend

The neighborhood is stable but is gradually improving as the access into the fairgrounds is being improved and utilities are being brought into the area.

**VIRGINIA CITY HOLDINGS, LLC 4.54-ACRE SITE
LOCATED BETWEEN H & K STREETS & SILVER STREET
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NV
PROPERTY IDENTIFICATION**

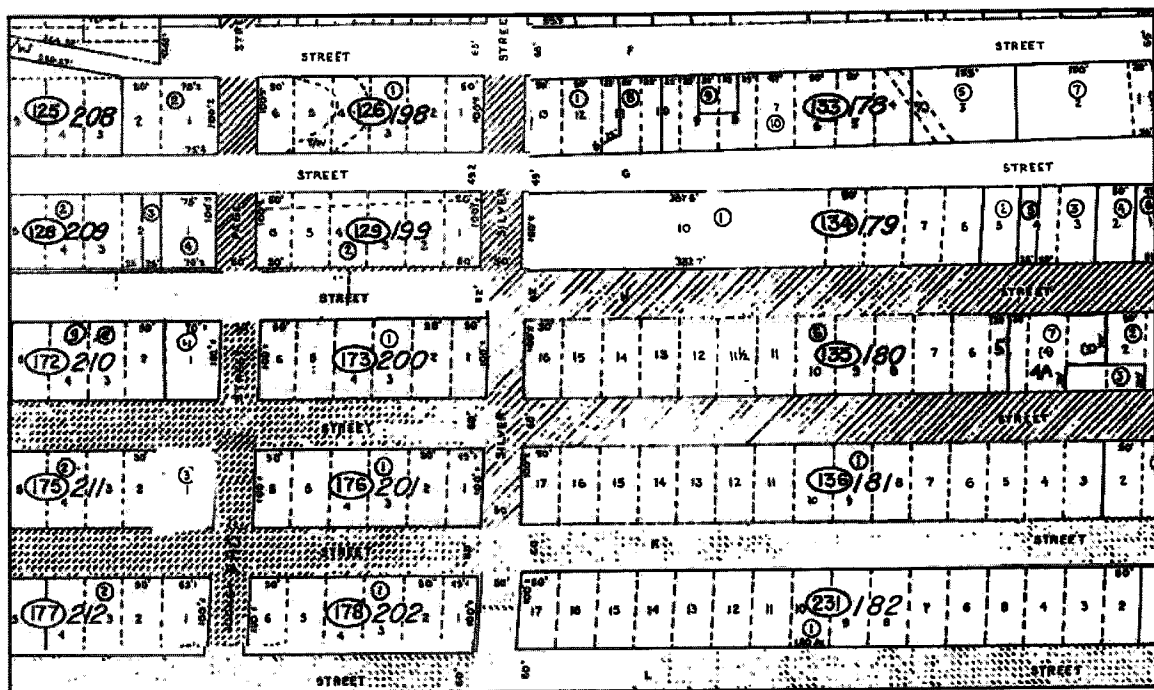
Address and Location - The subject property consists of four non-contiguous parcels located on both sides of I Street between Page Street and Flowery Street in the southeast quadrant of Virginia City in an industrial area currently used as the Virginia City Fairgrounds and Events Center because of its level terrain. The undeveloped streets in the old plat of Virginia City separate the sites but these right of ways probably would be abandoned if the sites were developed as one parcel.

Legal Description - A complete legal description was not available to the appraiser. The sites may briefly be described as Lots 6-16 and the south half of Lot 5 Block 180; Lots 3 - 17 Block 181; Lots 1 - 6 Block 200, and Lots 1 - 6 Block 201, Range H, Virginia City, Nevada. The parcels are also listed by the Storey County Assessor as Assessor's Parcel Numbers (APNs) 001-135-06; 001-136-01; 001-173-01 and 001-176-01

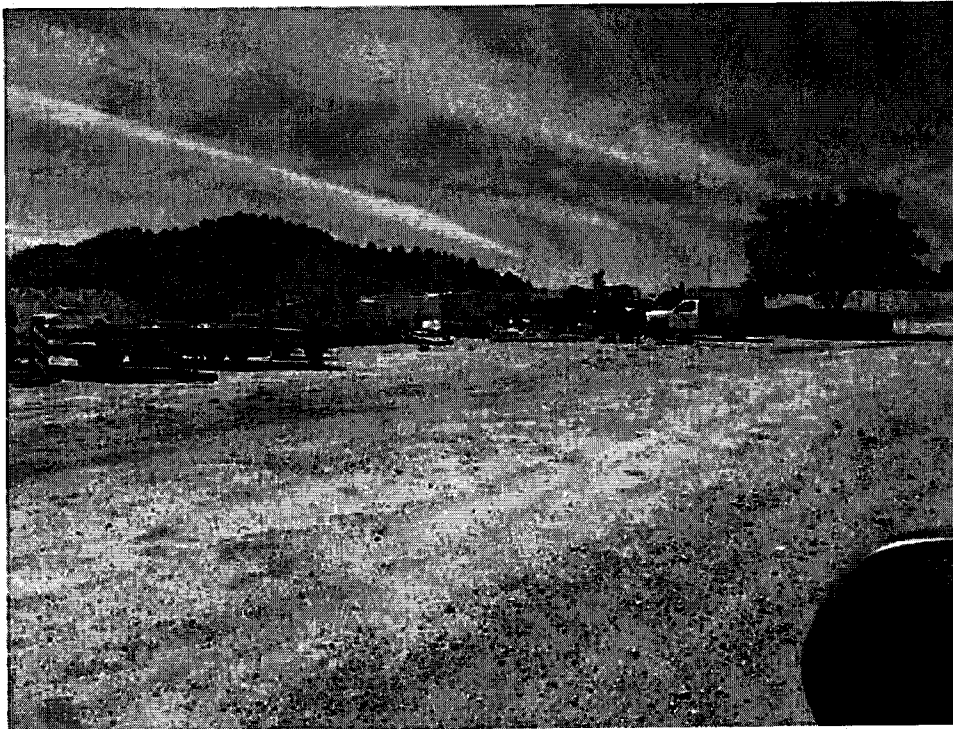
Owner of Record - Virginia City Holdings, LLC

Ownership History - The property has been under the same ownership for over 10 years and to the knowledge of the appraiser it has never been offered for sale since it was last purchased.

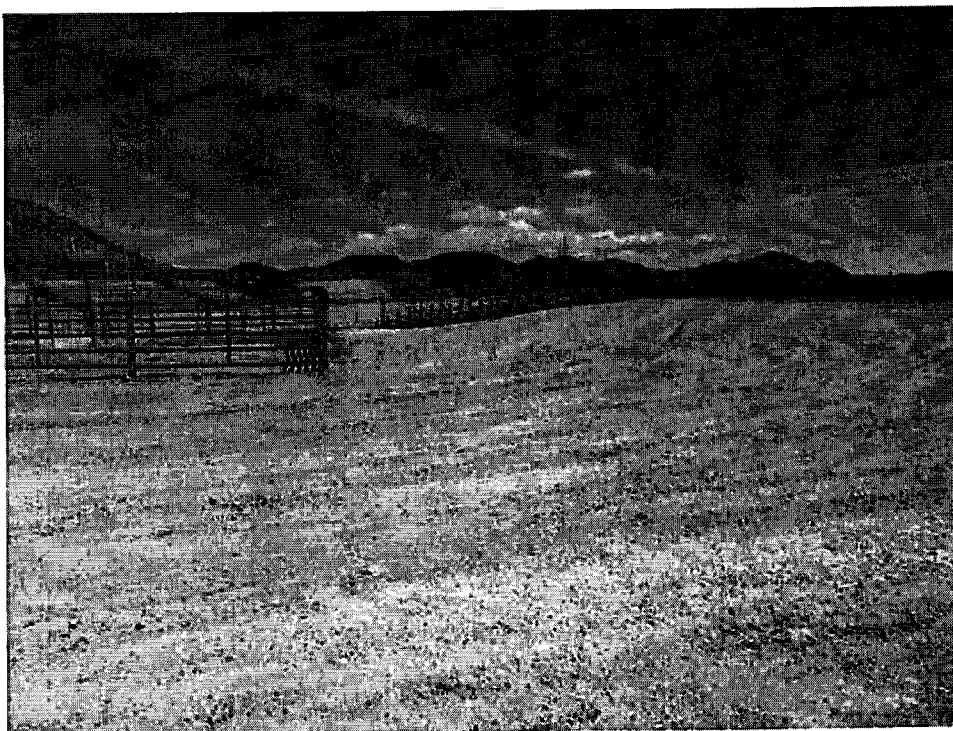
SITE MAP



SUBJECT PHOTOS



View of the site
looking south
from near the
north end



View of the site
looking north from
near the south end

AERIAL SITE MAP



SITE DATA

Location

The subject site or sites (they are all non-contiguous with the platted streets not in but presumed to be abandoned if the site is ever developed) and are all located between H Street and K Street north of Page Street and south of Flowery Street in the southeast section of Virginia City in an industrial zoned area currently leased to Storey County as the Virginia City Fairground and Events Center.

Dimensions, Area and Shape

The parcels vary in size from (15), 50' x 100' lots to (6), 50' x 100' lots; albeit, they have never been developed and for the most part are zoned industrial, so the fact they are part of the original plat of Virginia City, has no relevance in this instance. The total land area for all the lots is 4.54 acres plus the use of the streets in between the parcels which have never been developed and should probably be available for use if the parcels are development as one site.

Topography & Drainage

The grade in the vicinity of the subject site generally level on the north end and south ends with a grade change near the middle. The site is part of a large dump dirt excavated from the old mines in the area that was leveled and terraced and compacted several years ago.

Soils and Subsoils

No soil report was made available to this appraiser. The soils in the area appear to be a rocky, sandy, gravel type compacted soil which is "dump" material from the adjoining mines that operated in the area over 100 years ago. Several years ago the large pile of dump dirt that overburdened the site was leveled, compacted and is currently mostly leased to the Storey County for a nominal fee and operated as the Virginia City Fairgrounds and Events Center. It is noted there are many miles of mining tunnels under the city that were dug in the later 1800s during the search for gold and silver ore in the area but there is no evidence of settling under the subject site now.

Availability and Description of Utilities

Storey County provides water and sewer service in the area. Virginia City and Gold Hill get their potable water from Marlette Lake in the Sierras via a pipeline. There is limited water available for new development with new service on an allocation basis. Electricity is provided by NV Energy and telephone service is provided by AT&T; albeit, it was not determined if there are water and sewer lines or electricity in the immediate area as it was never developed but there is a sewer line proposed to the south of the subject property. There is no natural gas to the town; instead, residents and businesses use propane, augmented by wood stoves or fireplaces.

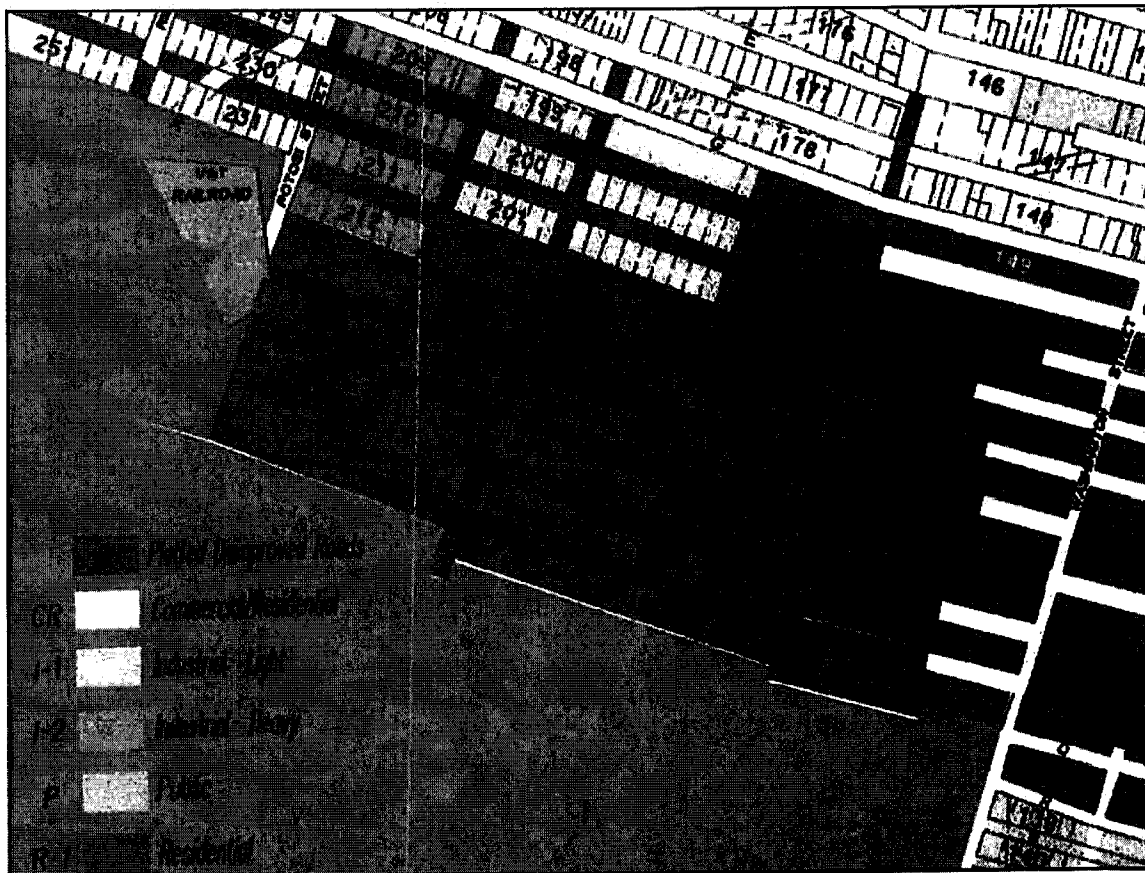
Street Improvements and Access

There are no street improvements in the immediate area, even though the streets are platted they were never physically laid out or improved, so the street right of ways can probably be abandoned and used for development of the subject sites; there are no known plans to install any streets and utilities, except for sewer service, in the immediate area, except for a roadway east off of F Street which goes into the general area.

Zoning

The lots in Blocks 200 and 201 are zoned L-1 or light industrial and the zoning in Blocks 180 and 181 have split zoning with the south half of these two blocks zoned L-1 and the eastern half R-1 or residential. Any development of the lots would require a design review and most likely any public or private development would be approved if consistent with the desires of the governing bodies and local residents. The zoning map below shows the current zoning of the parcels. Note the subject parcels are in Blocks 180, 181, 200 and 201.

Zoning Map



Assessments and Taxes

The sites are identified by the Storey County Assessor's Office as parcel numbers 01-135-06; 136-01; 173-01 and 175-01. In Nevada the assessed value is 35% of the assessor's fair market value estimate. In actual practice land values based on the assessor's estimate of fair market value and improvement value are based on replacement cost new less 1.5% per year for depreciation down to a minimum of 25% of the estimated replacement cost and land value is based on the assessor's estimate of its fair market value. The 2017/18 tax rate in the area is \$3.4607 per \$100 of assessed value. According to the Storey County Assessors Office the assessed values, taxes, and market values for the sites are as shown on the following page:

APN	Assessed Value	Taxes	Mkt. Vale	Size - acres
01-135-06	\$7,065	\$244.50	\$20,186	1.45
01-136-01	\$13,748	\$266.80	\$39,280	1.72
01-173-01	\$7,710	\$149.61	\$22,029	0.69
01-176-01	\$3,722	\$244.50	\$10,634	0.68
TOTAL	\$32,245	\$905.41	\$92,129	4.54

HIGHEST AND BEST USE

Highest and best use is defined as that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal.

There are four criteria which must be met in the analysis of highest and best use for both land that is vacant and property that is improved. The highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Generally, these criteria are analyzed in the preceding sequence because if a property fails any one of the criteria, the subsequent criteria are irrelevant to the analysis.

Physically, the sites are considered one parcel and are a rectangular shaped. The parcel is larger than most sites in the area but this is not considered a detriment to the property.

Legally, the site is zoned L-1, Light Industrial, and R-1, Residential, which is mixed zoning but given the general development in the immediate area as an events center, the L-1 zoning would have precedence in this instance and the need for a public use or private use as say an RV park would probably be an acceptable use of the property.

Some of the financial beneficial uses would be those that meet the needs of the community as an events center in combination with an RV park.

Right now the cost of money is still fairly low historically and there is demand in the community for a fairgrounds and events center and for an RV park, so given these facts, a mixed use of the site for a fair grounds and events center along a smaller RV would appear to result in the highest and best use of the property. The financial feasibility is tested by the alternative of buying an existing property for less than it costs to build a comparable property with the same utility or renting a property with the same utility for less than it costs to build or own a similar property. Because there are no other large, generally level sites in the area available or for sale right now with the same utility as the subject site, the only alternative is buy or develop the subject property.

The next test for what use would be the maximally most productive use of the sites. The maximally most productive use of the site would be appear to be to assemble the sites as a single parcel and seek abandonment of the platted but never built streets and possibly join this parcel with adjoining sites to create a large enough parcel to accommodate a fair grounds and events

center and/or an smaller RV park in combination with development into a fairgrounds events center.

Easements and Encroachments

No title report was available for review by the appraiser but it does not appear there are any physical easements or encroachments that would adversely affect the subject property.

Surrounding Land Use

The subject is bordered on the south open vacant hilly industrial land, to the east by a ravine, to the north by vacant parcels and a few modest homes and to the west by the V&T Railroad tracks. None of the surrounding uses are considered detrimental to the subject property and there were no conditions noted in the neighborhood that would adversely affect the subject property. In conclusion, the subject property is considered a good site for assemblage and development as it is part of the only larger almost level site in the community.

VALUATION

Normally, an appraiser has three methods of estimating the value of a property. These are known as the Cost Approach, the Sales Comparison Approach, and the Income Approach. In the appraisal of this property only the Sales Comparison using comparable land sales will be used.

SALE COMPARISON APPROACH

The Sales Comparison Approach is a technique in which the market value estimate is predicated upon prices paid in actual market transactions or current listings, the former fixing the lower limit of value in a static or advancing market (price-wise) and fixing the higher limit of value in a declining market, and the latter fixing the higher limit of value in any market. The sales listed in the tabular chart on the following page have been investigated, analyzed and compared to the subject on a price per square foot of first floor area.

Land Sales

A search was conducted for comparable land sales and listings in the area and only four comparable sales were noted that were considered acceptable in estimating the value of the subject site. The sales were investigated, analyzed and compared to the subject property on a price per acre basis. Factors that affect value include the motivation of the buyer and seller or conditions of the sale, market conditions at the time of sale (time), location and access, size, shape and utility, zoning, and availability of utilities and whether or not there were any improvements included in the sale. Any other factors that might affect value were also considered. Due to lack of sales in the area and insufficient data to use paired sales for the factors affecting value, subjective percentage adjustments in 5% increments were used to recognize clear superiority or inferiority of a characteristic of each sale in comparison to the subject site. On the following page is a Land Sales Chart showing the salient facts regarding each comparable followed by a discussion, analysis and adjustment grid.

LAND SALES CHART

Sale No	APN # Location	Sale Price Sale Date	Land Area Zoning	Price/ Sq.Ft.	Comment
1	001-173-01, 02, 07,12, 17,19-21 220-289 S. C St.	\$200,000 * 7/28/2017	1.78 ac C2	\$2.58	Steep lots, w/2 old rentals on prop. * Net s/p - \$80,000 for imprvmts.
2	01-133-07 316 So. G St.	\$45,000 10/17/2017	.43 ac CR	\$2.40	Corner lot with streets on east and west sides, not parceled but util. available.
3	01-127-03 646 So. H St.	\$15,000 12/08/2016	.17 ac CR	\$2.03	Inside lot, steep parcel, on paved st.
4	01-121-02 660 S. F St.	\$70,000 077/11/2018	.5632 CR	\$2.85	Corner lot, gentle slope, paved st., view
Subj.	01-135-06;136-01; 173-01; 176-01 Both sides of I St. bet. Page St & Flowery St.	N/A	4.54 ac G-I		Level lots with mixed zoning no St. imprvmts. Uti. ext. req.

Location Map



Discussion and Analysis

Sale 1 is a multi-parcel sale of eight separate but contiguous sites, including two with old homes on them which have marginal value estimated at \$40,000 each, leaving a net land value of \$200,000. The property is on C Street which has good exposure but the lots have a fairly steep downslope from the highway and will be difficult to develop. This was an all cash sale through a Realtor at close to the listing price. This sale needs no adjustment for conditions of the sale or for time but should be adjusted downward for its location on a prominent street with a view and availability of utilities. This sale needs a downward adjustment for size as all else being equal, smaller parcels tend to sell for less than larger parcels. It should be adjusted upward for the considerable slope and the difficulty that will be encountered in developing the lots. No adjustment is considered required for zoning.

Sale 2 is a single parcel with paved streets and utilities on two sides. The terrain is sloping but the parcel is buildable without too much development expense. This was an all cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. This sale needs a downward adjustment for size as all else being equal, smaller lots typically sell for more per square foot than larger lots like the subject. The location is superior to the subject because the area is more homogeneous and developed. The terrain is sloping, so it will require some expense to develop the parcel but this is offset that it is on an existing road. No adjustment is considered required for zoning.

Sale 3 is a small single parcel sale with paved street on one side but is very steep. This was a cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is considered comparable to the subject but it is on a paved street with utilities available. This sale needs a considerable downward adjustment for size as all else being equal, smaller lots typically sell for more per square foot than larger lots like the subject. The terrain is sloping, so it will require some expense to develop the parcel.

Sale 4 is a very recent sale of a parcel located southwest of the subject a short distance. It has a gentle down slope from F Street which encroaches into the parcel somewhat and lowers the net usable area of the site. There is power and water available to the site but sewer is about 400'. The buyer has plans for a storage shed on the property and eventually a home. This was a cash sale. The location and access are superior to the subject and it has a good territorial view. This site needs a considerable downward adjustment for size as all else being equal, smaller sites typically sell for less per unit value than larger sites like the subject. The site is rectangular but the street encroached in to the site lower its net usable area or utility. Development expense would be comparable to the subject except it is on a paved road and the subject parcel will require some road construction.

Below is a discussion of the factors affecting value, followed by and adjustment grid.

Financing and Conditions of the Sale

All the sales are considered open market transactions, so no adjustment is required for this category.

Market Conditions (time)

No time adjustment is considered necessary for the sales as are fairly recent.

Location and Access

The subject is in an area where there are no street improvements but there is access into the general area without assemblage with adjoining parcels, streets will have to be improved to the subject property; likewise utilities. Sale 1 is on C Street which has good access and exposer and streets and utilities are available. Sales 2 has paved streets and utilities available. Sale 3 is on a paved road with all utilities available and Sale 4 is on a paved street with utilities available but sewer.

Lot Size

All the lots are smaller than the subject, so they will require downward adjustments for size as all else being equal, smaller parcels sell for more per square foot than larger parcels.

Use or Zoning

No adjustment is made for this category as the uses and zoning for all the sales are compatible with each other.

Terrain

Sale 1 has moderately steep down slope from the street and Sale 3 also has a fairly steep slope which will increase development costs for both parcels but the subject, though level needs street and utility extensions to the site. Sales 2 and 4 has a gentle downslopes from the the street with little development expense involved,

On the following page is an adjustment grid showing the relative percentage adjustments to the comparable sales for the various categories that affect value on a price per square foot basis.

ADJUSTMENT GRID					
Sale	Subject	1	2	3	4
Location	Both sides of I St. bet. Page St & Flowery St.	220-289 S. C St.	316 S. G St.	646 So. H St.	660 So. F St.
Sale/ Price		\$200,000 *	\$45,000	\$15,000	\$70,000
Sale Date		7/28/2017	10/17/2017	12/08/2016	07/11/2018
Size (AC)	4.54	1.78	0.43	0.17	0.56
Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Time Adj.		0%	5%	0%	0%
Cond. Of Sale		0%	0%	0%	0%
Adj. Price/SF		\$2.58	\$2.52	\$2.03	\$2.85
Adjustments					
Location/ Access		-5%	-5%	0%	-5%
Size		-10%	-10%	-15%	-10%
Shape/Utility		5%	0%	-5%	5%
Dev. Expense		0%	-5%	10%	-5%
Zoning		0%	0%	0%	0%
Other		0%	0%	0%	0%
Total Adj.		-10%	-20%	-10%	-15%
Adjusted \$/SF		\$2.32	\$2.02	\$1.82	\$2.43

* adj. for improvements

With adjustments the price per square foot ranges from \$2.02/SF to \$2.43/SF with the arithmetic average of the sales \$2.15/SF and the median is \$2.17/SF. Sale 1 is the least comparable except for size as it is on main street but has a steep downslope from the street. Sale 2 is the most similar overall in location and but requires a downward adjustment for size and for the better location on paved streets with utilities available. Sale 3 is has a steep slope but is on a paved street with utilities available but is much smaller than the subject. Sale 4 is a very recent sale and is a superior lot with better frontage on a paved street. With the most weight to Sale 2 and 4, and some consideration to the mean and median values, the final value is supported at \$2.25/SF for a value indication of the subject property of:

$$4.54 \text{ acres (197,762 SF)} \times \$2.25/\text{SF} = \$444,964, \text{ rounded to } \$445,000$$

RECONCILIATION AND FINAL CONCLUSION OF VALUE

INDICATED VALUE BY SALES COMPARISON APPROACH: \$445,000

The Cost Approach and the Income Approach are not considered relevant when valuing a vacant site like the subject and therefore were not used.

The Sales Comparison Approach is used by Realtors® and by buyers and sellers as well. Through the common unit of comparison, namely the price per square foot basis for the land area, sales can be compared to the subject property and a meaningful value range formed if proper recognition is given to the factors affecting value. With adjustments to the sales for the factors affecting value, there is good support for the final value indication by this approach.

After considering all the factors and information contained in this report, it is the opinion of the appraiser that the Market Value of the subject property is supported at \$445,000.

Exposure Time and Marketing Time

Based on a discussion with a discussion with an industrial broker in the area and observation of the marketing time of the sales, it is estimated that at the appraised value the exposure time would be from three months to one year and without any evidence to the contrary, the marketing time in the future is expected to be the same, or from three months to one year at the appraised value.

**VIRGINIA CITY VENTURES, INC. .34-ACRE SITE
LOCATED BETWEEN H & I STREETS
AND POTOSI AND PAGE STREETS
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NV**

PROPERTY IDENTIFICATION

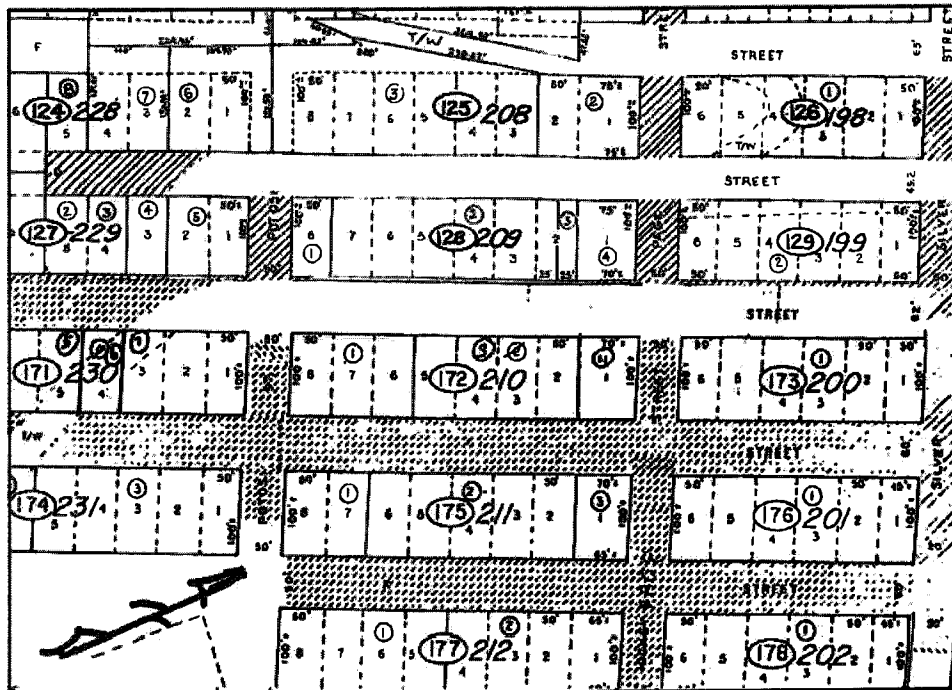
Address and Location - The subject site is a rectangular parcel located on the north side of Potosi Street between H Street and I Street in the southeast quadrant of Virginia City in an industrial area currently used as the Virginia City Fairgrounds and Events Center because of its level terrain.

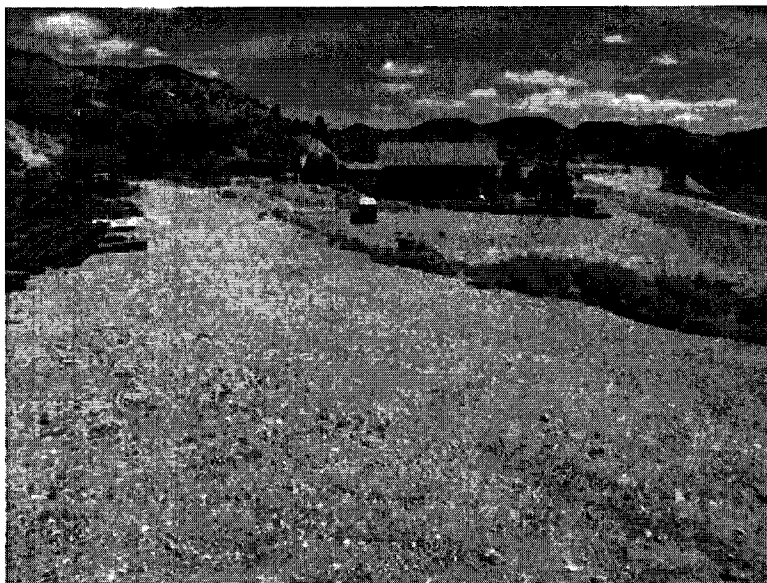
Legal Description - A complete legal description was not available to the appraiser. The site may briefly be described as Lots 6, 7 and 8 Block 210, Range H, Virginia City, Nevada. The parcel is also listed by the Storey County Assessor as Assessor's Parcel Number (APN) 001-172-01.

Owner of Record - Virginia City Ventures, Inc.

Ownership History - The property has been under the same ownership for over 10 years and to the knowledge of the appraiser it has never been offered for sale since it was last purchased.

SITE MAP



SUBJECT PHOTOS

View of the site looking north with subject site in foreground before the building, note roadway easement over the subject site.



View of the site looking south with easement access over the south portion of the site

AERIAL SITE MAP**SITE DATA****Location**

The subject site is located on the north side of Potosi Street between H and I Streets in the southeast section of Virginia City in an industrial zoned area currently leased to Storey County as part of the Virginia City Fairground and Events Center.

Dimensions, Area and Shape

The parcel is rectangular measuring 100' x 150' with a total land area of .34 of one acre or 15,000 square feet. The parcel has legal access but the street have not been improved.

Topography & Drainage

The grade in the vicinity of the subject site is generally level near the north end and slopes up some toward the south end. The property was a mine dump area excavated from the old mines in the area but was leveled and compacted several years ago.

Soils and Subsoils

No soil report was made available to this appraiser. The soils in the area appear a rocky, sandy, gravelly type soil which are "dump" material from the adjoining mines that operated in the area over 100 years ago. Several years ago the large pile of dump dirt was leveled and compacted and currently most of the area is leased to the Storey County and operated as the Virginia City

Fairgrounds and Events Center. There are many miles of mining tunnels under the city that were dug in the later 1800s during the search for gold and silver ore but there is no evidence of settling under the subject site now.

Availability and Description of Utilities

Storey County provides water and sewer service in the area. Virginia City and Gold Hill get their potable water from Marlette Lake in the Sierras via a pipeline and there is limited water available for new development with new service on an allocation basis. Electricity is provided by NV Energy and telephone service is provided by AT&T; albeit, it was not determined if there is water or power in the immediate in the area but a sewer line is proposed to go near the site.

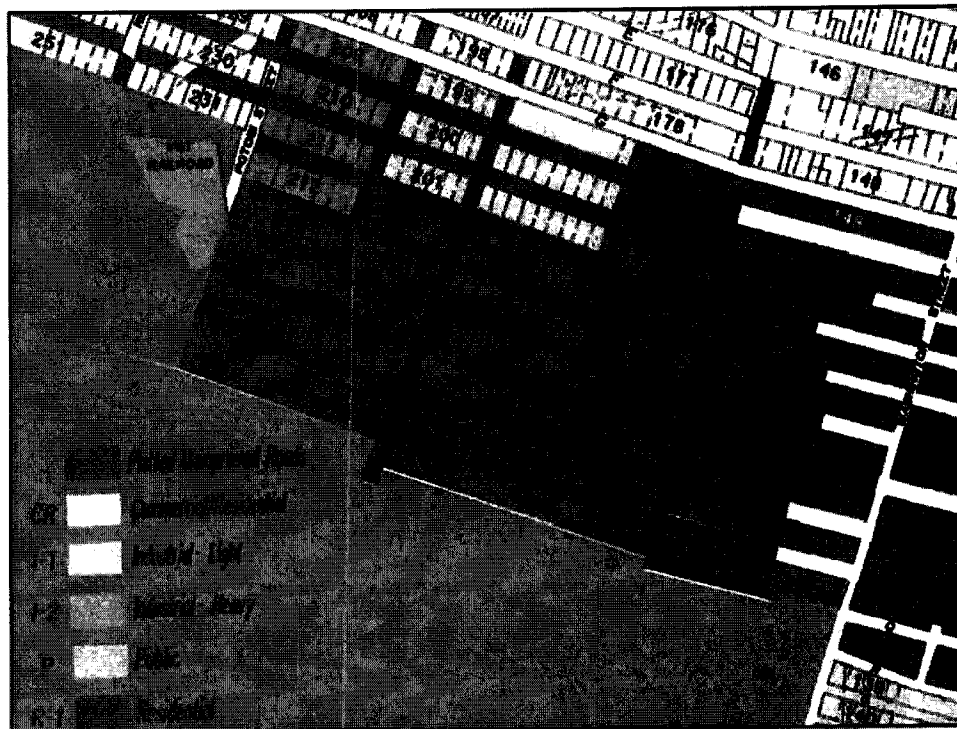
Street Improvements and Access

Even though the streets are platted, they were never improved. Depending on development in the area, the streets could be abandoned; albeit, the subject site would still need access which is currently has from a roadway into the area.

Zoning

The lots in Block 210, including the subject site are zoned Industrial I-2 or heavy industrial. Any development of the lot would require a design review and most likely any public or private development would be approved if consistent with the desires of the governing bodies and local residents. The zoning map below shows the current zoning for the parcel. Again, note the subject parcel is at the west end of Blocks 210.

Zoning Map



Assessments and Taxes

The site is identified by the Storey County Assessor's Office as parcel number 01-172-01. According to the Storey County Assessors Office the assessed values, taxes, and market values for the site are as follows:

APN	Assessed Value	Taxes	Mkt. Vale	Size - acres
01-172-01	\$2,102	\$72.74	\$6,006	0.34

Easements and Encroachments

No title report was available for review by the appraiser but it does not appear there are any physical easements or encroachments that would adversely affect the subject property other than the roadway easements over the south portion of the site. Access is proscriptive as the roads in the area do not follow the old platted roads; again, it does appear the access roadway encroaches into the subject site (see Aerial Map). Access is presumed to be legal.

Surrounding Land Use

The subject is bordered on the south by a roadway into the old V&T Railroad work shop and then open vacant hilly industrial land with considerable mine dump in the area. There is a ravine to the east and a moderate up slope to the west past the access road. The V&T railroad tracks are to the west of the access road and to the north is a small warehouse and storage lot. None of the surrounding uses are considered detrimental to the subject property and there were no conditions noted in the neighborhood that would adversely affect the subject property except the roadway to the adjoining property encroaches into the subject site. In conclusion, the subject site is considered a good site for assembled because it is part of the only larger almost level site in the community.

HIGHEST AND BEST USE

Highest and best use is defined as that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal.

There are four criteria which must be met in the analysis of highest and best use for both land that is vacant and property that is improved. The highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Generally, these criteria are analyzed in the preceding sequence because if a property fails any one of the criteria, the subsequent criteria are irrelevant to the analysis.

Physically, the site is rectangular platted lots with unimproved street right of ways on three sides and a proscriptive roadway in from the south that is presumed to be legal access to the site. The site is smaller than most other sites in the area but this is not considered a detriment to the property.

Legally, the site is zoned L-2, Heavy Industrial but most other land in the area is zoned L-1 or Light Industrial. In any case, the subject's zoning would probably not be adhered to as any development plan for the area would allow a variance for this parcel to some sort of commercial or quasi-public use such as a park, events center or assemblage of the parcel with surrounding parcels for a larger plan for the area instead of just for this parcel.

The maximally most productive use of the site would appear to be to assemble it with adjoining parcels and seek abandonment of the platted lots in the area that were never developed, so as to create a large enough parcel to accommodate a fair grounds and events center and/or an smaller RV park.

VALUATION

Normally, an appraiser has three methods of estimating the value of a property. These are known as the Cost Approach, the Sales Comparison Approach, and the Income Approach. In this appraisal, only the Sales Comparison using comparable land sales will be used.

A search was conducted for sales and listings of similar sites in the area. The four most comparable sales have been researched and analyzed and compared to the subject on a price per square foot basis which is the typical unit of comparison for this type of property used by market participants.

Factors that affect value include the motivation of the buyer and seller or conditions of the sale, market conditions at the time of sale (time), location and access, size, shape and utility, zoning, and availability of utilities and whether or not there were any improvements included in the sale. Any other factors that might affect value were also considered. Due to lack of sales in the area and insufficient data to use paired sales for the factors affecting value, subjective percentage adjustments in 5% increments were used to recognize clear superiority or inferiority of a characteristic of each sale in comparison to the subject site.

On the following page is a Land Sales Chart showing the salient facts regarding each comparable followed by a discussion, analysis and adjustment grid.

LAND SALES CHART

Sale No	APN # Location	Sale Price Sale Date	Land Area Zoning	Price/ Sq.Ft.	Comment
1	001-173-01, 02, 07, 12, 17, 19-21 220-289 S. C St.	\$200,000 * 7/28/2017	1.78 ac C2	\$2.58	Steep lots, w/2 old rentals on prop. * Net s/p - \$80,000 for imprvmnts.
2	01-133-07 316 So. G St.	\$45,000 10/17/2017	.42 ac CR	\$2.46	Corner lot with streets on east and west sides, not parceled but util. available.
3	01-127-03 646 So. H St.	\$15,000 12/08/2016	.17 ac CR	\$2.03	Steep lot on paved street with util. avail.
4	01-121-02 660 S. F St.	\$70,000 077/11/2018	.5632 CR	\$2.85	Corner lot. ,moderate slope, paved st.
Subj.	01-172-01 bet. H & I Streets bet. Potosi St. & Page St.	N/A	.34 ac I-2		Generally level lot, proscriptive access, util. ext. req.

Location Map



Discussion and Analysis

Sale 1 is a multi-parcel sale of eight separate contiguous sites, including two with old homes on the lots which have marginal value estimated at \$40,000 each, thus leaving a net land value of \$200,000. The property is on C Street which has good exposure but the lots have a fairly steep downslope from the highway which will raise development costs. This was an all cash sale through a Realtor at close to the listing price. This sale needs no adjustment for conditions of the sale or for time but should be adjusted downward for location on a paved street and for access and availability of utilities. This sale also needs a upward adjustment for size as all else being equal, smaller parcels tend to sell for less than larger parcels. No adjustment is considered required for zoning.

Sale 2 is a single parcel with paved streets on two sides and utilities available in the streets. The terrain has a gentle slope but is very buildable without too much expense. This was an all cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is superior to the subject's location as it is more homogeneous. The terrain is sloping but all utilities are available to the site, so overall development expense will be less than for the subject property. This sale needs no adjustment for size or for zoning.

Sale 3 is a parcel on a paved street but has a steep up slope from the street. This was a cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is considered comparable to the subject but it is on a paved street with utilities available, overall development expense would be more for this site than for the subject because of the terrain. This sale needs a considerable downward adjustment for size as all else being equal, smaller lots typically sell for more per square foot than larger lots like the subject.

Sale 4 is a recent sale of a parcel located southwest of the subject a short distance. It has a gentle down slope from F Street which encroaches into the parcel somewhat and lowers the net usable area of the site. There is power and water available to the site but sewer is about 400'. The buyer has plans for a storage shed on the property and eventually a home. This was a cash sale. The location and access are superior to the subject as it has a good territorial view and is on a paved street. This site needs no adjustment for size. The site is rectangular but the street encroached in to the site lower its net usable area or utility.

Discussion & Analysis of Factors Affecting Value

Following is a discussion of the previously described factors that affect value.

Financing and Conditions of the Sale

All the sales are considered open market transactions, so no adjustment is required for this category.

Market Conditions (time)

No time adjustment is considered necessary for the sales as are fairly recent.

Location and Access

The subject has access from a gravel road and utilities are available. Sale 1 is on C Street which has good access and exposer and streets and utilities are available. Sale 2 has paved streets on the

two sides and utilities available. Sale 3 has paved street access and utilities available with Sale 4 is on a paved street with water available but no sewers in the immediate area.

Lot Size

Sale 1 is much larger than the subject and needs to be adjusted upward for size. Sale 3 is smaller than the subject and should be adjusted downward for this factor.

Use or Zoning

No adjustment is made for this category as the uses and zoning for all the sales are compatible with each other.

Terrain

Sale 1 has moderate to steep down slope from the street and Sale 3 a moderate to steep up slope from the street, so both should be adjusted upward in comparison to the subject for this item. Sale 2 has a gentle slope and will be easy to develop as will Sale 4.

On the following page is an adjustment grid showing the adjustments to the comparable sales for the various categories that affect value on a price per square foot basis.

ADJUSTMENT GRID					
Sale	Subject	1	2	3	4
Location	Both sides of I St. bet. Page St & Flowery St.	220-289 S. C St.	316 S. G St.	646 So. H St.	660 So. F St.
Sale/ Price		\$200,000 *	\$45,000	\$15,000	\$70,000
Sale Date		7/28/2017	10/17/2017	12/08/2016	07/11/2018
Size (acre)	0.34	1.78	0.43	0.17	0.56
Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Time Adj.		0%	5%	0%	0%
Cond. Of Sale		0%	0%	0%	0%
Adj. Price/SF		\$2.58	\$2.52	\$2.03	\$2.85
Adjustments					
Location/ Access		-5%	-5%	-5%	0%
Size		10%	0%	-10%	0%
Shape/Utility		5%	0%	5%	5%
Dev. Expense		0%	-5%	5%	0%
Zoning		0%	0%	0%	0%
Other		0%	0%	0%	0%
Total Adj.		10%	-10%	-5%	5%
Adjusted \$/SF		\$2.84	\$2.27	\$1.92	\$3.00

* adj. for improvements

With adjustments the price per square foot ranges from \$1.92/SF to \$3.00/SF with the arithmetic average sales is \$2.51/SF and the median \$2.56/SF. Sale 1 is the least comparable to the subject in location and size and is weighted the least. Sales 2 and 4 are the most comparable but has better access and development potential and are in a more homogeneous areas. Sale 4 is the most recent sale and required the least adjustment and is given the most weight but with fairly equal weight to Sale 2, the final value is supported at \$2.75/SF for a value indication of the subject property of:

$$.34 \text{ acres (15,000 SF)} \times \$2.75/\text{SF} = \$41,250, \text{ rounded to } \$41,000$$

RECONCILIATION AND FINAL CONCLUSION OF VALUE

INDICATED VALUE BY SALES COMPARISON APPROACH: \$41,000

The Cost Approach and the Income Approach are not considered relevant when valuing a vacant site like the subject and therefore were not used.

The Sales Comparison Approach is used by Realtors® and by buyers and sellers as well. Through the common unit of comparison, namely the price per square foot basis for the land area, sales can be compared to the subject property and a meaningful value range formed if proper recognition is given to the factors affecting value. With adjustments to the sales for the factors affecting value, there is good support for the final value indication by this approach.

After considering all the factors and information contained in this report, it is the opinion of the appraiser that the Market Value of the subject property is supported at \$41,000.

Exposure Time and Marketing Time

Based on a discussion with a discussion with an industrial broker in the area and observation of the marketing time of the sales and listings, it is estimated that at the appraised value the exposure time would be from three months to one year and without any evidence to the contrary, the marketing time in the future is expected to be the same, or from three months to one year at the appraised value.

**RICHARD CORRELL .46-ACRE STORAGE WAREHOUSE PROPERTY
LOCATED BETWEEN H & I STREETS
AND BETWEEN POTOSI AND PAGE STREETS
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NV**

PROPERTY IDENTIFICATION

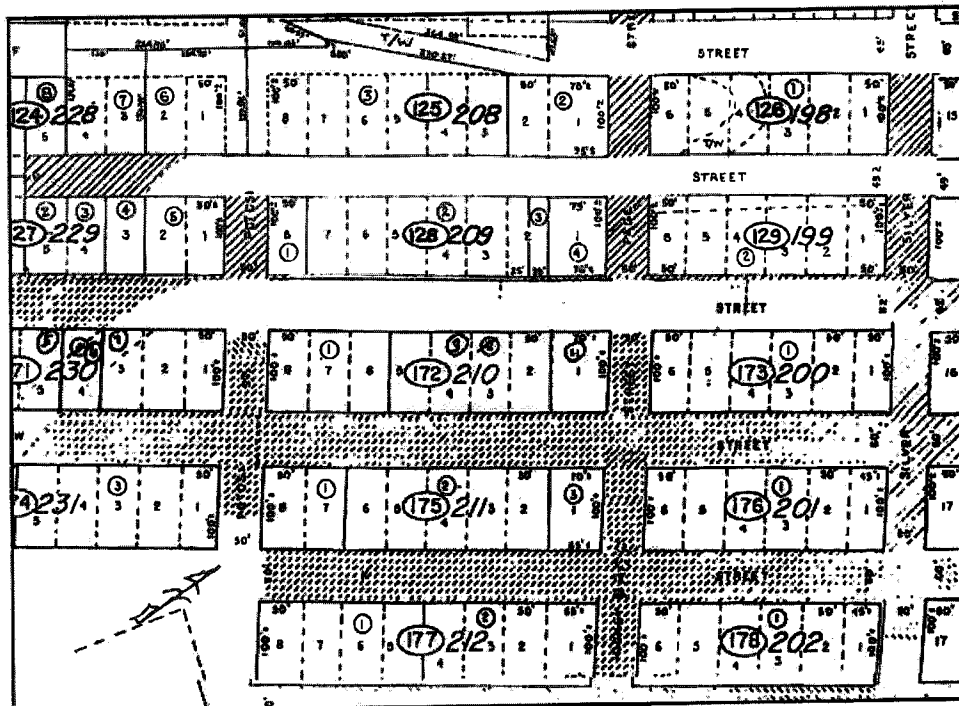
Address and Location - The subject property is located between H and I streets in the southeast quadrant of Virginia City in an industrial area currently used as the Virginia City Fairgrounds and Events Center because of its level terrain.

Legal Description - A complete legal description was not available to the appraiser. The site may briefly be described as Lots 2, 3, 4 and 5 Block 210, Range H, Virginia City, Nevada. The parcel is also listed by the Storey County Assessor as Assessor's Parcel Number (APN) 001-172-03.

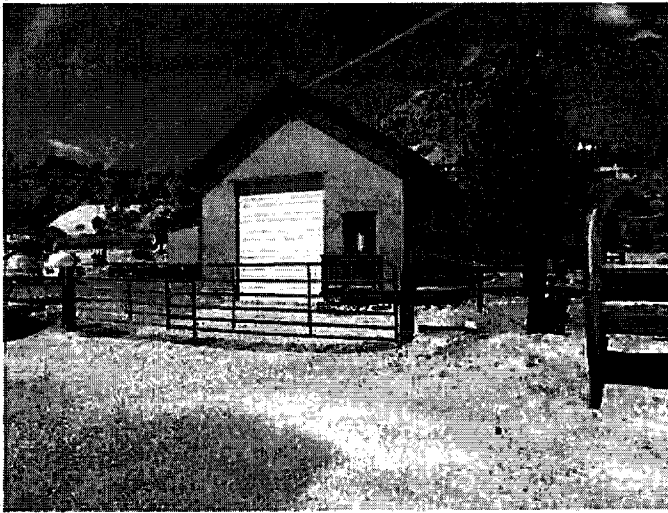
Owner of Record - Richard S. Correll

Ownership History - The property has been under the same ownership for over 10 years and to the knowledge of the appraiser it has never been offered for sale since it was last purchased.

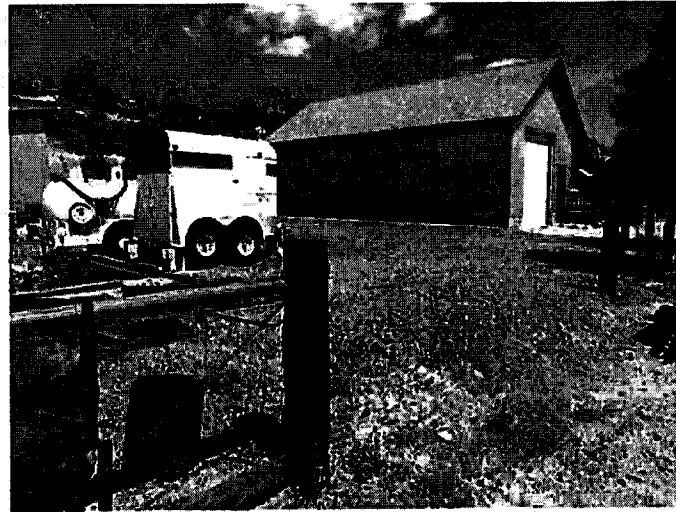
SITE MAP



SUBJECT PHOTOS



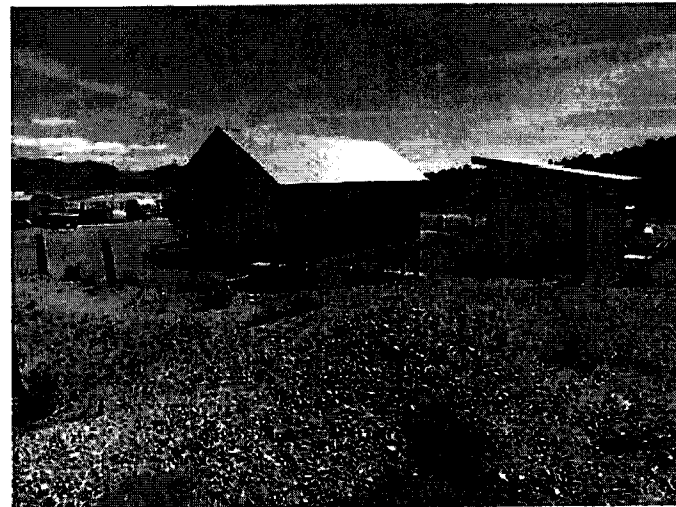
View of the metal storage shed on the site looking west



View of property looking northwest



View of the property looking southeast



View of the property looking northeast

AERIAL SITE MAP



SITE DATA

Location

The subject site is located 70' north side of Potosi Street right of way between H and I Streets in the southeast section of Virginia City in an industrial zoned area currently leased to Storey County as part of the Virginia City Fairground and Events Center.

Dimensions, Area and Shape

The parcel is rectangular measuring 100' x 200' with a total land area of 20,000 SF .46 acres. The parcel has legal access but the street have not been paved.

Topography & Drainage

The grade in the vicinity of the subject site is generally level as the large amount of dump dirt excavated from the old mines in the area was leveled and compacted several years ago.

Soils and Subsoils

No soil report was made available to this appraiser. The soils in the area appear a rocky, sandy, gravel type compacted soil which is "dump" material from the adjoining mines that operated in the area over 100 years ago. Several years ago the large pile of dump dirt was leveled and compacted and is currently mostly leased to the Storey County and operated as the Virginia City Fairgrounds and Events Center.

Availability and Description of Utilities

Storey County provides water and sewer service in area. Virginia City and Gold Hill get there potable water from Marlette Lake in the Sierras via a pipeline and there is limited water available for new development with new service on an allocation basis. Electricity is provided by NV Energy and telephone service is provided by AT&T; albeit, it was not determined if there is water and power adjacent to the site but there is a proposed sewer line to go near the site. There is no natural gas to the town; instead, residents and businesses use propane, augmented by wood stoves or fireplaces.

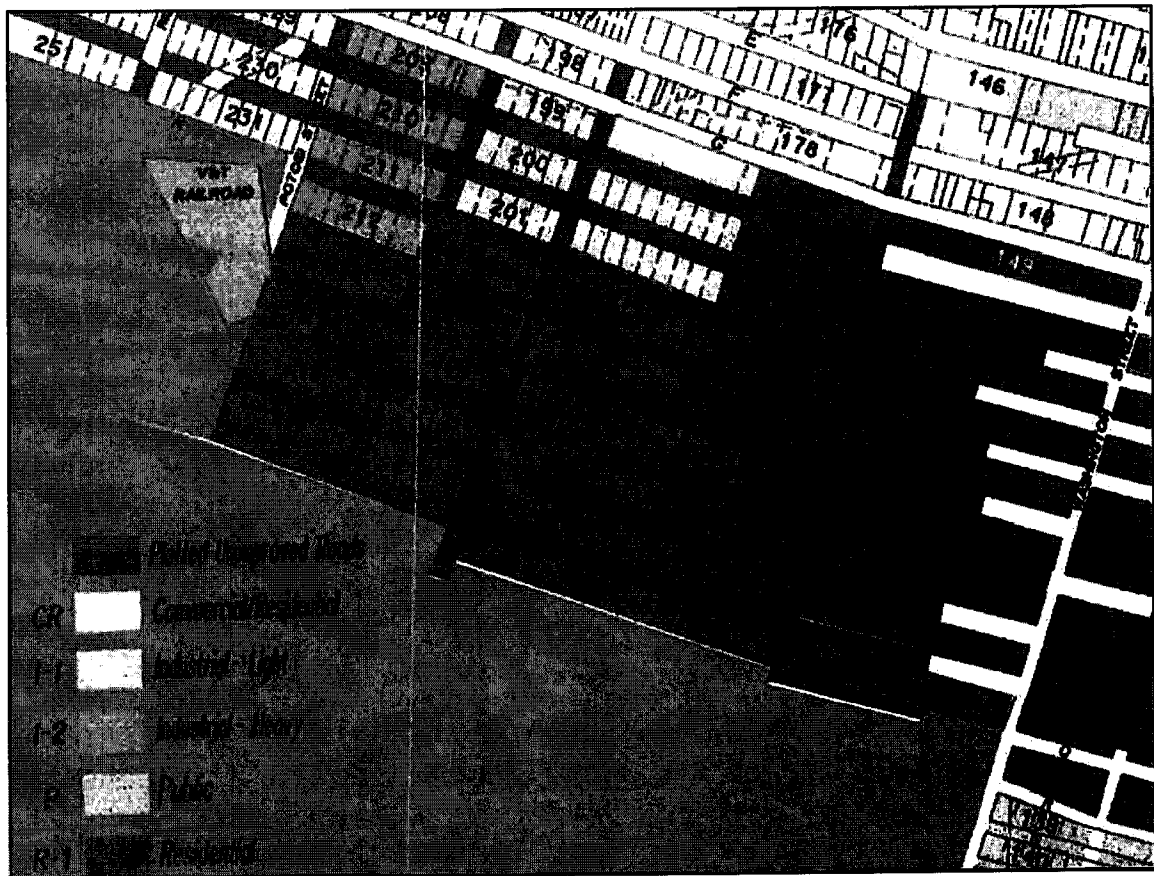
Street Improvements and Access

Even though the streets are platted, they were never improved. Depending on development in the area the streets could be abandoned; albeit, the subject site would need one street for access.

Zoning

The lot is in Block 210 which is zoned I-2 or Heavy Industrial. Any development of the lot would require a design review and most likely any public or private development would be approved if consistent with the desires of the governing bodies and local residents. The zoning map on the following page shows the current zoning of the parcel. Note the subject parcel is in Block 210.

Zoning Map



Assessments and Taxes

The site is identified by the Storey County Assessor's Office as parcel number 01-172-03. In Nevada the assessed value is 35% of the assessor's fair market value estimate. In actual practice, land values are based on the assessor's estimate of fair market value and improvement values are based on replacement cost new less 1.5% per year for depreciation down to a minimum of 25% of the estimated replacement cost and land value is based on the assessor's estimate of its fair market value. The 2017/18 tax rate in the area is \$3.4607 per \$100 of assessed value. According to the Storey County Assessor's Office the assessed values, taxes, and market values for the sites are as follows:

APN	Assessed Value Land	Assessed Value Imprvmnts.	Total Assessed Value	Taxes	Mkt. Vale	Size - acres
01-172-03	\$6,768	\$8,432	\$15,200	\$423.97	\$43,429	0.48

Easements and Encroachments

No title report was available for review by the appraiser but it does not appear there are any physical easements or encroachments that would adversely affect the subject property.

Surrounding Land Use

The subject is bordered on the south by vacant land and a road easement, to the east by generally level land and then a ravine, to the north is a small fenced storage yard and to the west is a driveway and then hillside and the V&T Railroad tracks. None of the surrounding uses are considered detrimental to the subject property and there were no conditions noted in the neighborhood that would adversely affect the subject property. In conclusion, the subject site is considered a good parcel for assemblage because it is part of the only larger almost level area in the community.

IMPROVEMENTS

There is a 1,080 SF metal shop building on the site that was reported built in 1996 and it was built to the historic standards with metal siding and roof to match the prevailing architecture in Virginia City in the 1800s for mining related buildings. The interior was not inspected but the owner said it has a heavy reinforced concrete floor, 2" x 6" frame walls 16" on center 14' high which have R20 insulation and are sheetrocked as is the ceiling which is not insulated. It has an engineered truss roof with a 6/12 slope and it has corrugated steel roofing and siding over plywood sheathing. It has a 10' x 12' overhead steel door in front and also a side man access door. It does not have any power to the building or any plumbing and is used as a storage warehouse by the owner. He provided a cost breakdown to the appraiser with an estimated replacement cost today of \$65,500 or roughly \$60/SF. Other improvements include a small shed on the property valued at around \$2,000 and a perimeter wire fence on railroad ties posts with a steel locked gate at the entry. The site improvements have an estimated replacement cost of about \$2,500 for a total replacement cost estimate of \$70,000 (\$65,500 bldg. + \$2,000 shed + \$2,500 site improvements = \$70,000). The improvements are in good condition and have an estimated contributory value of 60% of replacement cost or \$42,000.

HIGHEST AND BEST USE

Highest and best use is defined as that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal.

There are four criteria which must be met in the analysis of highest and best use for both land that is vacant and property that is improved. The highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Generally, these criteria are analyzed in the preceding sequence because if a property fails any one of the criteria, the subsequent criteria are irrelevant to the analysis.

Highest and Best Use As If Vacant

Physically, the site is rectangular platted parcel with a paved roadway to the east and gravel roadway to the west which are considered proscriptive easement accesses. It is similar in size to many other parcels in the area.

Legally, the site is zoned L-2, Heavy Industrial but most other land in the area is zoned L-1 or Light Industrial. In any case, the subject's zoning would probably not be adhered to as any development plan for the area would probably allow a variance for this parcel to some sort of commercial or quasi-public use such as a park, events center and assemblage with surrounding parcels for a larger plan for the area instead of just for this parcel.

The maximally most productive use of the site would be appear to be to assemble the subject site with adjoining parcels and seek abandonment of the platted but never built streets to create a large enough parcel to accommodate a fair grounds and events center and/or an smaller RV park.

Highest and Best Use As Improved

Ultimately, the highest and best use of the site would be assemblage of the site with adjoining parcels into higher and better use such as a county fairgrounds and events center or possibly as an RV park, or a combination of the two uses.

VALUATION

Normally, an appraiser has three methods of estimating the value of a property. These are known as the Cost Approach, the Sales Comparison Approach, and the Income Approach. In this appraisal, only the Sales Comparison using comparable land sales will be used.

A search was conducted for sales and listings of similar sites in the area and improved sites with warehouses on them. No sales of sites with warehouses on them were found, so the contributory value of the improvements was based on the estimated cost of the improvements less 50% for depreciation. The four most comparable land sales in the area have been researched and analyzed and compared to the subject on a price per square foot basis which is the typical unit of comparison for this type of property used by market participants.

Factors that affect value include the motivation of the buyer and seller or conditions of the sale, market conditions at the time of sale (time), location and access, size, shape and utility, zoning, and availability of utilities and whether or not there were any improvements included in the sale; any other factors that might affect value were also considered. Due to lack of sales in the area and insufficient data to use paired sales for the factors affecting value, so subjective percentage adjustments in 5% increments were used to recognize clear superiority or inferiority of a characteristic of each sale in comparison to the subject site.

On the following page is a Land Sales Chart showing the salient facts regarding each comparable followed by a discussion, analysis and adjustment grid.

LAND SALES CHART

Sale No	APN # Location	Sale Price Sale Date	Land Area Zoning	Price/ Sq.Ft.	Comment
1	001-173-01, 02, 07,12, 17,19-21 220-289 S. C St.	\$200,000 * 7/28/2017	1.78 C2	\$2.58	Steep lots, w/2 old rentals on prop. * Net s/p - \$80,000 for imprvmnts.
2	01-133-07 316 So. G St.	\$45,000 10/17/2017	.42 CR	\$2.46	Corner lot with streets on east and west sides, util. available.
3	01-127-03 646 So. H St.	\$15,000 12/08/2016	.17 CR	\$2.03	Inside steep lot with paved access and utilities
4	01-121-02 660 S. F St.	\$70,000 077/11/2018	.5632 CR	\$2.85	Corner lot. ,moderate slope, paved st.
Subj.	01-172-03 bet. H & I Streets bet. Potosi St. & Page St.	N/A	.46 ac I-2		Generally level lot, proscriptive access, util. ext. req., 1080 sf metal warehouse on the site

Location Map



Discussion and Analysis

Sale 1 is a multi-parcel sale of eight separate contiguous sites, including two with old homes on the lots which have marginal value estimated at \$40,000 each, leaving a net land value of \$200,000. The property is on C Street which has good exposure but the lots have a fairly steep downslope from the highway and will be difficult to develop. This was an all cash sale through a Realtor at close to the listing price. This sale needs no adjustment for conditions of the sale or for time but should be adjusted downward for location and access on a paved street and availability of utilities. This sale will have increased development expense because of the slope but it should be less than for the subject which will require street improvements and utility extensions. This sale also needs an upward adjustment for size as all else being equal, larger parcels tend to sell for less per square foot smaller parcels. No adjustment is considered required for zoning.

Sale 2 is a single parcel with paved streets on two sides and utilities available in the streets. The site has a gentle is slope to the east but the parcel is very buildable. This was an all cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is superior or more homogeneous than the subject location and it has utilities available in the paved streets. The terrain is sloping but development expense will be less than for the subject. This sale needs a no adjustment for size or for zoning.

Sale 3 is a single parcel with a paved street on one side but a very steep up slope from the parcel. This was a cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is considered comparable to the subject because but it is on a paved street with utilities available. The terrain is steep, so it will require considerable expense to develop the parcel. This sale needs a considerable downward adjustment for size as all else being equal, smaller lots typically sell for more per square foot that larger lots like the subject.

Sale 4 is a very recent sale of a parcel located southwest of the subject a short distance. It has a gentle down slope from a paved street and borders SR 341. It was a cash sale to a party who had been interested in buying a parcel in the area and made a personal inquiry to the owner. The buyer plans on building a shop on the site and eventually maybe a residence. This sale needs no adjustment for conditions of the sale or time. It does need a slight downward adjustment for location and access but no adjustment for size.

Discussion & Analysis of Factors Affecting Value

Following is a discussion of the previously described factors that affect value.

Financing and Conditions of the Sale

All the sales are considered open market transactions, so no adjustment is required for this category.

Market Conditions (time)

No time adjustment is considered necessary for the sales as are fairly recent.

Location and Access

The subject is in an area where there are no permeant street improvements but there is access into the general area through proscriptive gravel and paved road easements. Likewise, there are no utilities in the immediate area, except a sewer line is proposed to go to the north of the subject.

Sale 1 is on C Street which has good access and exposer and utilities available. Sales 2 has paved streets on the east and west and utilities available. Sale 3 has paved road access and utilities available but is very steep.

Lot Size

Sale 1 is much larger than the subject and needs to be adjusted upward for size. Sale 2 is similar in size and Sale 3 is much smaller, so it requires a downward adjustment for size.

Use or Zoning

No adjustment is made for this category as the uses and zoning for all the sales are compatible with each other.

Terrain

Sale 1 has a moderate to steep down slope from the street, and Sale 3, likewise has a steep up slope from the street, so both should be adjusted upward in comparison to the subject for this item. Sale 2 has a gentle slope and will be less difficult to develop.

On the following page is an adjustment grid showing the adjustments to the comparable sales for the various categories that affect value on a price per square foot basis.

ADJUSTMENT GRID					
Sale	Subject	1	2	3	4
Location	Both sides of I St. bet. Page St & Flowery St.	220-289 S. C St.	316 S. G St.	646 So. H St.	660 So. F St.
Sale/ Price		\$200,000 *	\$45,000	\$15,000	\$70,000
Sale Date		7/28/2017	10/17/2017	12/08/2016	07/11/2018
Size (acre)	0.46	1.78	0.43	0.17	0.56
Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Time Adj.		0%	5%	0%	0%
Cond. Of Sale		0%	0%	0%	0%
Adj. Price/SF		\$2.58	\$2.52	\$2.03	\$2.85
Adjustments					
Location/ Access		-5%	-5%	-5%	-5%
Size		10%	0%	-5%	0%
Shape/Utility		5%	0%	5%	5%
Dev. Expense		5%	-5%	5%	0%
Zoning		0%	0%	0%	0%
Other		0%	0%	0%	0%
Total Adj.		15%	-10%	0%	0%
Adjusted \$/AC		\$2.97	\$2.27	\$2.03	\$2.85

* adj. for improvements

With adjustments the price per square foot ranges from \$2.03/SF to \$2.97/SF with the arithmetic average of the sales \$2.53/SF and the median \$2.56/SF. Sale 1 is the least comparable to the subject in location and size and is weighted the least. Sale 2 along with Sale 4 are the most comparable to the subject but both sales have slightly superior access and development potential and is in more homogeneous areas. With most weight to Sales 2 and 4, and some consideration to the mean and median values, the final value is supported at \$2.75/SF for a value indication of the subject property of:

$$.46 \text{ acres (20,000 SF)} \times \$2.75/\text{SF} = \$55,000$$

It was previously estimated that the storage warehouse, shed and site improvements on the site have a contributory value estimated at \$42,000, so the final value of this property is \$97,000.

RECONCILIATION AND FINAL CONCLUSION OF VALUE

INDICATED VALUE BY SALES COMPARISON APPROACH: \$97,000

The Cost Approach was used to the extent that the contributory value of the improvements was estimated based on replacement cost less depreciation. The Income Approach was not considered relevant as the subject is not considered an income property, per se.

The Sales Comparison Approach is used by Realtors® and by buyers and sellers as well. Through the common unit of comparison, namely the price per square foot basis for the land area, sales can be compared to the subject property and a meaningful value range formed if proper recognition is given to the factors affecting value. With adjustments to the sales for the factors affecting value, and additional contributory value of the improvements added to the land value, there is good support for the final value indication by this approach.

After considering all the factors and information contained in this report, it is the opinion of the appraiser that the Market Value of the subject property is supported at \$97,000.

Exposure Time and Marketing Time

Based on a discussion with an industrial broker in the area and observation of the marketing time of the sales and listings, it is estimated that at the appraised value the exposure time would be from three months to one year and without any evidence to the contrary, the marketing time in the future is expected to be the same, or from three months to one year at the appraised value.

**MARK ALAN CHARLTON STORAGE .17-ACRE SITE
LOCATED ON THE SOUTH SIDE OF PAGE STREET
BETWEEN H & I STREETS
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NV**

PROPERTY IDENTIFICATION

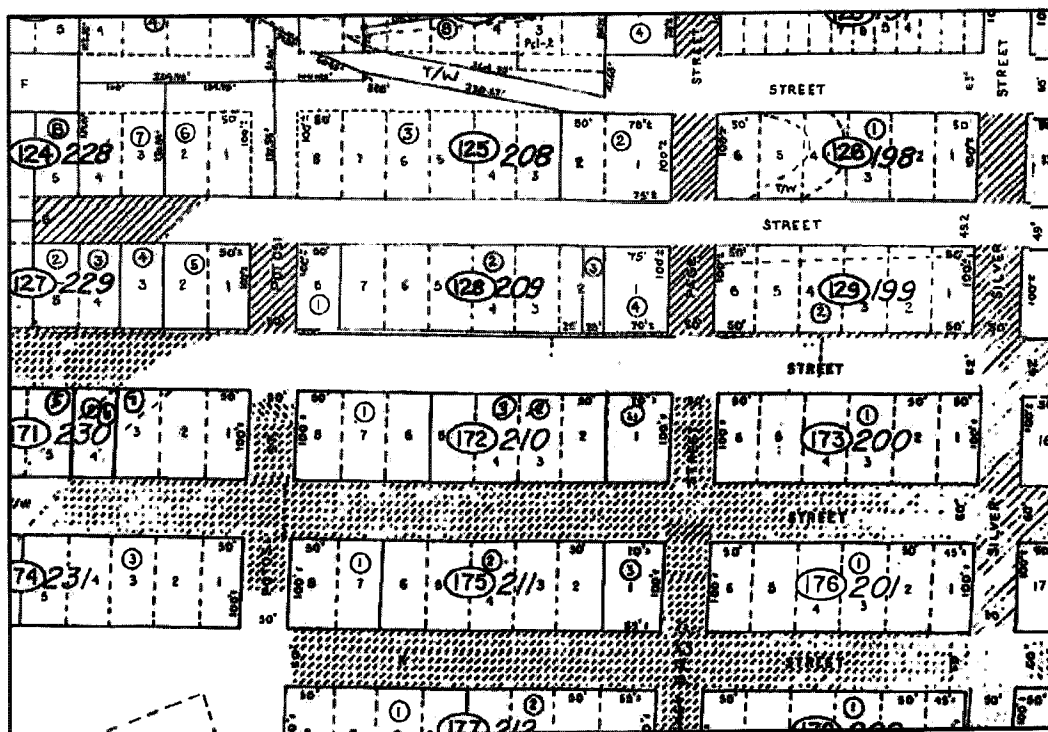
Address and Location - The site is located on the south side of Page Street between H and I streets in the southeast quadrant of Virginia City in an industrial area currently used as the Virginia City Fairgrounds and Events Center because of its level terrain.

Legal Description - A complete legal description was not available to the appraiser. The site may briefly be described as Lots 1 Block 210, Range H, Virginia City, Nevada. The parcel is also listed by the Storey County Assessor as Assessor's Parcel Number (APN) 001-172-04.

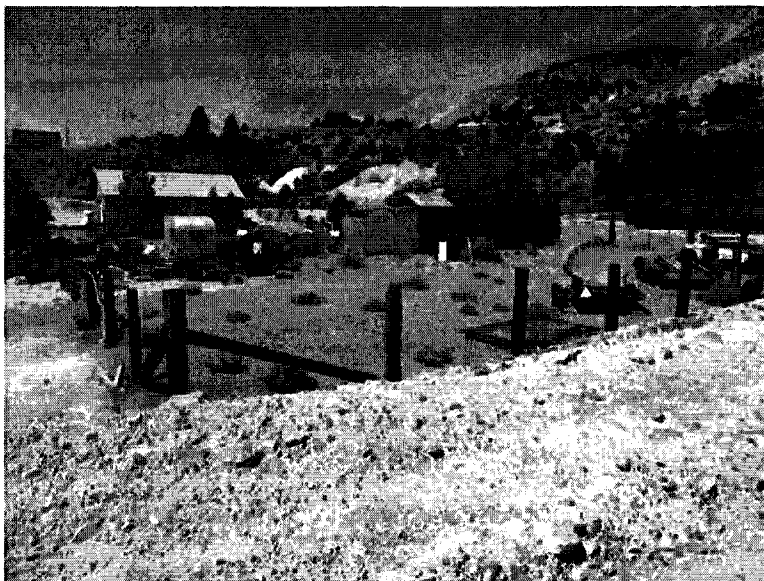
Owner of Record - Mark Alan Charlton

Ownership History - The property has been under the same ownership for over 10 years and to the knowledge of the appraiser it has never been offered for sale since it was last purchased.

SITE MAP



SUBJECT PHOTOS

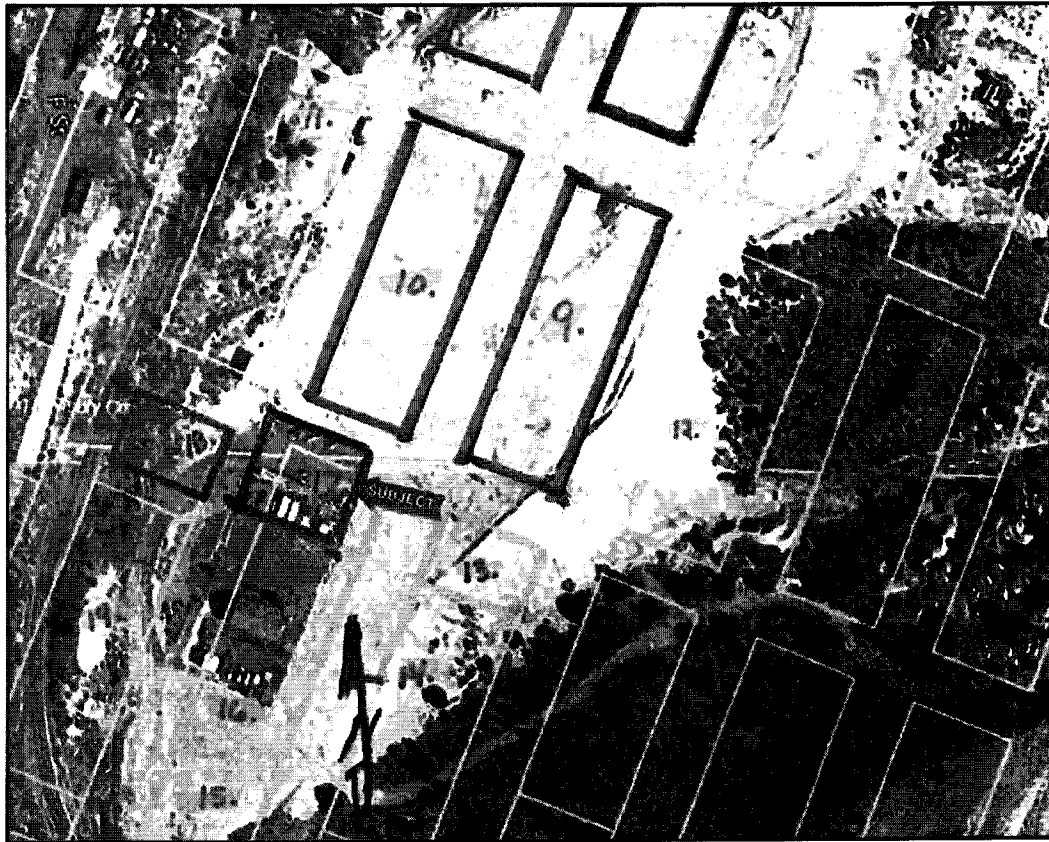


View of the site looking southwest



View of the site looking west

AERIAL SITE MAP



SITE DATA

Location

The subject site is located on the south side of Page Street between H and I Streets in the southeast section of Virginia City in an industrial zoned area currently leased to Storey County as part of the Virginia City Fairground and Events Center.

Dimensions, Area and Shape

The parcel is rectangular measuring 70' x 100' with a total land area of 7,000 SF, or .16 acres. The parcel has legal access but the streets have not been improved.

Topography & Drainage

The grade in the vicinity of the subject site is generally level as the large amount of dump dirt excavated from the old mines in the area was leveled and compacted several years ago.

Soils and Subsoils

No soil report was made available to this appraiser. The soils in the area appear a rocky, sandy, gravelly type compacted soil which is "dump" material from the adjoining mines that operated in the area over 100 years ago. Several years ago the large pile of dump dirt was leveled and compacted and most of the area is currently leased to the Storey County and operated as the

Virginia City Fairgrounds and Events Center. There are many miles of mining tunnels under the city that were dug in the late 1800s during the search for gold and silver ore but there is no evidence of settling under the subject site now.

Availability and Description of Utilities

Storey County provides water and sewer service in. Virginia City and Gold Hill get there potable water from Marlette Lake in the Sierras via a pipeline and there is limited water available for new development with new service on an allocation basis. Electricity is provided by NV Energy and telephone service is provided by AT&T; albeit, it was not determined if there is water sewer and power to the site but a proposed sewer line will go very near the site. There is no natural gas to the town; instead, residents and businesses use propane.

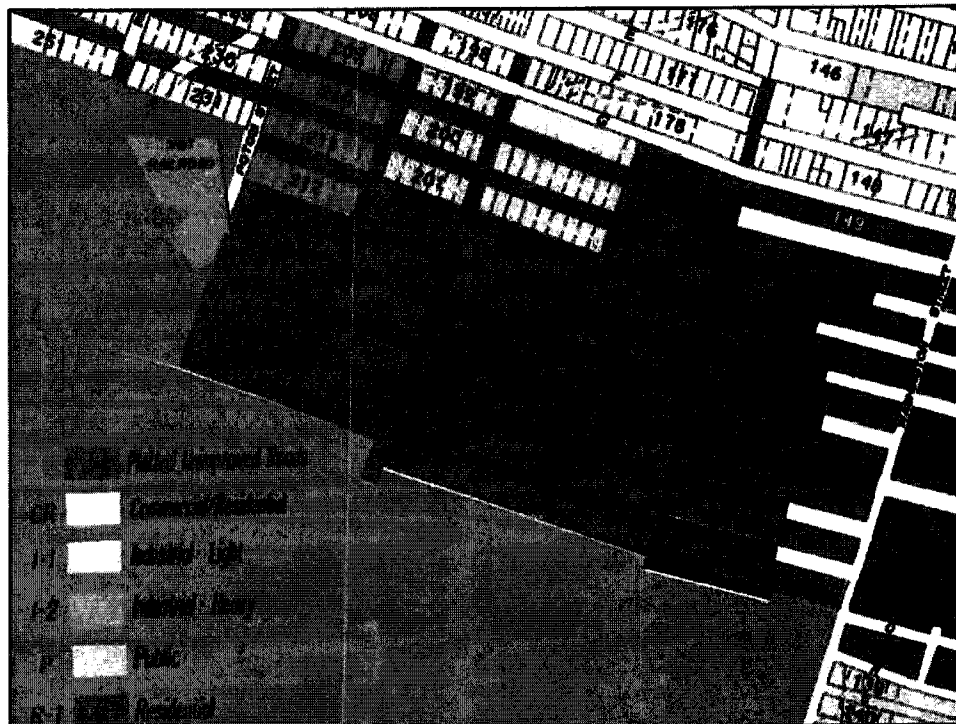
Street Improvements and Access

Even though the streets are platted, they were never improved; albeit there is an unimproved dirt and gravel road to the site over adjoining parcels and the street right of ways. Depending on development in the area the streets could be abandoned; albeit, the subject site would still need legal access which is presumed it does have now. There is no known plans to install any streets in the immediate area.

Zoning

The lots in Block 210 are zoned I-2 or Heavy Industrial. Any development of the lot would require a design review and most likely any public or private development would be approved if consistent with the desires of the governing bodies and local residents. The zoning map on the following page shows the current zoning of the parcel. Note the subject parcel is in Block 210.

Zoning Map



Assessments and Taxes

The site is identified by the Storey County Assessor's Office as parcel number 01-172-04. In Nevada the assessed value is 35% of the assessor's fair market value estimate. The 2017/18 tax rate in the area is \$3.4607 per \$100 of assessed value. According to the Storey County Assessor's Office the assessed values, taxes, and market values for the sites are as follows:

APN	Assessed Value Land	Assessed Value Imprvmnts.	Total Assessed Value	Taxes	Mkt. Vale	Size - acres
01-172-04	\$1,998	\$259	\$2,257	\$35.58	\$6,449	0.16

Easements and Encroachments

No title report was available for review by the appraiser but it does not appear there are any physical easements or encroachments that would adversely affect the subject property.

Surrounding Land Use

The subject is bordered on the south by a small warehouse and storage lot property, to the east by generally level land and then a ravine. To the north is a large level parcel currently leased to Storey County and used as part of the Virginia City Fairgrounds and Events Center. To the north is an access road, then vacant hillside land and then the V&T Railroad tracks. None of the surrounding uses are considered detrimental to the subject property and there were no conditions noted in the neighborhood that would adversely affect the subject property. In conclusion, the subject site is considered a good site for assemblage because it is part of the only larger almost level site in the community.

HIGHEST AND BEST USE

Highest and best use is defined as that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal.

There are four criteria which must be met in the analysis of highest and best use for both land that is vacant and property that is improved. The highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Generally, these criteria are analyzed in the preceding sequence because if a property fails any one of the criteria, the subsequent criteria are irrelevant to the analysis.

Highest and Best Use As If Vacant

Physically, the site is rectangular and is part of the original Virginia City plat but the street have never been improved. It is bordered to the west by an access road, to the east and north by open land, to the south by a small warehouse/storage lot property. The subject site is smaller than parcels in the area but this is not considered a real detriment to the property as it could probably be assembled with other sites in the area to create a parcel with more utility.

Legally, the site is zoned L-2, Heavy Industrial but most other land in the area is zoned L-1 or Light Industrial. In any case, the subject's zoning would probably not be adhered to as any development plan for the area should allow a variance for this parcel to some sort of commercial

or quasi-public use such as a park, events center and assemblage with surrounding parcels for a larger plan for the area instead of just for this parcel.

The maximally most productive use of the site would appear to be to assemble it with adjoining parcels and seek abandonment of the platted lot status to create a large enough parcels to accommodate a fairgrounds and events center and/or an smaller RV park.

Highest and Best Use As Improved

The parcel has an interim use as a fenced storage lot but ultimately the highest and best use of the site is assemblage with adjoining parcels into a higher and better use such as a county fairgrounds and events center or possibly as an RV park, or a combination of the two uses.

VALUATION

Normally, an appraiser has three methods of estimating the value of a property. These are known as the Cost Approach, the Sales Comparison Approach, and the Income Approach. In this appraisal, only the Sales Comparison using comparable land sales will be used.

A search was conducted for sales and listings of similar sites in the area. The four most comparable land sales in the area have been researched and analyzed and compared to the subject on a price per square foot basis which is the typical unit of comparison for this type of property used by market participants.

Factors that affect value include the motivation of the buyer and seller or conditions of the sale, market conditions at the time of sale (time), location and access, size, shape and utility, zoning, and availability of utilities and whether or not there were any improvements included in the sale; any other factors that might affect value were also considered. Due to lack of sales in the area and insufficient data to use paired sales for the factors affecting value, so subjective percentage adjustments in 5% increments were used to recognize clear superiority or inferiority of a characteristic of each sale in comparison to the subject site.

On the following page is a Land Sales Chart showing the salient facts regarding each comparable followed by a discussion, analysis and adjustment grid.

LAND SALES CHART

Sale No	APN # Location	Sale Price Sale Date	Land Area Zoning	Price/ Sq.Ft.	Comment
1	001-173-01, 02, 07,12, 17,19-21 220-289 S. C St.	\$200,000 * 7/28/2017	1.78 C2	\$2.58	Steep lots, w/2 old rentals on prop. * Net s/p - \$80,000 for imprvmts.
2	01-133-07 316 So. G St.	\$45,000 10/17/2017	.42 CR	\$2.46	Corner lot with streets on east and west sides, not parceled but util. available.
3	01-127-03 646 So. H St.	\$15,000 12/08/2016	.17 CR	\$2.03	Steep lot on paved street with util. in street
4	01-121-02 660 S. F St.	\$70,000 07/11/2018	.5632 CR	\$2.85	Corner lot, moderate slope, paved st.
Subj.	01-172-04 bet. H & I Streets bet. Potosi St. & Page St.	N/A	.16 ac I-2		Level lot with easement access, no utilities

Location Map



Discussion and Analysis

Sale 1 is a multi-parcel sale of eight separate contiguous sites, including two with old buildings on the lots which have marginal value estimated at \$40,000 each, leaving a net land value of \$200,000. The property is on C Street which has good exposure but the lots have a fairly steep downslope from the highway and it will be difficult to develop, albeit, the subject will need a legal street extension and some utilities extended if it is ever developed. This was an all cash sale through a Realtor at close to the listing price. This sale needs no adjustment for conditions of the sale or for time but should be adjusted downward for location and access and availability of utilities. Alternately, this sale should be adjusted upward for the considerable slope and the difficulty that will be encountered in developing the lots but development expenses will also be incurred for the subject as it will need a legal street and utilities to be developed. This sale also needs a considerable upward adjustment for size as all else being equal, larger parcels tend to sell for less per square foot smaller parcels. No adjustment is considered required for zoning.

Sale 2 is a single parcel with paved streets on two sides and utilities available in the streets. The terrain has a gentle slope to the east but the parcel is buildable without too much expense. This was an all cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is superior and more homogeneous than the subject site and it has utilities available in the paved streets. The terrain is sloping, so some expense will be required to develop the parcel. This sale needs an upward adjustment for size in comparison to the subject parcel but no adjustment is considered required for zoning.

Sale 3 is a single parcel with a paved street on one side but it is very steep. This was a cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is considered comparable to the subject because but it is on a paved street with utilities available. The terrain is steep, so it will require considerable expense to develop the parcel. This sale needs no adjustment for size.

Sale 4 is a very recent sale of a parcel located southwest of the subject a short distance. It has a gentle down slope from a paved street and borders SR 341. It was a cash sale to a party who had been interested in buying a parcel in the area and made a personal inquiry to the owner. The buyer plans on building a shop on the site and a home sometime in the future. This sale needs no adjustment for conditions of the sale or time but the location and access are slightly more superior than the subject's location and access. This sale needs an upward adjustment for size as all else being equal larger parcels typically sell for less per unit value than smaller parcels like the subject.

Discussion & Analysis of Factors Affecting Value

Following is a discussion of the previously described factors that affect value.

Financing and Conditions of the Sale

All the sales are considered open market transactions, so no adjustment is required for this category.

Market Conditions (time)

No time adjustment is considered necessary for the sales as are fairly recent.

Location and Access

The subject is in an area where there are no permeant street improvements or utilities but there is access into the general area through proscriptive road easements. Sale 1 is on C Street which has good access and exposer, streets and utilities available; likewise, Sales 2 borders two paved streets and all utilities available. Sale 3 also is on a paved street with utilities available and Sale 4 has power and water available but no sewers; the location and access are superior to the subject site.

Lot Size

All the sales require upward adjustments for size in comparison to the subject as all else being equal, larger sites typically sell for less per square foot than smaller sites like the subject site.

Use or Zoning

No adjustment is made for this category as the uses and zoning for all the sales are compatible with each other.

Terrain

Sale 1 has a moderate to steep down slope from the street as does Sale 3, so both sales should be adjusted upward in comparison to the subject for this item. Sales 2 and 4 has gentle slopes and will be less difficult to develop and are comparable to the subject in this category.

On the following page is an adjustment grid showing the adjustments to the comparable sales for the various categories that affect value on a price per square foot basis.

ADJUSTMENT GRID					
Sale	Subject	1	2	3	4
Location	Both sides of I St. bet. Page St & Flowery St.	220-289 S. C St.	316 S. G St.	646 So. H St.	660 So. F St.
Sale/ Price		\$200,000 *	\$45,000	\$15,000	\$70,000
Sale Date		7/28/2017	10/17/2017	12/08/2016	07/11/2018
Size (acre)	0.16	1.78	0.43	0.17	0.56
Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Time Adj.		0%	0%	0%	0%
Cond. Of Sale		0%	0%	0%	0%
Adj. Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Adjustments					
Location/ Access		-5%	-5%	-5%	-5%
Size		20%	15%	0%	15%
Shape/Utility		5%	0%	5%	0%
Dev. Expense		-5%	-5%	-5%	-5%
Zoning		0%	0%	0%	0%
Other		0%	0%	0%	0%
Total Adj.		15%	5%	-5%	5%
Adjusted \$/SF		\$2.97	\$2.52	\$1.92	\$3.00

* adj. for improvements

With adjustments the price per square foot ranges from \$1.92/SF to \$3.00/SF with the arithmetic average of the sales is \$2.60/SF and the median \$2.75/SF. Sale 1 is the least comparable to the subject in location and size and is weighted the least. Sale 2 along with Sale 4 are the most comparable overall to the subject site and with most weight to these two sites and some consideration to the mean and median values, the final value is supported at \$3.00/SF for a value

indication of the subject property of:

$$.16 \text{ acres (7,000 SF)} \times \$2.75/\text{SF} = \$19,250, \text{ rounded to } \$19,500$$

With some contributory value of the fencing estimated at \$1,500, the final value of this property is placed at \$21,000.

RECONCILIATION AND FINAL CONCLUSION OF VALUE

INDICATED VALUE BY SALES COMPARISON APPROACH: \$21,000

The Cost Approach the Income Approach were not considered relevant as the subject is has no substantial improvements, nor is it considered and income property, per se.

The Sales Comparison Approach is used by Realtors® and by buyers and sellers as well. Through the common unit of comparison, namely the price per square foot basis for the land area, sales can be compared to the subject property and a meaningful value range formed if proper recognition is given to the factors affecting value. With adjustments to the sales for the factors affecting value, and the addition value contributory value of the improvements added to the land value, there is good support for the final value indication by this approach.

After considering all the factors and information contained in this report, it is the opinion of the appraiser that the Market Value of the subject property is supported at \$21,000.

Exposure Time and Marketing Time

Based on a discussion with a discussion with an industrial broker in the area and observation of the marketing time of the sales and listings, it is estimated that at the appraised value the exposure time would be from three months to one year and without any evidence to the contrary, the marketing time in the future is expected to be the same, or from three months to one year at the appraised value.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this appraisal and no personal interest with respect to the parties involved and have acted in our own independent capacity.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with the assignment.
- My engagement in this assignment is not contingent upon the development or reporting of a predetermined value, a requested minimum value or approval of a loan 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.

- My analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice and the Appraisal Institute. The appraiser is competent by education, training and experience to perform this appraisal.
- This appraiser has not appraised the subject property nor performed any services regarding the subject in any capacity in the last 36 months time period.
- I, Sam Ward, have made a personal inspection of the property that is the subject of this appraisal.



Samuel K. Ward
Nevada Certified General Appraiser,
No. A.0000123-CG

ADDENDA

**QUALIFICATIONS
SAMUEL K. WARD**

Real Estate Appraisers/Consultants
106 East Adams St., Suite 212
Carson City, NV 89706
(775) 885-8822 FAX (775) 885-7808
e-mail: sward@skwrea.com

Nevada Certified General Appraiser - A.0000123-CG Expiration date: 4/30/2019

Background and Experience

Farming & Ranching Background on Family Ranch - Yakima, Washington	1965-67
Farm & Heavy Equipment Marketing (Caterpillar/John Deere) - Yakima Washington	1968
Custom Home Construction - Seattle, Washington	1969-76
Real Estate Sales - Seattle & Spokane, Washington, & Carson City, Nevada	1977
Nevada Division of State Land, Land Agent	1977-80
Eagle Service Corporation (First Federal Savings & Loan), Staff Appraiser	1981-82
Eagle Service Corporation, Senior Commercial Appraiser	1983-Present
Independent Fee Appraiser, Northern Nevada & North Eastern California	

Education and Technical Training

Univ. of Colorado	1959-61
Univ. of Washington, B.A. Business Administration (Marketing-Finance)	1961-64
Real Estate Sales (Brokers License), Washington State	1969-72
Real Estate Sales - Carson City, Nevada	1973-76
Society of Real Estate Appraisers:	1979-83
Appraisal Institute Associate Member:	1983-present

Type of Appraisals Completed

Residences, Land, including Farms, Ranches, Subdivisions, Mining Properties, Apartments, All Types of Commercial & Income Properties, Industrial Properties, Condemnation, Estate and Various Specialty Properties (Banks, Motels, Convenience Mkts./Service Stations, Casinos, etc.), Fractional Interests & Lease Analysis, Estates & Estate Planning

Areas Served

All of Northern Nevada & Lake Tahoe Area, plus surrounding Counties in California

Affiliations

Affiliate Member of the Appraisal Institute- Reno/ Carson City/ Lake Tahoe Chapter

Partial List of Banks, Large Corporations & Government Agencies Served

<u>Partial List of Banks:</u>	<u>Large Corporation:</u>	<u>Expert Witness:</u>
Nevada State Bank	Texaco, Exxon, Mobil, ARCO	Carson District Court
City National Bank	Unocal, Standard Oil Co.	Douglas District Court
Focus Business Bank	<u>Government Entities:</u>	Washoe District Court
Bank of America	Reno Airport Authority	Fed. Bankruptcy Court, Reno
Union Bank of California	City of Reno, Nevada	
The Mechanics Bank	City of Carson, Douglas, Lyon, Washoe, Store counties in Nevada	
Bruning State Bank	U.S. Department of Interior, BLM & U.S. Forest Service	

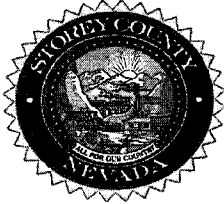
Sam Ward

From: Jeff Peters <ltdrvparts1@yahoo.com>
Sent: Tuesday, August 07, 2018 11:00 AM
To: sward@skwrea.com
Subject: PD5110610

Sam your FedEx tracking # is 772916251064.

Thank you for your business!

Jeff
Leisure Time Distributing



Storey County Board of County Commissioners Agenda Action Report

Meeting date: December 4, 2018
minutes

Estimate of time required: 15

Agenda: Consent [] Regular agenda [X] Public hearing required []

1. **Title:** Discussion/Possible Action to approve purchase of property from Mark Charlton of parcels of real property identified as all of Lot 1, in Block 210, Range H of Virginia City, Nevada (the Property) for the price of \$21,000.00 and \$2,000.00 for a metal shed located on the Property
2. **Recommended motion:** I _____ move to approve the agreement for the purchase of the Property from Mark Charlton for the price of \$21,000.00, and for the purchase of a metal shed located on the Property for an additional \$2,000.00.
3. **Prepared by:** Keith Loomis

Department: District Attorney's Office

Telephone: 847-0964

4. **Staff summary:** The Virginia City Tourist Commission has had the Property appraised by Sam Ward who determined that the appraised value of the property is \$21,000.00. The property is close to the fairground properties and is appropriate for use in conjunction with the fairground property. The Property has a metal shed located on the property which is proposed to be purchased for an additional \$2,000.00. For these reasons, the VCTC is asking that the County purchase the Property and metal shed.
4. **Supporting materials:** Agreement for the purchase of real property from Mark Charlton, Sam Ward appraisal

6. **Fiscal impact:**

Funds Available:

Fund:

____ Comptroller

7. **Legal review required:**

___X___ District Attorney

8. **Reviewed by:**

___ Department Head
___ County Manager

Department Name:

Other agency review: _____

7

9. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

AGREEMENT FOR PURCHASE OF REAL PROPERTY

THIS AGREEMENT is entered into by and between Mark Alan Charlton, hereafter referred to as "Charlton", and the County of Storey, hereafter referred to as "County" and is entered into as of the date of its execution by the last party signing this Agreement as is hereafter set forth.

WHEREAS, Charlton owns real property in Virginia City, Nevada leased by the Virginia City Tourism Commission (VCTC) for staging special events in Virginia City; and,

WHEREAS, County desires to purchase outright the areas used to stage the special events; and,

WHEREAS, County has had the real property owned by Charlton appraised as required by NRS 244.275; which appraisal has valued the property at \$21,000.00 as of August 8, 2018; and,

WHEREAS, County and Charlton are willing to purchase and sell the property on the terms hereafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, and other good and valuable consideration, it is agreed as follows:

1. Subject Property. Charlton does hereby agree to sell and County does hereby agree to purchase all that certain real property situate in Virginia City, Nevada described as Lot 1 Block 210 Range H, Virginia City Nevada, Assessor's Parcel Number 001-172-04, (the Property) which is more particularly described on Exhibit "A", attached hereto and incorporated herein as if set out in full, together with all improvements thereon and easements appurtenant thereto.

2. Purchase Price. The total purchase price for the real property is the sum of Twenty-One Thousand Dollars (\$21,000.00). In addition, the County will pay \$2,000.00 for a steel shed located on the real property.

3. Payment of Purchase Price. The purchase price shall be paid in full on the date of the close of escrow.

4. Appraisal Cost. The VCTC has had an appraisal performed with regard to the property by Samuel K. Ward, Nevada Certified General Appraiser No. 00123. The VCTC will be responsible for all costs incurred in having the appraisal conducted.

5. Escrow. Upon the execution of this Purchase Agreement, the parties shall open an escrow at Ticor Title Company, in Carson City, Nevada, to consummate the purchase in accordance with the terms and provisions hereof. The provisions hereof shall constitute joint instructions to the escrow holder; provided, however, that the parties shall deposit all funds and execute such additional instructions as requested by the escrow holder in order to complete the sale in accordance with the terms set forth herein. Escrow Holder shall obtain a preliminary title report to which County may enter objections, if any, to exceptions set forth in said title report. If the objections are not cured by Charlton, then County may cancel the escrow or, at its option continue with the escrow. Said escrow shall close **on or about January 7, 2019, and in no event prior to**

County's opportunity to review and offer exceptions to the preliminary title report. County will pay the escrow fee.

6. Possession. Charlton agrees to, and shall, deliver possession of the subject property to County upon the close of escrow. All of the personal property with the exception of the steel shed must be removed from the property by 1 August 2019.

7. Title Policy. The Owner's policy of title insurance shall be a standard coverage form policy of title insurance to be paid for by County, subject only to the following exceptions: non-delinquent taxes, non-delinquent assessments, and any restrictions, conditions, reservations, right-of-way or easements of record

8. Proration. All adjustments shall be made as of the date of closing of the escrow opened by this Agreement, and shall be prorated between Charlton and County to that date. The items to be adjusted and prorated are:

A. Current taxes against the real property computed on a calendar year basis.

B. Unpaid but not delinquent special assessments for local improvements, but all installments of such assessments due after the closing date shall be assumed and paid by the County.

C. Other prepaid expenses and accrued liabilities which the parties shall agree upon.

9. Inspections. County will accept the Property "as is". County does not request any inspections of the Property.

10. Entire Agreement. Charlton and County agree that this Agreement contains all of the provisions of the agreement between Charlton and County for County's purchase of the Property and its improvements. There are no agreements, warranties or representations, express or implied, except those expressly set forth herein. Charlton shall have no liability for agreements, warranties or representations, except those expressly set forth herein, and Charlton shall not be liable by reason of any agreement, representation or warranty made by any third party to County. All agreements, representations and warranties contained in this Agreement shall apply as of the closing date and shall survive the closing of this Agreement.

11. Full Performance. This Agreement and the terms and conditions hereof shall apply to and are binding upon the heirs, legal representatives, successors and assigns of Charlton and County.

12. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada.

13. Notices. All notices to be given with respect to this Agreement shall be in writing. Each notice shall be sent by registered or certified mail, postage prepaid, and return receipt requested, to the party or parties to be notified at the address or addresses set forth herein, or at such other address as either party may, from time to time, designate in writing. Every notice shall be deemed to have been given at the time it shall be deposited

in the United States mail in the manner prescribed herein. Nothing contained herein shall be construed to preclude personal service of any notice.

The address for County for purposes of this paragraph is:

Storey County
P.O Box 176
Virginia City, NV. 89440

With copy to:

Storey County District Attorney
PO Box 496
Virginia City, Nevada 89440

The address for Charlton for purposes of this paragraph is:

Mark. Alan Charlton
5390 Old Redwood Highway
Santo Rosa, California 95403

14. Attorney's Fees. Should any litigation be commenced between the parties hereto concerning this Agreement or the property the subject of this Agreement, or the rights or duties of either party relating thereto, the party prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for said attorney's fees in such litigation and costs of court herein.

15. Time for Acceptance. Charlton understands that the consummation of this agreement is dependent upon the approval of this agreement by the Board of County Commissioners in a duly noticed public meeting of the Board. Accordingly Charlton agrees that authority of the County to accept this agreement will remain open for a period of thirty days from the date Charlton signs this Agreement.

16. Real Estate Agency and Commission County has not utilized the services of a real estate broker or real estate sales person in connection with this transaction, and County shall not be liable for the payment of any commission to any real estate broker or sales person, or to any other person or entity, in connection with this transaction.

17. Interpretation and Representation. No provision in this Agreement is to be interpreted either for or against either Charlton or County because that party or that party's legal representative drafted the provision. Charlton and County acknowledge that Charlton and County have each had the opportunity to consult with independent legal counsel concerning the terms and conditions and consequences of this Agreement prior to signing the Agreement.

County agrees to Purchase the property on the terms and conditions set forth in this Agreement.

Dated this ____ day of _____, 2018.

STOREY COUNTY

By Marshall McBride
Chairman Board of County Commissioner of Storey County

Attest:

Storey County Clerk

The undersigned Charlton agrees to sell the property on the terms and conditions as stated in this agreement.

Dated this ____ day of _____, 2018.

CHARLTON:

Mark Alan Charlton

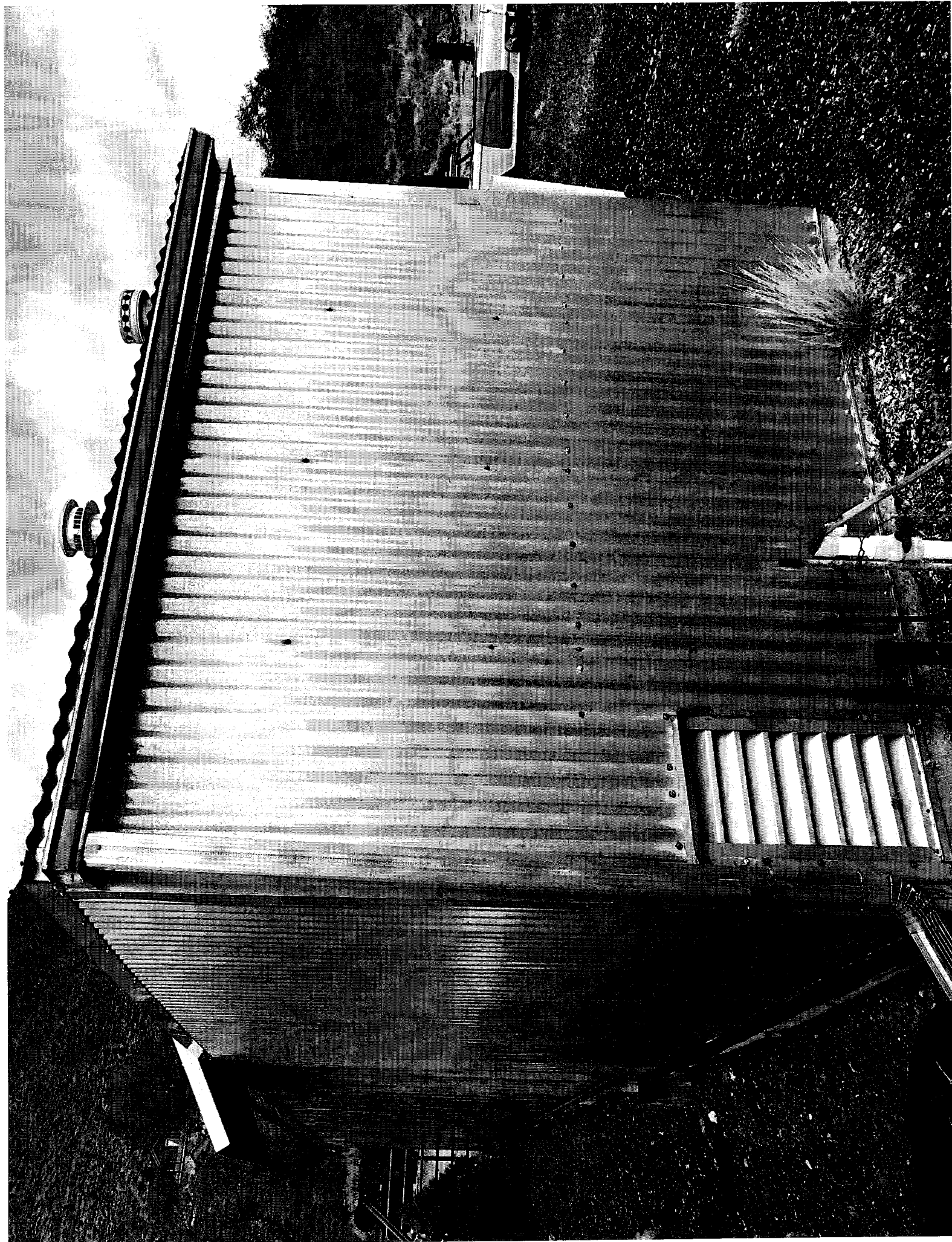
EXHIBIT A

Legal Description

The land referred to herein is situated in the State of Nevada, County of STOREY, described as follows:

All of Lot 1, in Block 210, Range H of Virginia City, Nevada, as shown on the official plat map of Virginia City, County of Storey, State of Nevada filed in the Office of the County Recorder of Storey County, Nevada on August 17 1865

ASSESSOR'S PARCEL NO. 001-072-04





APPRAISAL REPORT

**OF
FOUR PROPERTIES
LOCATED IN THE VICINITY OF THE
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NEVADA**

**AS OF
July 26, 2018**

**PREPARED FOR
Mr. Deny Dotson, Tourism Director
Virginia City Tourism Commission (VCTC)
86 South C Street
Virginia City, NV 89440**

**BY
SAMUEL K. WARD
REAL ESTATE APPRAISERS/CONSULTANTS
106 EAST ADAMS STREET, SUITE 212
CARSON CITY, NEVADA 89706
18010B**

SAMUEL K. WARD • REAL ESTATE APPRAISERS/CONSULTANTS

106 E. ADAMS ST., SUITE 212 • CARSON CITY, NEVADA 89706
(775) 885-8822

August 8, 2018

Mr. Deny Dotson, Tourism Director
Virginia City Tourism Commission (VCTC)
86 South C Street
Virginia City, NV 89440

Re: Appraisal Report of four properties located in the Virginia City Fairgrounds area of
Virginia City, Nevada

Dear Mr. Dotson:

As you requested, I have completed an investigation and analysis of the above referenced properties in order to estimate their current Market Value as a basis for negotiating the sale of the properties to Storey County.

The following report provides a description of each property and presents a review of all pertinent data analyzed in forming the final estimates of value. A fee simple ownership is presumed.

Based on my investigation and analysis, it is my opinion that the Market Value of the properties as of July 26, 2018, the last date of inspection and effective date of the appraisal, were as follows:

VC Holdings - 4.54-acre parcel	\$445,000
VC Ventures - .34-acre parcel	\$ 41,000
Richard Correll - Warehouse property	\$ 97,000
Mark Charlton - .16-acre parcel	\$ 21,000

Sincerely,



Samuel K. Ward,
Nevada Certified General Appraiser No. 00123

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INTENDED USER AND USE OF THE APPRAISAL

This appraisal is being prepared for use by the Storey County, the Virginia City Tourism Commission and the current property owner's for use in determining the fair market value of each property as a basis in negotiating the sale of each property to Storey County.

DEFINITION OF MARKET VALUE

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a) buyer and seller are typically motivated;
- b) both parties are well informed or well advised, and each acting in what he considers his own best interest;
- c) a reasonable time is allowed for exposure in the open market;
- d) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.¹

PROPERTY RIGHTS APPRAISED

The property rights in this appraised are the fee simple ownership assuming no indebtedness against each property.

EFFECTIVE DATE OF VALUATION

The estimate of value applies as of July 26, 2018, the last date of inspection. The report date is August 8, 2018.

APPRAISAL DEVELOPMENT AND REPORTING PROCESS

In preparing this appraisal, I

- inspected each property and improvements;
- gathered and analyzed local economic and demographic data and searched county data and MLS data for sales and listings of comparable properties in the area; and
- applied the Sales Comparison Approach in estimating the final value for each property.

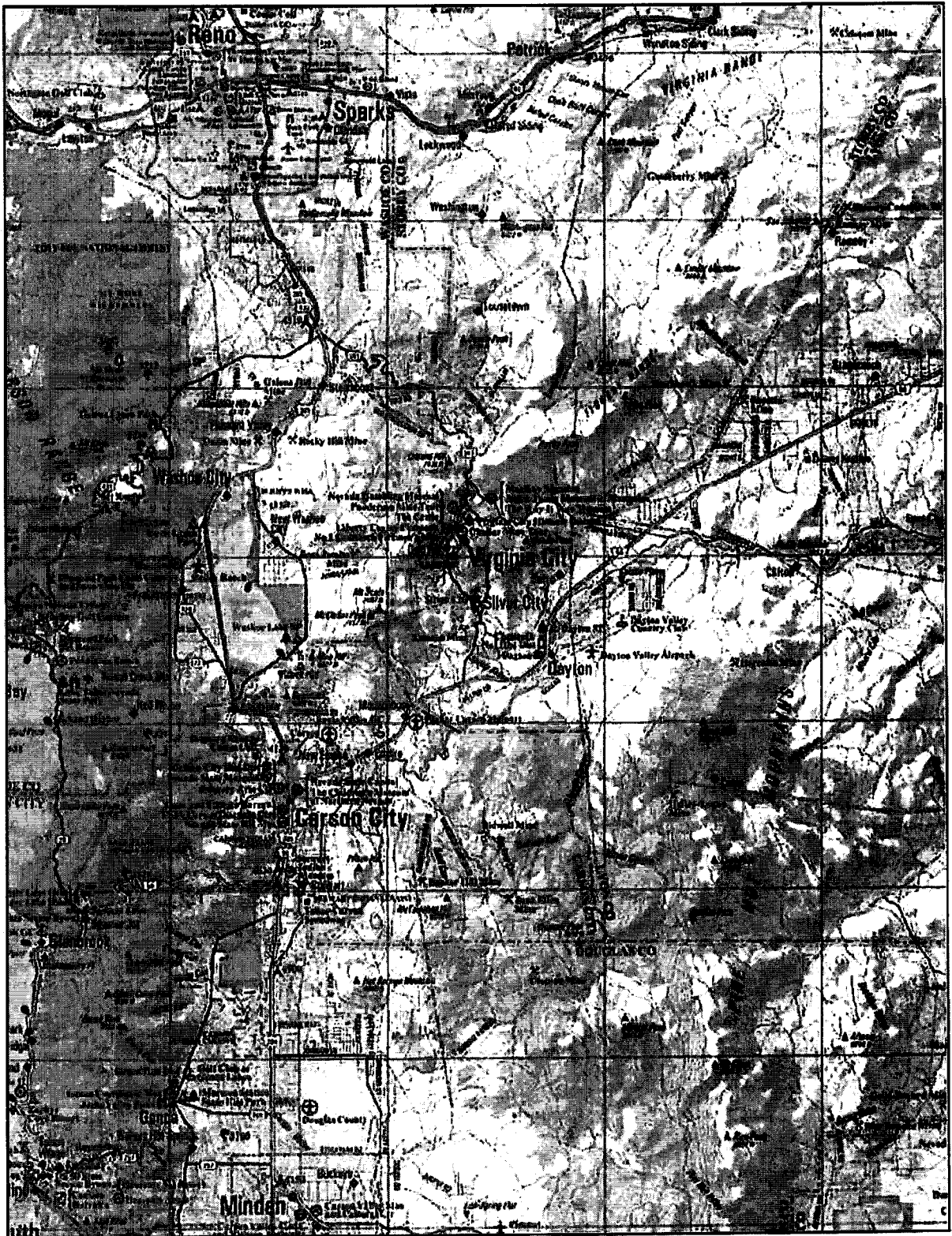
¹(Ref.: Federal Home Loan Bank Board)

CONTINGENT AND LIMITING CONDITIONS

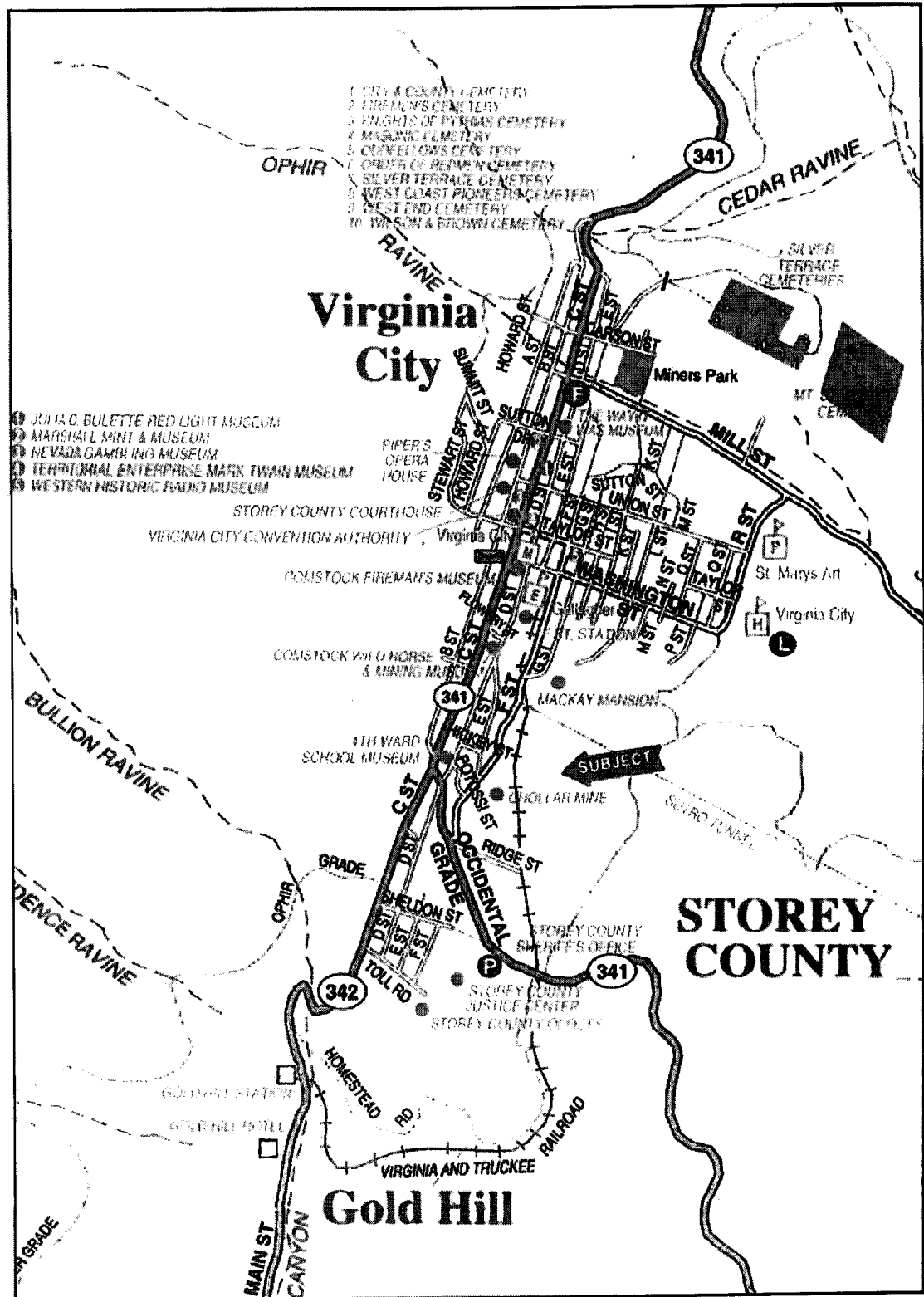
This appraisal report and the valuation reported herein are made subject to the following assumptions and limiting conditions.

1. I have conducted an analysis in the form of an appraisal report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(b) of the Uniform Standards of Professional Appraisal Practice reporting options. As such, much of the discussion of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value are not reported herein. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and is for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. The appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto. Title to the property is assumed to be marketable.
3. Estimates, data, and opinions furnished by informed persons are believed to be correct and reliable but are not guaranteed.
4. This appraisal is to be considered in its entirety. The distribution of land and improvements applies only under current land utilization and is invalid under any other use.
5. The appraiser is not required to give testimony or appear in court because of having made this appraisal unless arrangements have been previously made.
6. It is assumed the property will be under competent management and that reasonable maintenance will prevail.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors.
8. No survey of the property was made. All maps and sketches in the report are made for illustrative purposes and are submitted to assist the reader in visualizing the property.
9. Neither all, nor any part of the contents of this report or copy thereof, shall be used for any purpose by anyone but the client without the previous written consent of the appraiser and/or client; nor through advertising, public relations, news, sales, or other media without the written consent and approval of the author, regarding valuation conclusions, reveal the identity of the appraiser, or a firm with which he is connected, or make any reference to any professional society or institute with which he is affiliated.

REGIONAL MAP



VIRGINIA CITY MAP



VIRGINIA CITY AREA DATA

Virginia City, the county seat of Storey County, is a historic mining town listed as a national historic landmark. In its heyday as a mining town in the 1860s, Virginia City was home to over 30,000 people. According to the 2010 estimates by the Nevada State Demographer's Office, Virginia City has a population today of 998 and listed the number of people in Storey County at 4,234. The majority of the population is located in Virginia City, Gold Hill, and Silver City with smaller populations in the Virginia Highland development north of Virginia City as well as the extreme northern portions of the Mark Twain area of Dayton Valley and the community of Stagecoach.

State Highway 341, which connects Virginia City to Reno and Carson City, is the primary thoroughfare through town, where it is known as "C" Street. C Street is developed with over sixty gift shops, plus numerous restaurants and historic saloons. Other tourist attractions include some historic mansions, the Chollar mine office, the Fourth Ward School House, three historic churches, Piper's Opera House and the V & T Railroad, which makes several runs per day from April through October over a short distance to Gold Hill. The V&T Railroad also runs from Moundhouse which is five miles east of Carson City, to Virginia City with service from Memorial Day through October every Friday, Saturday and Sunday with a three hour layover in Virginia City. In addition, several small museums are housed in stores or saloons on "C" Street, including several gift shops and jewelry shops. There are two convenience markets, a public library, one gas station and a post office in the community, plus a landing pad for care-flight service to Renown Regional Hospital in Reno.

The economy of Virginia City is centered on tourism, which accounts for about 90% of the economic base of the town; it is estimated that over two million visitors come to Virginia City every year. Although most tourists are day-trippers who arrive by car or bus, construction of the Silverland Inn (formerly Ramada Hotel) completed in August of 2006, does offer overnight lodging. The hotel has 68 rooms available and it's location near the former Virginia & Truckee railroad route provides modern amenities while maintaining the Victorian style that is prevalent in Virginia City.

It is noted that since there are no major shopping stores or grocery stores in the area, and because of its altitude (6,200') and windy roads to the community, plus the fact there is a limited amount of water available for future development, there is very little new construction in Virginia City.

NEIGHBORHOOD DESCRIPTION

The four subject properties are all located in the area of the Storey County Fair Grounds or in the southwest quadrant of Virginia City which was in the past an area with a large mine dump of material taken from mines in the immediate area. However, several years ago one of the mining companies who owned the land, leveled the ground which is now an area of approximately 15 - 20 acre that is used as the Storey County Fair Grounds and Events Center. Much of the land outside the platted but undeveloped streets is privately owned by several individuals or entities and is leased to the county. Access is via F Street with a railroad crossing just south of Flowery Street. The area is predominantly zoned light industrial but there has been no new development in the area except for one small privately owned metal storage building and of course the uses of the area for the Virginia City Fairgrounds and Events Center. Utilities are extended along F Street to the west and along Flowery Street to the north. Power is available in the area. Extensions may have to be made to bring utilities to each site, depending on what type of development may some day be proposed for the sites; albeit, there are immediate plans to run a sewer line through the area.

Trend

The neighborhood is stable but is gradually improving as the access into the fairgrounds is being improved and utilities are being brought into the area.

**VIRGINIA CITY HOLDINGS, LLC 4.54-ACRE SITE
LOCATED BETWEEN H & K STREETS & SILVER STREET
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NV
PROPERTY IDENTIFICATION**

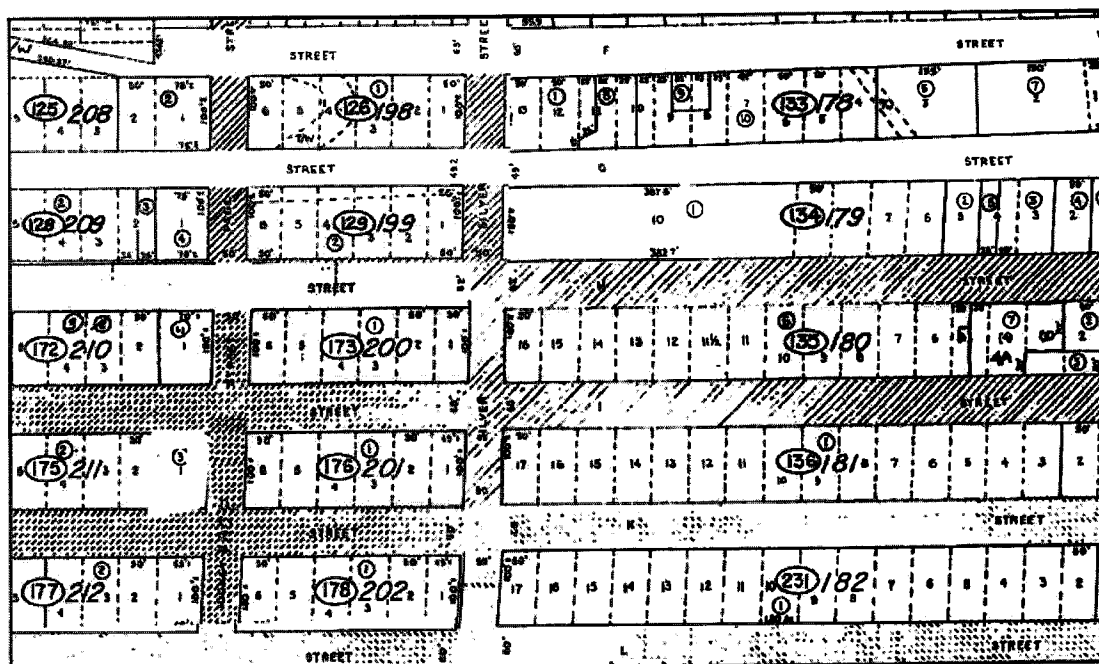
Address and Location - The subject property consists of four non-contiguous parcels located on both sides of I Street between Page Street and Flowery Street in the southeast quadrant of Virginia City in an industrial area currently used as the Virginia City Fairgrounds and Events Center because of its level terrain. The undeveloped streets in the old plat of Virginia City separate the sites but these right of ways probably would be abandoned if the sites were developed as one parcel.

Legal Description - A complete legal description was not available to the appraiser. The sites may briefly be described as Lots 6-16 and the south half of Lot 5 Block 180; Lots 3 - 17 Block 181; Lots 1 - 6 Block 200, and Lots 1 - 6 Block 201, Range H, Virginia City, Nevada. The parcels are also listed by the Storey County Assessor as Assessor's Parcel Numbers (APNs) 001-135-06; 001-136-01; 001-173-01 and 001-176-01

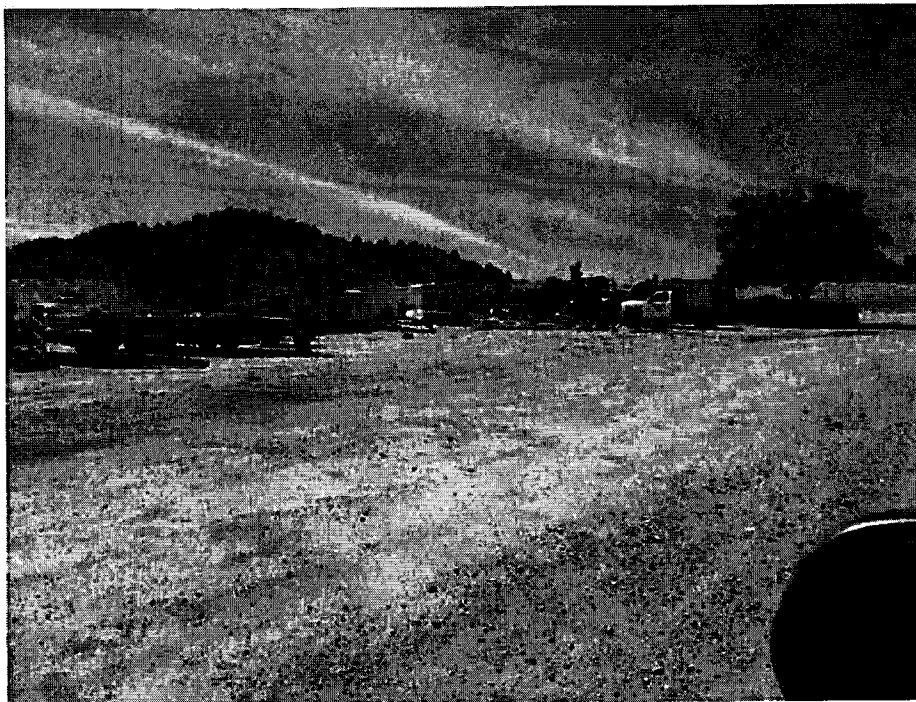
Owner of Record - Virginia City Holdings, LLC

Ownership History - The property has been under the same ownership for over 10 years and to the knowledge of the appraiser it has never been offered for sale since it was last purchased.

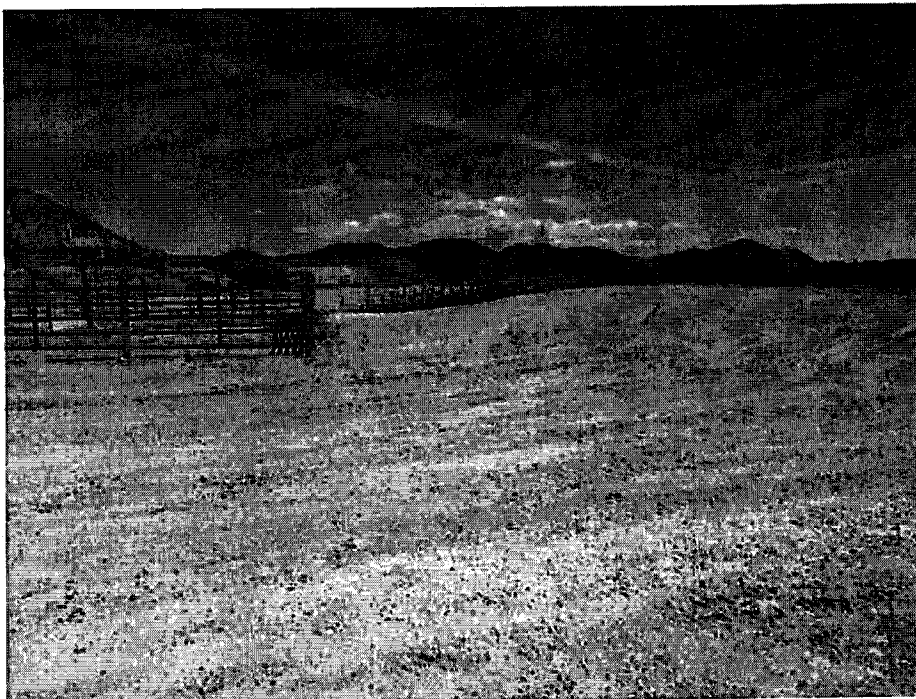
SITE MAP



SUBJECT PHOTOS



View of the site
looking south
from near the
north end



View of the site
looking north from
near the south end

AERIAL SITE MAP



SITE DATA

Location

The subject site or sites (they are all non-contiguous with the platted streets not in but presumed to be abandoned if the site is ever developed) and are all located between H Street and K Street north of Page Street and south of Flowery Street in the southeast section of Virginia City in an industrial zoned area currently leased to Storey County as the Virginia City Fairground and Events Center.

Dimensions, Area and Shape

The parcels vary in size from (15), 50' x 100' lots to (6), 50' x 100' lots; albeit, they have never been developed and for the most part are zoned industrial, so the fact they are part of the original plat of Virginia City, has no relevance in this instance. The total land area for all the lots is 4.54 acres plus the use of the streets in between the parcels which have never been developed and should probably be available for use if the parcels are development as one site.

Topography & Drainage

The grade in the vicinity of the subject site generally level on the north end and south ends with a grade change near the middle. The site is part of a large dump dirt excavated from the old mines in the area that was leveled and terraced and compacted several years ago.

Soils and Subsoils

No soil report was made available to this appraiser. The soils in the area appear to be a rocky, sandy, gravel type compacted soil which is "dump" material from the adjoining mines that operated in the area over 100 years ago. Several years ago the large pile of dump dirt that overburdened the site was leveled, compacted and is currently mostly leased to the Storey County for a nominal fee and operated as the Virginia City Fairgrounds and Events Center. It is noted there are many miles of mining tunnels under the city that were dug in the later 1800s during the search for gold and silver ore in the area but there is no evidence of settling under the subject site now.

Availability and Description of Utilities

Storey County provides water and sewer service in the area. Virginia City and Gold Hill get their potable water from Marlette Lake in the Sierras via a pipeline. There is limited water available for new development with new service on an allocation basis. Electricity is provided by NV Energy and telephone service is provided by AT&T; albeit, it was not determined if there are water and sewer lines or electricity in the immediate area as it was never developed but there is a sewer line proposed to the south of the subject property. There is no natural gas to the town; instead, residents and businesses use propane, augmented by wood stoves or fireplaces.

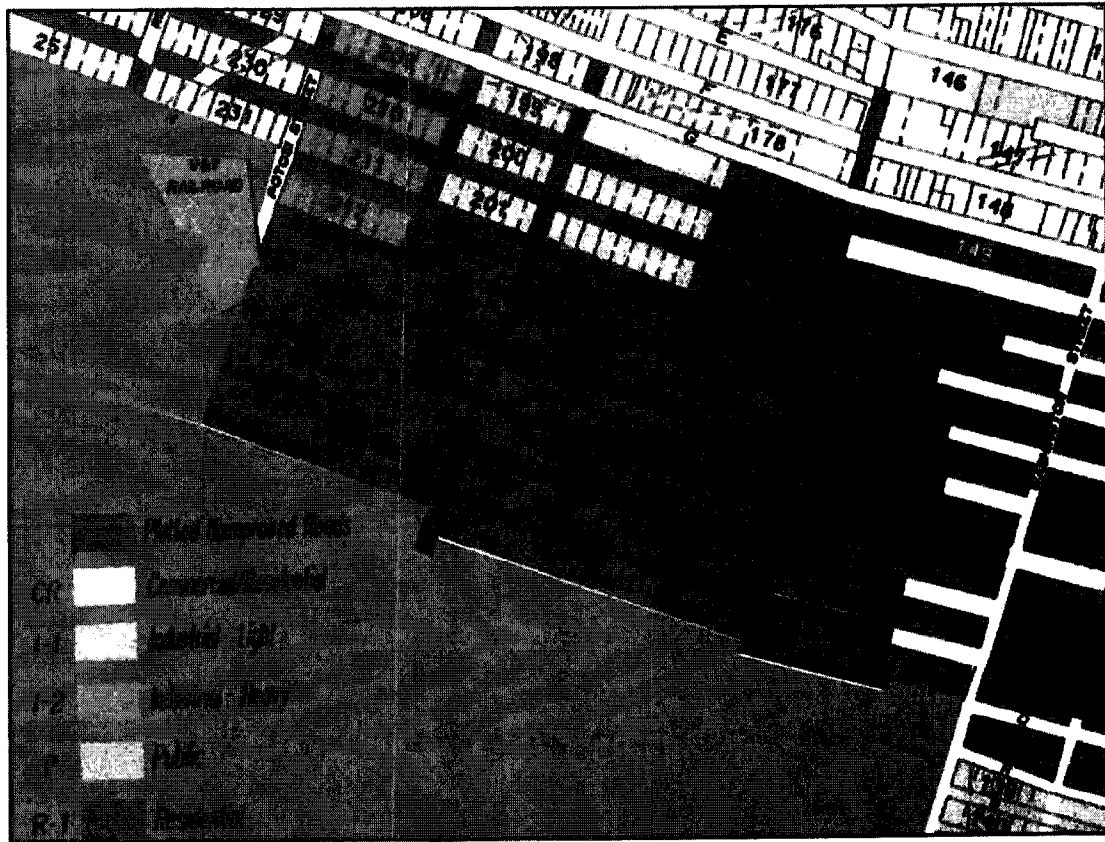
Street Improvements and Access

There are no street improvements in the immediate area, even though the streets are platted they were never physically laid out or improved, so the street right of ways can probably be abandoned and used for development of the subject sites; there are no known plans to install any streets and utilities, except for sewer service, in the immediate area, except for a roadway east off of F Street which goes into the general area.

Zoning

The lots in Blocks 200 and 201 are zoned L-1 or light industrial and the zoning in Blocks 180 and 181 have split zoning with the south half of these two blocks zoned L-1 and the eastern half R-1 or residential. Any development of the lots would require a design review and most likely any public or private development would be approved if consistent with the desires of the governing bodies and local residents. The zoning map below shows the current zoning of the parcels. Note the subject parcels are in Blocks 180, 181, 200 and 201.

Zoning Map



Assessments and Taxes

The sites are identified by the Storey County Assessor's Office as parcel numbers 01-135-06; 136-01; 173-01 and 175-01. In Nevada the assessed value is 35% of the assessor's fair market value estimate. In actual practice land values based on the assessor's estimate of fair market value and improvement value are based on replacement cost new less 1.5% per year for depreciation down to a minimum of 25% of the estimated replacement cost and land value is based on the assessor's estimate of its fair market value. The 2017/18 tax rate in the area is \$3.4607 per \$100 of assessed value. According to the Storey County Assessors Office the assessed values, taxes, and market values for the sites are as shown on the following page:

APN	Assessed Value	Taxes	Mkt. Vale	Size - acres
01-135-06	\$7,065	\$244.50	\$20,186	1.45
01-136-01	\$13,748	\$266.80	\$39,280	1.72
01-173-01	\$7,710	\$149.61	\$22,029	0.69
01-176-01	\$3,722	\$244.50	\$10,634	0.68
TOTAL	\$32,245	\$905.41	\$92,129	4.54

HIGHEST AND BEST USE

Highest and best use is defined as that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal.

There are four criteria which must be met in the analysis of highest and best use for both land that is vacant and property that is improved. The highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Generally, these criteria are analyzed in the preceding sequence because if a property fails any one of the criteria, the subsequent criteria are irrelevant to the analysis.

Physically, the sites are considered one parcel and are a rectangular shaped. The parcel is larger than most sites in the area but this is not considered a detriment to the property.

Legally, the site is zoned L-1, Light Industrial, and R-1, Residential, which is mixed zoning but given the general development in the immediate area as an events center, the L-1 zoning would have precedence in this instance and the need for a public use or private use as say an RV park would probably be an acceptable use of the property.

Some of the financial beneficial uses would be those that meet the needs of the community as an events center in combination with an RV park.

Right now the cost of money is still fairly low historically and there is demand in the community for a fairgrounds and events center and for an RV park, so given these facts, a mixed use of the site for a fair grounds and events center along a smaller RV would appear to result in the highest and best use of the property. The financial feasibility is tested by the alternative of buying an existing property for less than it costs to build a comparable property with the same utility or renting a property with the same utility for less than it costs to build or own a similar property. Because there are no other large, generally level sites in the area available or for sale right now with the same utility as the subject site, the only alternative is buy or develop the subject property.

The next test for what use would be the maximally most productive use of the sites. The maximally most productive use of the site would be appear to be to assemble the sites as a single parcel and seek abandonment of the platted but never built streets and possibly join this parcel with adjoining sites to create a large enough parcel to accommodate a fair grounds and events

center and/or an smaller RV park in combination with development into a fairgrounds events center.

Easements and Encroachments

No title report was available for review by the appraiser but it does not appear there are any physical easements or encroachments that would adversely affect the subject property.

Surrounding Land Use

The subject is bordered on the south open vacant hilly industrial land, to the east by a ravine, to the north by vacant parcels and a few modest homes and to the west by the V&T Railroad tracks. None of the surrounding uses are considered detrimental to the subject property and there were no conditions noted in the neighborhood that would adversely affect the subject property. In conclusion, the subject property is considered a good site for assemblage and development as it is part of the only larger almost level site in the community.

VALUATION

Normally, an appraiser has three methods of estimating the value of a property. These are known as the Cost Approach, the Sales Comparison Approach, and the Income Approach. In the appraisal of this property only the Sales Comparison using comparable land sales will be used.

SALE COMPARISON APPROACH

The Sales Comparison Approach is a technique in which the market value estimate is predicated upon prices paid in actual market transactions or current listings, the former fixing the lower limit of value in a static or advancing market (price-wise) and fixing the higher limit of value in a declining market, and the latter fixing the higher limit of value in any market. The sales listed in the tabular chart on the following page have been investigated, analyzed and compared to the subject on a price per square foot of first floor area.

Land Sales

A search was conducted for comparable land sales and listings in the area and only four comparable sales were noted that were considered acceptable in estimating the value of the subject site. The sales were investigated, analyzed and compared to the subject property on a price per acre basis. Factors that affect value include the motivation of the buyer and seller or conditions of the sale, market conditions at the time of sale (time), location and access, size, shape and utility, zoning, and availability of utilities and whether or not there were any improvements included in the sale. Any other factors that might affect value were also considered. Due to lack of sales in the area and insufficient data to use paired sales for the factors affecting value, subjective percentage adjustments in 5% increments were used to recognize clear superiority or inferiority of a characteristic of each sale in comparison to the subject site. On the following page is a Land Sales Chart showing the salient facts regarding each comparable followed by a discussion, analysis and adjustment grid.

LAND SALES CHART

Sale No	APN # Location	Sale Price Sale Date	Land Area Zoning	Price/ Sq.Ft.	Comment
1	001-173-01, 02, 07,12, 17,19-21 220-289 S. C St.	\$200,000 * 7/28/2017	1.78 ac C2	\$2.58	Steep lots, w/2 old rentals on prop. * Net s/p - \$80,000 for imprvmnts.
2	01-133-07 316 So. G St.	\$45,000 10/17/2017	.43 ac CR	\$2.40	Corner lot with streets on east and west sides, not parceled but util. available.
3	01-127-03 646 So. H St.	\$15,000 12/08/2016	.17 ac CR	\$2.03	Inside lot, steep parcel, on paved st.
4	01-121-02 660 S. F St.	\$70,000 07/11/2018	.5632 CR	\$2.85	Corner lot, gentle slope, paved st., view
Subj.	01-135-06;136-01; 173-01; 176-01 Both sides of I St. bet. Page St & Flowery St.	N/A	4.54 ac G-I		Level lots with mixed zoning no St. imprvmnts. Util. ext. req.

Location Map



Discussion and Analysis

Sale 1 is a multi-parcel sale of eight separate but contiguous sites, including two with old homes on them which have marginal value estimated at \$40,000 each, leaving a net land value of \$200,000. The property is on C Street which has good exposure but the lots have a fairly steep downslope from the highway and will be difficult to develop. This was an all cash sale through a Realtor at close to the listing price. This sale needs no adjustment for conditions of the sale or for time but should be adjusted downward for its location on a prominent street with a view and availability of utilities. This sale needs a downward adjustment for size as all else being equal, smaller parcels tend to sell for less than larger parcels. It should be adjusted upward for the considerable slope and the difficulty that will be encountered in developing the lots. No adjustment is considered required for zoning.

Sale 2 is a single parcel with paved streets and utilities on two sides. The terrain is sloping but the parcel is buildable without too much development expense. This was an all cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. This sale needs a downward adjustment for size as all else being equal, smaller lots typically sell for more per square foot than larger lots like the subject. The location is superior to the subject because the area is more homogeneous and developed. The terrain is sloping, so it will require some expense to develop the parcel but this is offset that it is on an existing road. No adjustment is considered required for zoning.

Sale 3 is a small single parcel sale with paved street on one side but is very steep. This was a cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is considered comparable to the subject but it is on a paved street with utilities available. This sale needs a considerable downward adjustment for size as all else being equal, smaller lots typically sell for more per square foot than larger lots like the subject. The terrain is sloping, so it will require some expense to develop the parcel.

Sale 4 is a very recent sale of a parcel located southwest of the subject a short distance. It has a gentle down slope from F Street which encroaches into the parcel somewhat and lowers the net usable area of the site. There is power and water available to the site but sewer is about 400'. The buyer has plans for a storage shed on the property and eventually a home. This was a cash sale. The location and access are superior to the subject and it has a good territorial view. This site needs a considerable downward adjustment for size as all else being equal, smaller sites typically sell for less per unit value than larger sites like the subject. The site is rectangular but the street encroached in to the site lower its net usable area or utility. Development expense would be comparable to the subject except it is on a paved road and the subject parcel will require some road construction.

Below is a discussion of the factors affecting value, followed by an adjustment grid.

Financing and Conditions of the Sale

All the sales are considered open market transactions, so no adjustment is required for this category.

Market Conditions (time)

No time adjustment is considered necessary for the sales as they are fairly recent.

Location and Access

The subject is in an area where there are no street improvements but there is access into the general area without assemblage with adjoining parcels, streets will have to be improved to the subject property; likewise utilities. Sale 1 is on C Street which has good access and exposer and streets and utilities are available. Sales 2 has paved streets and utilities available. Sale 3 is on a paved road with all utilities available and Sale 4 is on a paved street with utilities available but sewer.

Lot Size

All the lots are smaller than the subject, so they will require downward adjustments for size as all else being equal, smaller parcels sell for more per square foot than larger parcels.

Use or Zoning

No adjustment is made for this category as the uses and zoning for all the sales are compatible with each other.

Terrain

Sale 1 has moderately steep down slope from the street and Sale 3 also has a fairly steep slope which will increase development costs for both parcels but the subject, though level needs street and utility extensions to the site. Sales 2 and 4 has a gentle downslopes from the the street with little development expense involved,

On the following page is an adjustment grid showing the relative percentage adjustments to the comparable sales for the various categories that affect value on a price per square foot basis.

ADJUSTMENT GRID					
Sale	Subject	1	2	3	4
Location	Both sides of I St. bet. Page St & Flowery St.	220-289 S. C St.	316 S. G St.	646 So. H St.	660 So. F St.
Sale/ Price		\$200,000 *	\$45,000	\$15,000	\$70,000
Sale Date		7/28/2017	10/17/2017	12/08/2016	07/11/2018
Size (AC)	4.54	1.78	0.43	0.17	0.56
Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Time Adj.		0%	5%	0%	0%
Cond. Of Sale		0%	0%	0%	0%
Adj. Price/SF		\$2.58	\$2.52	\$2.03	\$2.85
Adjustments					
Location/ Access		-5%	-5%	0%	-5%
Size		-10%	-10%	-15%	-10%
Shape/Utility		5%	0%	-5%	5%
Dev. Expense		0%	-5%	10%	-5%
Zoning		0%	0%	0%	0%
Other		0%	0%	0%	0%
Total Adj.		-10%	-20%	-10%	-15%
Adjusted \$/SF		\$2.32	\$2.02	\$1.82	\$2.43

* adj. for improvements

With adjustments the price per square foot ranges from \$2.02/SF to \$2.43/SF with the arithmetic average of the sales \$2.15/SF and the median is \$2.17/SF. Sale 1 is the least comparable except for size as it is on main street but has a steep downslope from the street. Sale 2 is the most similar overall in location and but requires a downward adjustment for size and for the better location on paved streets with utilities available. Sale 3 is has a steep slope but is on a paved street with utilities available but is much smaller than the subject. Sale 4 is a very recent sale and is a superior lot with better frontage on a paved street. With the most weight to Sale 2 and 4, and some consideration to the mean and median values, the final value is supported at \$2.25/SF for a value indication of the subject property of:

$$4.54 \text{ acres (197,762 SF)} \times \$2.25/\text{SF} = \$444,964, \text{ rounded to } \$445,000$$

RECONCILIATION AND FINAL CONCLUSION OF VALUE

INDICATED VALUE BY SALES COMPARISON APPROACH: \$445,000

The Cost Approach and the Income Approach are not considered relevant when valuing a vacant site like the subject and therefore were not used.

The Sales Comparison Approach is used by Realtors® and by buyers and sellers as well. Through the common unit of comparison, namely the price per square foot basis for the land area, sales can be compared to the subject property and a meaningful value range formed if proper recognition is given to the factors affecting value. With adjustments to the sales for the factors affecting value, there is good support for the final value indication by this approach.

After considering all the factors and information contained in this report, it is the opinion of the appraiser that the Market Value of the subject property is supported at \$445,000.

Exposure Time and Marketing Time

Based on a discussion with a discussion with an industrial broker in the area and observation of the marketing time of the sales, it is estimated that at the appraised value the exposure time would be from three months to one year and without any evidence to the contrary, the marketing time in the future is expected to be the same, or from three months to one year at the appraised value.

**VIRGINIA CITY VENTURES, INC. .34-ACRE SITE
LOCATED BETWEEN H & I STREETS
AND POTOSI AND PAGE STREETS
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NV**

PROPERTY IDENTIFICATION

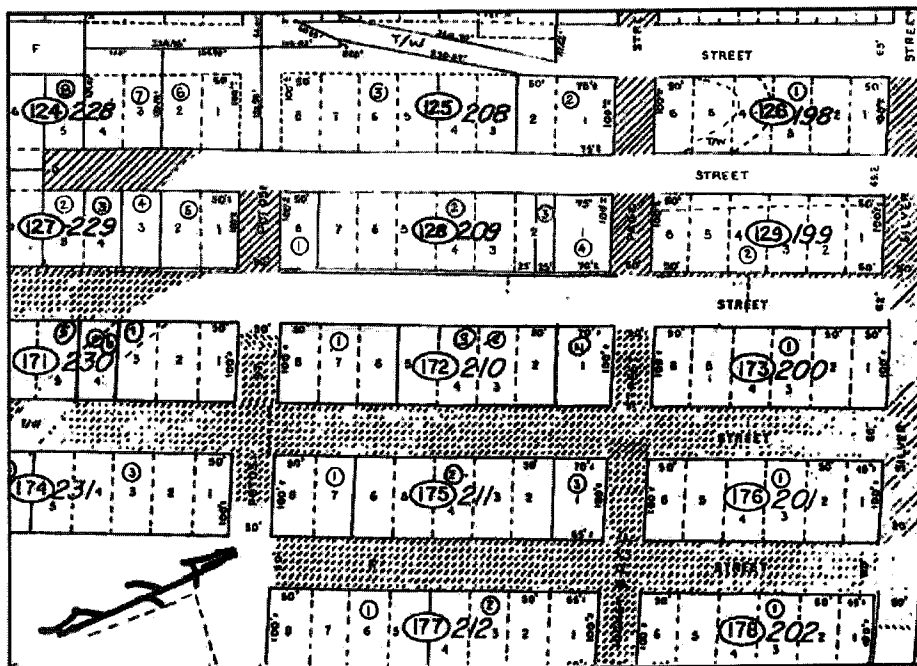
Address and Location - The subject site is a rectangular parcel located on the north side of Potosi Street between H Street and I Street in the southeast quadrant of Virginia City in an industrial area currently used as the Virginia City Fairgrounds and Events Center because of its level terrain.

Legal Description - A complete legal description was not available to the appraiser. The site may briefly be described as Lots 6, 7 and 8 Block 210, Range H, Virginia City, Nevada. The parcel is also listed by the Storey County Assessor as Assessor's Parcel Number (APN) 001-172-01.

Owner of Record - Virginia City Ventures, Inc.

Ownership History - The property has been under the same ownership for over 10 years and to the knowledge of the appraiser it has never been offered for sale since it was last purchased.

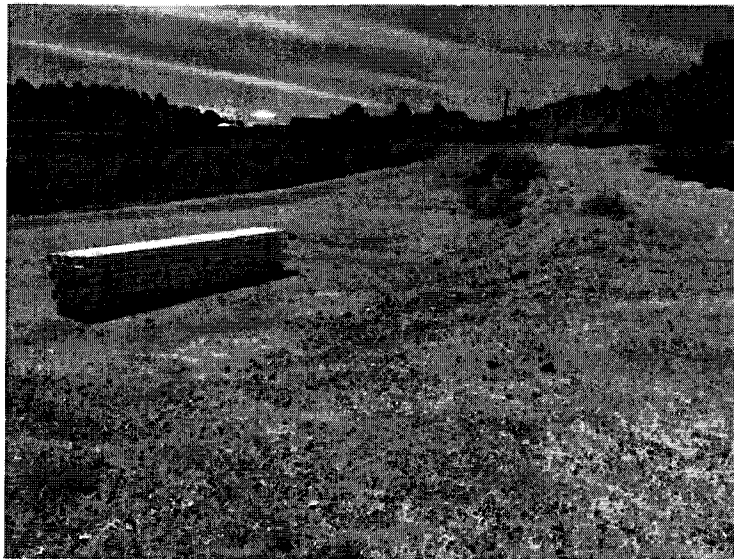
SITE MAP



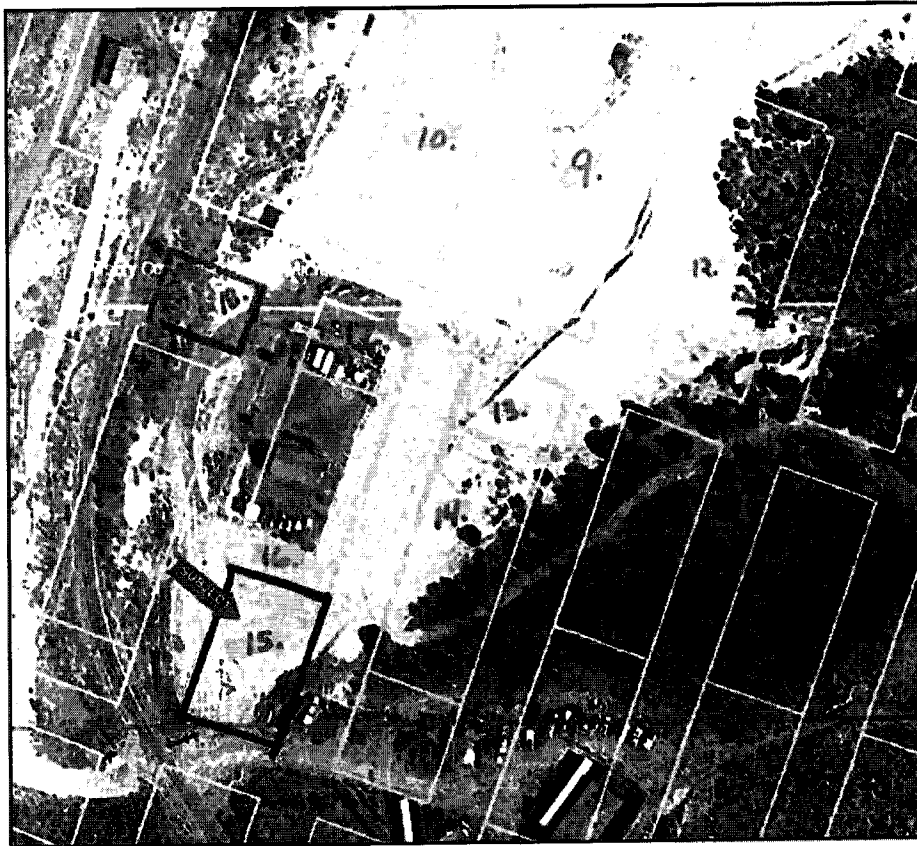
SUBJECT PHOTOS



View of the site looking north with subject site in foreground before the building, note roadway easement over the subject site.



View of the site looking south with easement access over the south portion of the site

AERIAL SITE MAP**SITE DATA****Location**

The subject site is located on the north side of Potosi Street between H and I Streets in the southeast section of Virginia City in an industrial zoned area currently leased to Storey County as part of the Virginia City Fairground and Events Center.

Dimensions, Area and Shape

The parcel is rectangular measuring 100' x 150' with a total land area of .34 of one acre or 15,000 square feet. The parcel has legal access but the street have not been improved.

Topography & Drainage

The grade in the vicinity of the subject site is generally level near the north end and slopes up some toward the south end. The property was a mine dump area excavated from the old mines in the area but was leveled and compacted several years ago.

Soils and Subsoils

No soil report was made available to this appraiser. The soils in the area appear a rocky, sandy, gravelly type soil which are "dump" material from the adjoining mines that operated in the area over 100 years ago. Several years ago the large pile of dump dirt was leveled and compacted and currently most of the area is leased to the Storey County and operated as the Virginia City

Fairgrounds and Events Center. There are many miles of mining tunnels under the city that were dug in the later 1800s during the search for gold and silver ore but there is no evidence of settling under the subject site now.

Availability and Description of Utilities

Storey County provides water and sewer service in the area. Virginia City and Gold Hill get their potable water from Marlette Lake in the Sierras via a pipeline and there is limited water available for new development with new service on an allocation basis. Electricity is provided by NV Energy and telephone service is provided by AT&T; albeit, it was not determined if there is water or power in the immediate in the area but a sewer line is proposed to go near the site.

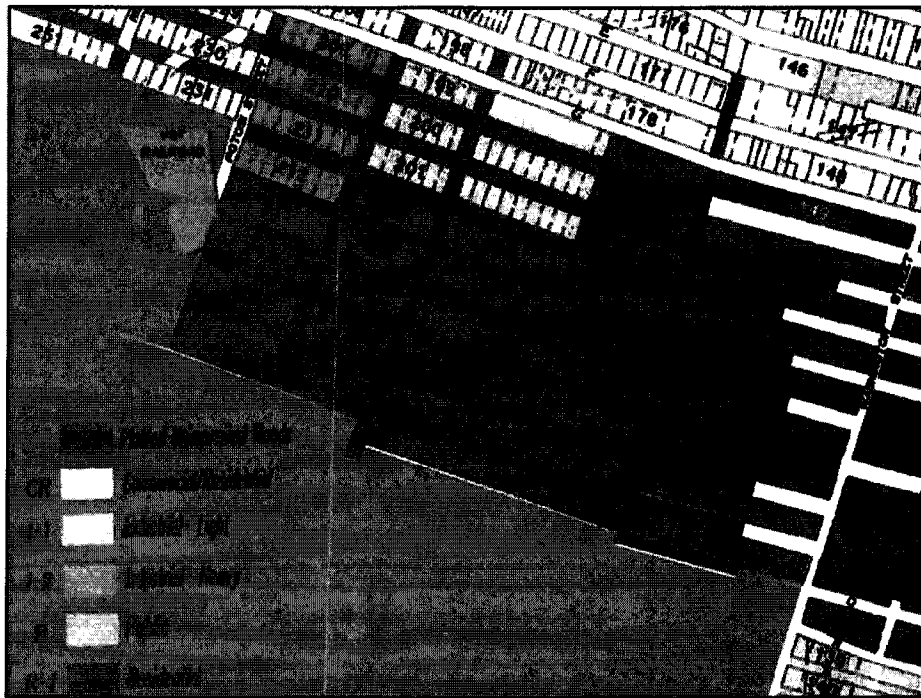
Street Improvements and Access

Even though the streets are platted, they were never improved. Depending on development in the area, the streets could be abandoned; albeit, the subject site would need still need access which is currently has from a roadway into the area.

Zoning

The lots in Block 210, including the subject site are zoned Industrial I-2 or heavy industrial. Any development of the lot would require a design review and most likely any public or private development would be approved if consistent with the desires of the governing bodies and local residents. The zoning map below shows the current zoning for the parcel. Again, note the subject parcel is at the west end of Blocks 210.

Zoning Map



Assessments and Taxes

The site is identified by the Storey County Assessor's Office as parcel number 01-172-01. According to the Storey County Assessors Office the assessed values, taxes, and market values for the site are as follows:

APN	Assessed Value	Taxes	Mkt. Vale	Size - acres
01-172-01	\$2,102	\$72.74	\$6,006	0.34

Easements and Encroachments

No title report was available for review by the appraiser but it does not appear there are any physical easements or encroachments that would adversely affect the subject property other than the roadway easements over the south portion of the site. Access is proscriptive as the roads in the area do not follow the old platted roads; again, it does appear the access roadway encroaches into the subject site (see Aerial Map). Access is presumed to be legal.

Surrounding Land Use

The subject is bordered on the south by a roadway into the old V&T Railroad work shop and then open vacant hilly industrial land with considerable mine dump in the area. There is a ravine to the east and a moderate up slope to the west past the access road. The V&T railroad tracks are to the west of the access road and to the north is a small warehouse and storage lot. None of the surrounding uses are considered detrimental to the subject property and there were no conditions noted in the neighborhood that would adversely affect the subject property except the roadway to the adjoining property encroaches into the subject site. In conclusion, the subject site is considered a good site for assembled because it is part of the only larger almost level site in the community.

HIGHEST AND BEST USE

Highest and best use is defined as that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal.

There are four criteria which must be met in the analysis of highest and best use for both land that is vacant and property that is improved. The highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Generally, these criteria are analyzed in the preceding sequence because if a property fails any one of the criteria, the subsequent criteria are irrelevant to the analysis.

Physically, the site is rectangular platted lots with unimproved street right of ways on three sides and a proscriptive roadway in from the south that is presumed to be legal access to the site. The site is smaller than most other sites in the area but this is not considered a detriment to the property.

Legally, the site is zoned L-2, Heavy Industrial but most other land in the area is zoned L-1 or Light Industrial. In any case, the subject's zoning would probably not be adhered to as any development plan for the area would allow a variance for this parcel to some sort of commercial or quasi-public use such as a park, events center or assemblage of the parcel with surrounding parcels for a larger plan for the area instead of just for this parcel.

The maximally most productive use of the site would appear to be to assemble it with adjoining parcels and seek abandonment of the platted lots in the area that were never developed, so as to create a large enough parcel to accommodate a fair grounds and events center and/or an smaller RV park.

VALUATION

Normally, an appraiser has three methods of estimating the value of a property. These are known as the Cost Approach, the Sales Comparison Approach, and the Income Approach. In this appraisal, only the Sales Comparison using comparable land sales will be used.

A search was conducted for sales and listings of similar sites in the area. The four most comparable sales have been researched and analyzed and compared to the subject on a price per square foot basis which is the typical unit of comparison for this type of property used by market participants.

Factors that affect value include the motivation of the buyer and seller or conditions of the sale, market conditions at the time of sale (time), location and access, size, shape and utility, zoning, and availability of utilities and whether or not there were any improvements included in the sale. Any other factors that might affect value were also considered. Due to lack of sales in the area and insufficient data to use paired sales for the factors affecting value, subjective percentage adjustments in 5% increments were used to recognize clear superiority or inferiority of a characteristic of each sale in comparison to the subject site.

On the following page is a Land Sales Chart showing the salient facts regarding each comparable followed by a discussion, analysis and adjustment grid.

LAND SALES CHART

Sale No	APN # Location	Sale Price Sale Date	Land Area Zoning	Price/ Sq.Ft.	Comment
1	001-173-01, 02, 07,12, 17,19-21 220-289 S. C St.	\$200,000 * 7/28/2017	1.78 ac C2	\$2.58	Steep lots, w/2 old rentals on prop. * Net s/p - \$80,000 for imprvmts.
2	01-133-07 316 So. G St.	\$45,000 10/17/2017	.42 ac CR	\$2.46	Corner lot with streets on east and west sides, not parceled but util. available.
3	01-127-03 646 So. H St.	\$15,000 12/08/2016	.17 ac CR	\$2.03	Steep lot on paved street with util. avail.
4	01-121-02 660 S. F St.	\$70,000 077/11/2018	.5632 CR	\$2.85	Corner lot, moderate slope, paved st.
Subj.	01-172-01 bet. H & I Streets bet. Potosi St. & Page St.	N/A	.34 ac I-2		Generally level lot, proscriptive access, util. ext. req.

Location Map



Discussion and Analysis

Sale 1 is a multi-parcel sale of eight separate contiguous sites, including two with old homes on the lots which have marginal value estimated at \$40,000 each, thus leaving a net land value of \$200,000. The property is on C Street which has good exposure but the lots have a fairly steep downslope from the highway which will raise development costs. This was an all cash sale through a Realtor at close to the listing price. This sale needs no adjustment for conditions of the sale or for time but should be adjusted downward for location on a paved street and for access and availability of utilities. This sale also needs a upward adjustment for size as all else being equal, smaller parcels tend to sell for less than larger parcels. No adjustment is considered required for zoning.

Sale 2 is a single parcel with paved streets on two sides and utilities available in the streets. The terrain has a gentle slope but is very buildable without too much expense. This was an all cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is superior to the subject's location as it is more homogeneous. The terrain is sloping but all utilities are available to the site, so overall development expense will be less than for the subject property. This sale needs no adjustment for size or for zoning.

Sale 3 is a parcel on a paved street but has a steep up slope from the street. This was a cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is considered comparable to the subject but it is on a paved street with utilities available, overall development expense would be more for this site than for the subject because of the terrain. This sale needs a considerable downward adjustment for size as all else being equal, smaller lots typically sell for more per square foot than larger lots like the subject.

Sale 4 is a recent sale of a parcel located southwest of the subject a short distance. It has a gentle down slope from F Street which encroaches into the parcel somewhat and lowers the net usable area of the site. There is power and water available to the site but sewer is about 400'. The buyer has plans for a storage shed on the property and eventually a home. This was a cash sale. The location and access are superior to the subject as it has a good territorial view and is on a paved street. This site needs no adjustment for size. The site is rectangular but the street encroached in to the site lower its net usable area or utility.

Discussion & Analysis of Factors Affecting Value

Following is a discussion of the previously described factors that affect value.

Financing and Conditions of the Sale

All the sales are considered open market transactions, so no adjustment is required for this category.

Market Conditions (time)

No time adjustment is considered necessary for the sales as are fairly recent.

Location and Access

The subject has access from a gravel road and utilities are available. Sale 1 is on C Street which has good access and exposure and streets and utilities are available. Sale 2 has paved streets on the

two sides and utilities available. Sale 3 has paved street access and utilities available with Sale 4 is on a paved street with water available but no sewers in the immediate area.

Lot Size

Sale 1 is much larger than the subject and needs to be adjusted upward for size. Sale 3 is smaller than the subject and should be adjusted downward for this factor.

Use or Zoning

No adjustment is made for this category as the uses and zoning for all the sales are compatible with each other.

Terrain

Sale 1 has moderate to steep down slope from the street and Sale 3 a moderate to steep up slope from the street, so both should be adjusted upward in comparison to the subject for this item. Sale 2 has a gentle slope and will be easy to develop as will Sale 4.

On the following page is an adjustment grid showing the adjustments to the comparable sales for the various categories that affect value on a price per square foot basis.

ADJUSTMENT GRID					
Sale	Subject	1	2	3	4
Location	Both sides of I St. bet. Page St & Flowery St.	220-289 S. C St.	316 S. G St.	646 So. H St.	660 So. F St.
Sale/ Price		\$200,000 *	\$45,000	\$15,000	\$70,000
Sale Date		7/28/2017	10/17/2017	12/08/2016	07/11/2018
Size (acre)	0.34	1.78	0.43	0.17	0.56
Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Time Adj.		0%	5%	0%	0%
Cond. Of Sale		0%	0%	0%	0%
Adj. Price/SF		\$2.58	\$2.52	\$2.03	\$2.85
Adjustments					
Location/ Access		-5%	-5%	-5%	0%
Size		10%	0%	-10%	0%
Shape/Utility		5%	0%	5%	5%
Dev. Expense		0%	-5%	5%	0%
Zoning		0%	0%	0%	0%
Other		0%	0%	0%	0%
Total Adj.		10%	-10%	-5%	5%
Adjusted \$/SF		\$2.84	\$2.27	\$1.92	\$3.00

* adj. for improvements

With adjustments the price per square foot ranges from \$1.92/SF to \$3.00/SF with the arithmetic average sales is \$2.51/SF and the median \$2.56/SF. Sale 1 is the least comparable to the subject in location and size and is weighted the least. Sales 2 and 4 are the most comparable but has better access and development potential and are in a more homogeneous areas. Sale 4 is the most recent sale and required the least adjustment and is given the most weight but with fairly equal weight to Sale 2, the final value is supported at \$2.75/SF for a value indication of the subject property of:

$$.34 \text{ acres (15,000 SF)} \times \$2.75/\text{SF} = \$41,250, \text{ rounded to } \$41,000$$

RECONCILIATION AND FINAL CONCLUSION OF VALUE

INDICATED VALUE BY SALES COMPARISON APPROACH: \$41,000

The Cost Approach and the Income Approach are not considered relevant when valuing a vacant site like the subject and therefore were not used.

The Sales Comparison Approach is used by Realtors® and by buyers and sellers as well. Through the common unit of comparison, namely the price per square foot basis for the land area, sales can be compared to the subject property and a meaningful value range formed if proper recognition is given to the factors affecting value. With adjustments to the sales for the factors affecting value, there is good support for the final value indication by this approach.

After considering all the factors and information contained in this report, it is the opinion of the appraiser that the Market Value of the subject property is supported at \$41,000.

Exposure Time and Marketing Time

Based on a discussion with a discussion with an industrial broker in the area and observation of the marketing time of the sales and listings, it is estimated that at the appraised value the exposure time would be from three months to one year and without any evidence to the contrary, the marketing time in the future is expected to be the same, or from three months to one year at the appraised value.

**RICHARD CORRELL .46-ACRE STORAGE WAREHOUSE PROPERTY
LOCATED BETWEEN H & I STREETS
AND BETWEEN POTOSI AND PAGE STREETS
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NV**

PROPERTY IDENTIFICATION

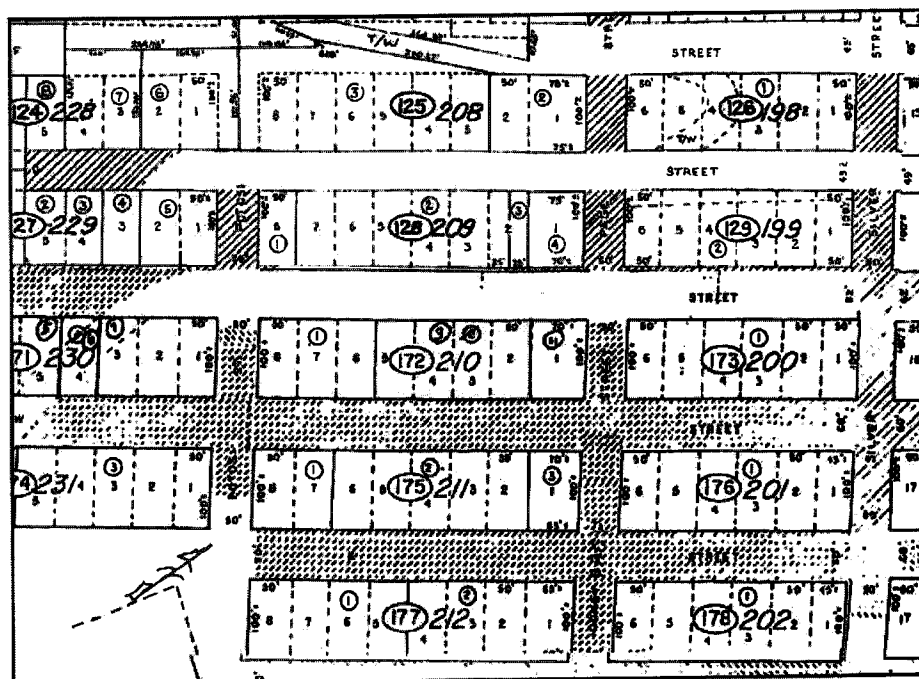
Address and Location - The subject property is located between H and I streets in the southeast quadrant of Virginia City in an industrial area currently used as the Virginia City Fairgrounds and Events Center because of its level terrain.

Legal Description - A complete legal description was not available to the appraiser. The site may briefly be described as Lots 2, 3, 4 and 5 Block 210, Range H, Virginia City, Nevada. The parcel is also listed by the Storey County Assessor as Assessor's Parcel Number (APN) 001-172-03.

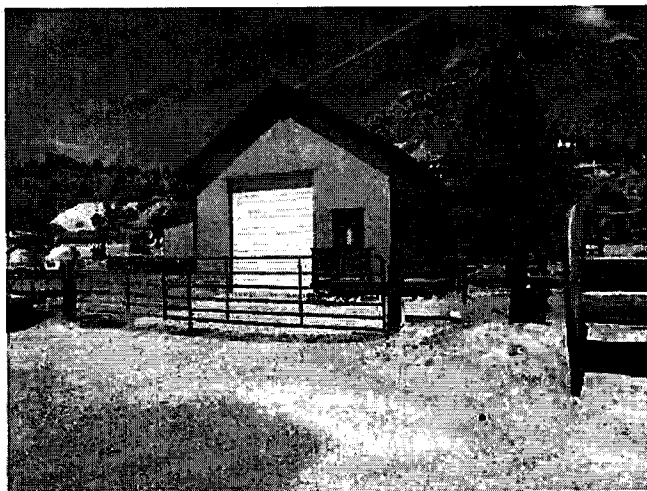
Owner of Record - Richard S. Correll

Ownership History - The property has been under the same ownership for over 10 years and to the knowledge of the appraiser it has never been offered for sale since it was last purchased.

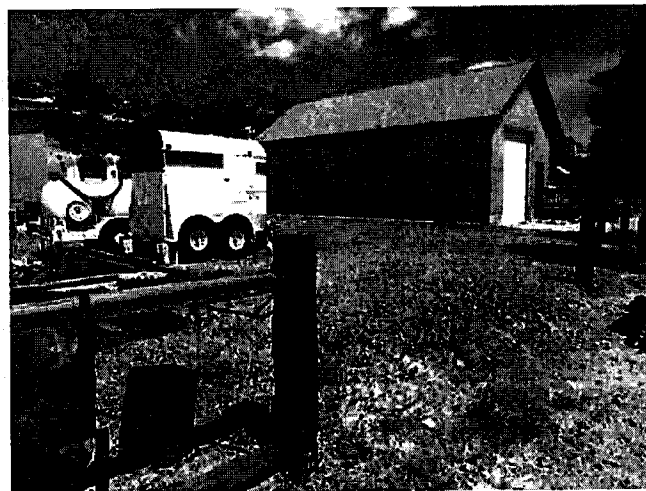
SITE MAP



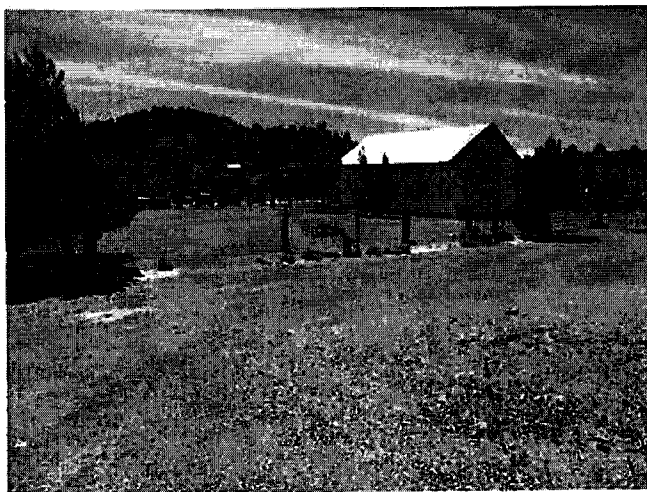
SUBJECT PHOTOS



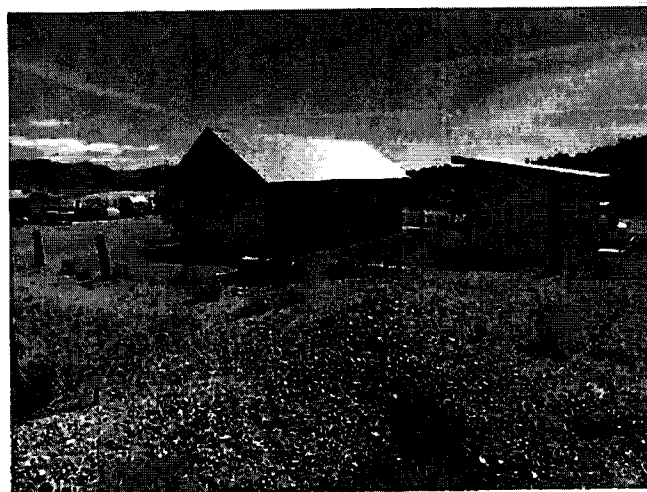
View of the metal storage shed on the site looking west



View of property looking northwest



View of the property looking southeast



View of the property looking northeast

AERIAL SITE MAP



SITE DATA

Location

The subject site is located 70' north side of Potosi Street right of way between H and I Streets in the southeast section of Virginia City in an industrial zoned area currently leased to Storey County as part of the Virginia City Fairground and Events Center.

Dimensions, Area and Shape

The parcel is rectangular measuring 100' x 200' with a total land area of 20,000 SF .46 acres. The parcel has legal access but the street have not been paved.

Topography & Drainage

The grade in the vicinity of the subject site is generally level as the large amount of dump dirt excavated from the old mines in the area was leveled and compacted several years ago.

Soils and Subsoils

No soil report was made available to this appraiser. The soils in the area appear a rocky, sandy, gravel type compacted soil which is "dump" material from the adjoining mines that operated in the area over 100 years ago. Several years ago the large pile of dump dirt was leveled and compacted and is currently mostly leased to the Storey County and operated as the Virginia City Fairgrounds and Events Center.

Availability and Description of Utilities

Storey County provides water and sewer service in area. Virginia City and Gold Hill get there potable water from Marlette Lake in the Sierras via a pipeline and there is limited water available for new development with new service on an allocation basis. Electricity is provided by NV Energy and telephone service is provided by AT&T; albeit, it was not determined if there is water and power adjacent to the site but there is a proposed sewer line to go near the site. There is no natural gas to the town; instead, residents and businesses use propane, augmented by wood stoves or fireplaces.

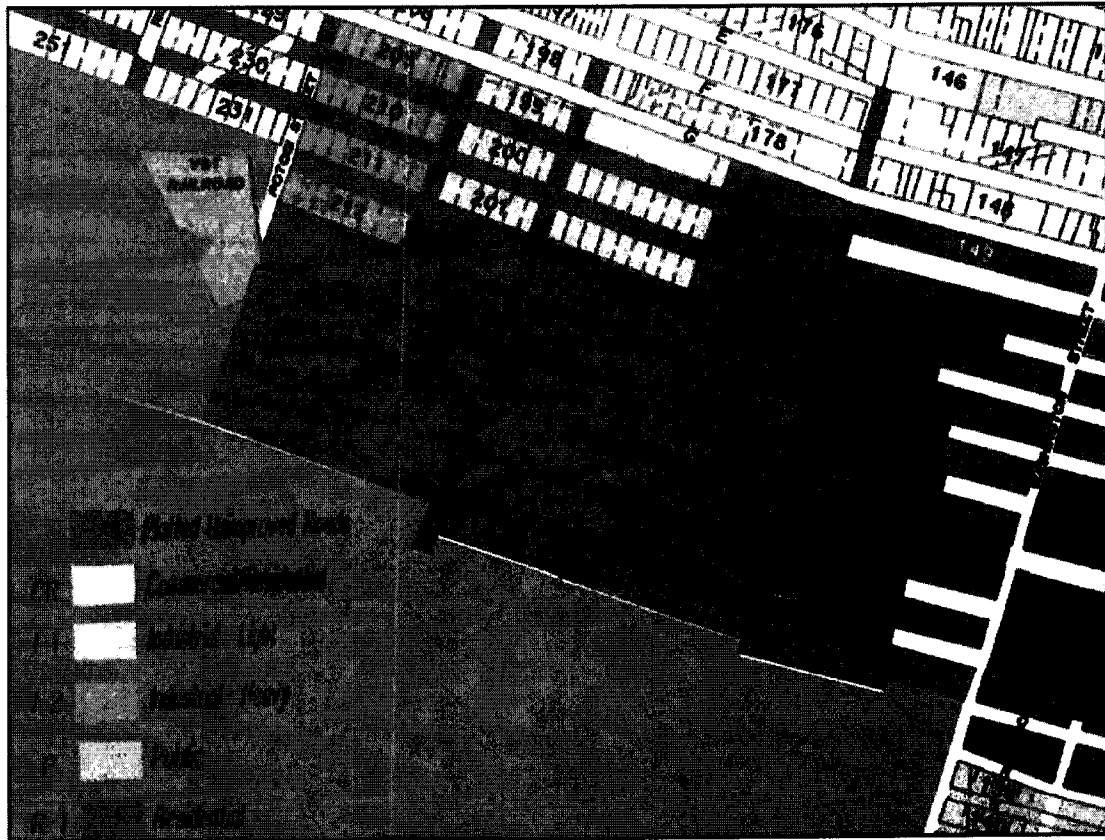
Street Improvements and Access

Even though the streets are platted, they were never improved. Depending on development in the area the streets could be abandoned; albeit, the subject site would need one street for access.

Zoning

The lot is in Block 210 which is zoned I-2 or Heavy Industrial. Any development of the lot would require a design review and most likely any public or private development would be approved if consistent with the desires of the governing bodies and local residents. The zoning map on the following page shows the current zoning of the parcel. Note the subject parcel is in Block 210.

Zoning Map



Assessments and Taxes

The site is identified by the Storey County Assessor's Office as parcel number 01-172-03. In Nevada the assessed value is 35% of the assessor's fair market value estimate. In actual practice, land values are based on the assessor's estimate of fair market value and improvement values are based on replacement cost new less 1.5% per year for depreciation down to a minimum of 25% of the estimated replacement cost and land value is based on the assessor's estimate of its fair market value. The 2017/18 tax rate in the area is \$3.4607 per \$100 of assessed value. According to the Storey County Assessors Office the assessed values, taxes, and market values for the sites are as follows:

APN	Assessed Value Land	Assessed Value Imprvmnts.	Total Assessed Value	Taxes	Mkt. Vale	Size - acres
01-172-03	\$6,768	\$8,432	\$15,200	\$423.97	\$43,429	0.48

Easements and Encroachments

No title report was available for review by the appraiser but it does not appear there are any physical easements or encroachments that would adversely affect the subject property.

Surrounding Land Use

The subject is bordered on the south by vacant land and a road easement, to the east by generally level land and then a ravine, to the north is a small fenced storage yard and to the west is a driveway and then hillside and the V&T Railroad tracks. None of the surrounding uses are considered detrimental to the subject property and there were no conditions noted in the neighborhood that would adversely affect the subject property. In conclusion, the subject site is considered a good parcel for assemblage because it is part of the only larger almost level area in the community.

IMPROVEMENTS

There is a 1,080 SF metal shop building on the site that was reported built in 1996 and it was built to the historic standards with metal siding and roof to match the prevailing architecture in Virginia City in the 1800s for mining related buildings. The interior was not inspected but the owner said it has a heavy reinforced concrete floor, 2" x 6" frame walls 16" on center 14' high which have R20 insulation and are sheetrocked as is the ceiling which is not insulated. It has an engineered truss roof with a 6/12 slope and it has corrugated steel roofing and siding over plywood sheathing. It has a 10' x 12' overhead steel door in front and also a side man access door. It does not have any power to the building or any plumbing and is used as a storage warehouse by the owner. He provided a cost breakdown to the appraiser with an estimated replacement cost today of \$65,500 or roughly \$60/SF. Other improvements include a small shed on the property valued at around \$2,000 and a perimeter wire fence on railroad ties posts with a steel locked gate at the entry. The site improvements have an estimated replacement cost of about \$2,500 for a total replacement cost estimate of \$70,000 (\$65,500 bldg. + \$2,000 shed + \$2,500 site improvements = \$70,000). The improvements are in good condition and have an estimated contributory value of 60% of replacement cost or \$42,000.

HIGHEST AND BEST USE

Highest and best use is defined as that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal.

There are four criteria which must be met in the analysis of highest and best use for both land that is vacant and property that is improved. The highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Generally, these criteria are analyzed in the preceding sequence because if a property fails any one of the criteria, the subsequent criteria are irrelevant to the analysis.

Highest and Best Use As If Vacant

Physically, the site is rectangular platted parcel with a paved roadway to the east and gravel roadway to the west which are considered proscriptive easement accesses. It is similar in size to many other parcels in the area.

Legally, the site is zoned L-2, Heavy Industrial but most other land in the area is zoned L-1 or Light Industrial. In any case, the subject's zoning would probably not be adhered to as any development plan for the area would probably allow a variance for this parcel to some sort of commercial or quasi-public use such as a park, events center and assemblage with surrounding parcels for a larger plan for the area instead of just for this parcel.

The maximally most productive use of the site would be appear to be to assemble the subject site with adjoining parcels and seek abandonment of the platted but never built streets to create a large enough parcel to accommodate a fair grounds and events center and/or an smaller RV park.

Highest and Best Use As Improved

Ultimately, the highest and best use of the site would be assemblage of the site with adjoining parcels into higher and better use such as a county fairgrounds and events center or possibly as an RV park, or a combination of the two uses.

VALUATION

Normally, an appraiser has three methods of estimating the value of a property. These are known as the Cost Approach, the Sales Comparison Approach, and the Income Approach. In this appraisal, only the Sales Comparison using comparable land sales will be used.

A search was conducted for sales and listings of similar sites in the area and improved sites with warehouses on them. No sales of sites with warehouses on them were found, so the contributory value of the improvements was based on the estimated cost of the improvements less 50% for depreciation. The four most comparable land sales in the area have been researched and analyzed and compared to the subject on a price per square foot basis which is the typical unit of comparison for this type of property used by market participants.

Factors that affect value include the motivation of the buyer and seller or conditions of the sale, market conditions at the time of sale (time), location and access, size, shape and utility, zoning, and availability of utilities and whether or not there were any improvements included in the sale; any other factors that might affect value were also considered. Due to lack of sales in the area and insufficient data to use paired sales for the factors affecting value, so subjective percentage adjustments in 5% increments were used to recognize clear superiority or inferiority of a characteristic of each sale in comparison to the subject site.

On the following page is a Land Sales Chart showing the salient facts regarding each comparable followed by a discussion, analysis and adjustment grid.

LAND SALES CHART

Sale No	APN # Location	Sale Price Sale Date	Land Area Zoning	Price/ Sq.Ft.	Comment
1	001-173-01, 02, 07,12, 17,19-21 220-289 S. C St.	\$200,000 * 7/28/2017	1.78 C2	\$2.58	Steep lots, w/2 old rentals on prop. * Net s/p - \$80,000 for imprvmnts.
2	01-133-07 316 So. G St.	\$45,000 10/17/2017	.42 CR	\$2.46	Corner lot with streets on east and west sides, util. available.
3	01-127-03 646 So. H St.	\$15,000 12/08/2016	.17 CR	\$2.03	Inside steep lot with paved access and utilities
4	01-121-02 660 S. F St.	\$70,000 07/11/2018	.5632 CR	\$2.85	Corner lot. ,moderate slope, paved st.
Subj.	01-172-03 bet. H & I Streets bet. Potosi St. & Page St.	N/A	.46 ac I-2		Generally level lot, proscriptive access, util. ext. req., 1080 sf metal warehouse on the site

Location Map



Discussion and Analysis

Sale 1 is a multi-parcel sale of eight separate contiguous sites, including two with old homes on the lots which have marginal value estimated at \$40,000 each, leaving a net land value of \$200,000. The property is on C Street which has good exposure but the lots have a fairly steep downslope from the highway and will be difficult to develop. This was an all cash sale through a Realtor at close to the listing price. This sale needs no adjustment for conditions of the sale or for time but should be adjusted downward for location and access on a paved street and availability of utilities. This sale will have increased development expense because of the slope but it should be less than for the subject which will require street improvements and utility extensions. This sale also needs an upward adjustment for size as all else being equal, larger parcels tend to sell for less per square foot smaller parcels. No adjustment is considered required for zoning.

Sale 2 is a single parcel with paved streets on two sides and utilities available in the streets. The site has a gentle slope to the east but the parcel is very buildable. This was an all cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is superior or more homogeneous than the subject location and it has utilities available in the paved streets. The terrain is sloping but development expense will be less than for the subject. This sale needs a no adjustment for size or for zoning.

Sale 3 is a single parcel with a paved street on one side but a very steep up slope from the parcel. This was a cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is considered comparable to the subject because but it is on a paved street with utilities available. The terrain is steep, so it will require considerable expense to develop the parcel. This sale needs a considerable downward adjustment for size as all else being equal, smaller lots typically sell for more per square foot than larger lots like the subject.

Sale 4 is a very recent sale of a parcel located southwest of the subject a short distance. It has a gentle down slope from a paved street and borders SR 341. It was a cash sale to a party who had been interested in buying a parcel in the area and made a personal inquiry to the owner. The buyer plans on building a shop on the site and eventually maybe a residence. This sale needs no adjustment for conditions of the sale or time. It does need a slight downward adjustment for location and access but no adjustment for size.

Discussion & Analysis of Factors Affecting Value

Following is a discussion of the previously described factors that affect value.

Financing and Conditions of the Sale

All the sales are considered open market transactions, so no adjustment is required for this category.

Market Conditions (time)

No time adjustment is considered necessary for the sales as are fairly recent.

Location and Access

The subject is in an area where there are no permeant street improvements but there is access into the general area through proscriptive gravel and paved road easements. Likewise, there are no utilities in the immediate area, except a sewer line is proposed to go to the north of the subject.

Sale 1 is on C Street which has good access and exposer and utilities available. Sales 2 has paved streets on the east and west and utilities available. Sale 3 has paved road access and utilities available but is very steep.

Lot Size

Sale 1 is much larger than the subject and needs to be adjusted upward for size. Sale 2 is similar in size and Sale 3 is much smaller, so it requires a downward adjustment for size.

Use or Zoning

No adjustment is made for this category as the uses and zoning for all the sales are compatible with each other.

Terrain

Sale 1 has a moderate to steep down slope from the street, and Sale 3, likewise has a steep up slope from the street, so both should be adjusted upward in comparison to the subject for this item. Sale 2 has a gentle slope and will be less difficult to develop.

On the following page is an adjustment grid showing the adjustments to the comparable sales for the various categories that affect value on a price per square foot basis.

ADJUSTMENT GRID					
Sale	Subject	1	2	3	4
Location	Both sides of I St. bet. Page St & Flowery St.	220-289 S. C St.	316 S. G St.	646 So. H St.	660 So. F St.
Sale/ Price		\$200,000 *	\$45,000	\$15,000	\$70,000
Sale Date		7/28/2017	10/17/2017	12/08/2016	07/11/2018
Size (acre)	0.46	1.78	0.43	0.17	0.56
Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Time Adj.		0%	5%	0%	0%
Cond. Of Sale		0%	0%	0%	0%
Adj. Price/SF		\$2.58	\$2.52	\$2.03	\$2.85
Adjustments					
Location/ Access		-5%	-5%	-5%	-5%
Size		10%	0%	-5%	0%
Shape/Utility		5%	0%	5%	5%
Dev. Expense		5%	-5%	5%	0%
Zoning		0%	0%	0%	0%
Other		0%	0%	0%	0%
Total Adj.		15%	-10%	0%	0%
Adjusted \$/AC		\$2.97	\$2.27	\$2.03	\$2.85

* adj. for improvements

With adjustments the price per square foot ranges from \$2.03/SF to \$2.97/SF with the arithmetic average of the sales \$2.53/SF and the median \$2.56/SF. Sale 1 is the least comparable to the subject in location and size and is weighted the least. Sale 2 along with Sale 4 are the most comparable to the subject but both sales have slightly superior access and development potential and is in more homogeneous areas. With most weight to Sales 2 and 4, and some consideration to the mean and median values, the final value is supported at \$2.75/SF for a value indication of the subject property of:

$$.46 \text{ acres (20,000 SF)} \times \$2.75/\text{SF} = \$55,000$$

It was previously estimated that the storage warehouse, shed and site improvements on the site have a contributory value estimated at \$42,000, so the final value of this property is \$97,000.

RECONCILIATION AND FINAL CONCLUSION OF VALUE

INDICATED VALUE BY SALES COMPARISON APPROACH: \$97,000

The Cost Approach was used to the extent that the contributory value of the improvements was estimated based on replacement cost less depreciation. The Income Approach was not considered relevant as the subject is not considered an income property, per se.

The Sales Comparison Approach is used by Realtors® and by buyers and sellers as well. Through the common unit of comparison, namely the price per square foot basis for the land area, sales can be compared to the subject property and a meaningful value range formed if proper recognition is given to the factors affecting value. With adjustments to the sales for the factors affecting value, and additional contributory value of the improvements added to the land value, there is good support for the final value indication by this approach.

After considering all the factors and information contained in this report, it is the opinion of the appraiser that the Market Value of the subject property is supported at \$97,000.

Exposure Time and Marketing Time

Based on a discussion with a discussion with an industrial broker in the area and observation of the marketing time of the sales and listings, it is estimated that at the appraised value the exposure time would be from three months to one year and without any evidence to the contrary, the marketing time in the future is expected to be the same, or from three months to one year at the appraised value.

**MARK ALAN CHARLTON STORAGE .17-ACRE SITE
LOCATED ON THE SOUTH SIDE OF PAGE STREET
BETWEEN H & I STREETS
VIRGINIA CITY FAIRGROUNDS AREA
VIRGINIA CITY, NV**

PROPERTY IDENTIFICATION

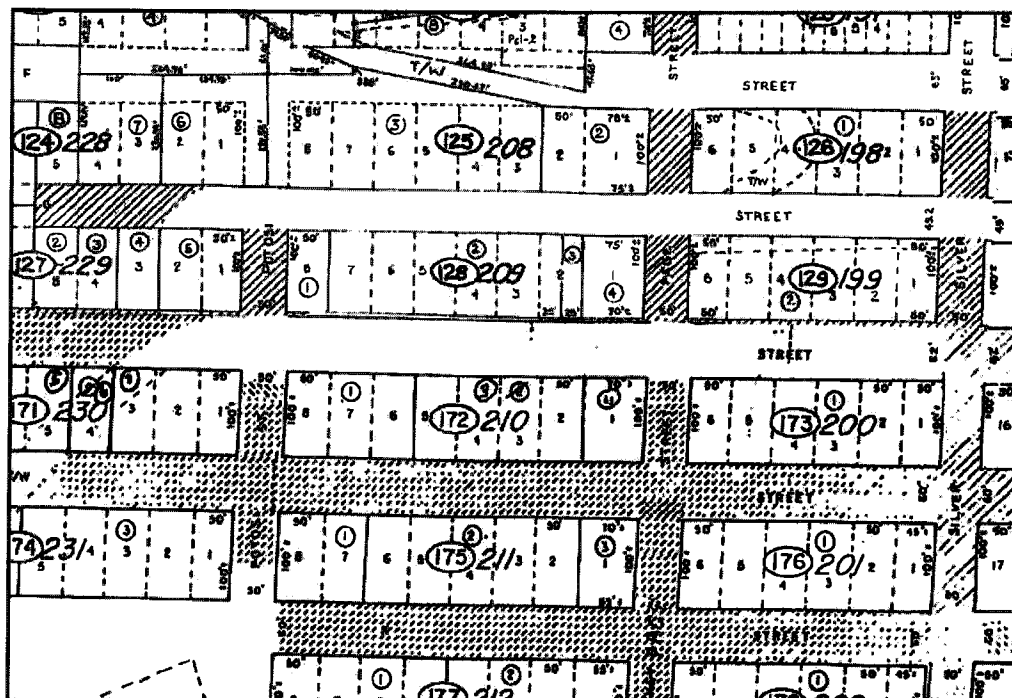
Address and Location - The site is located on the south side of Page Street between H and I streets in the southeast quadrant of Virginia City in an industrial area currently used as the Virginia City Fairgrounds and Events Center because of its level terrain.

Legal Description - A complete legal description was not available to the appraiser. The site may briefly be described as Lots 1 Block 210, Range H, Virginia City, Nevada. The parcel is also listed by the Storey County Assessor as Assessor's Parcel Number (APN) 001-172-04.

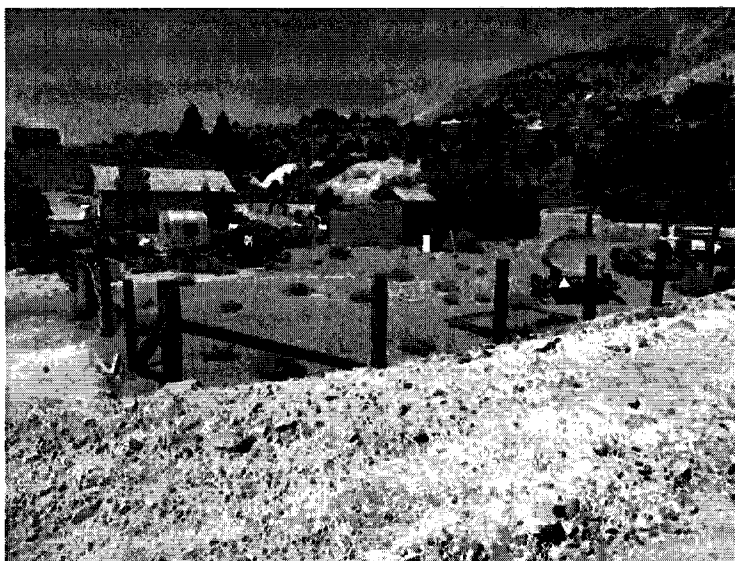
Owner of Record - Mark Alan Charlton

Ownership History - The property has been under the same ownership for over 10 years and to the knowledge of the appraiser it has never been offered for sale since it was last purchased.

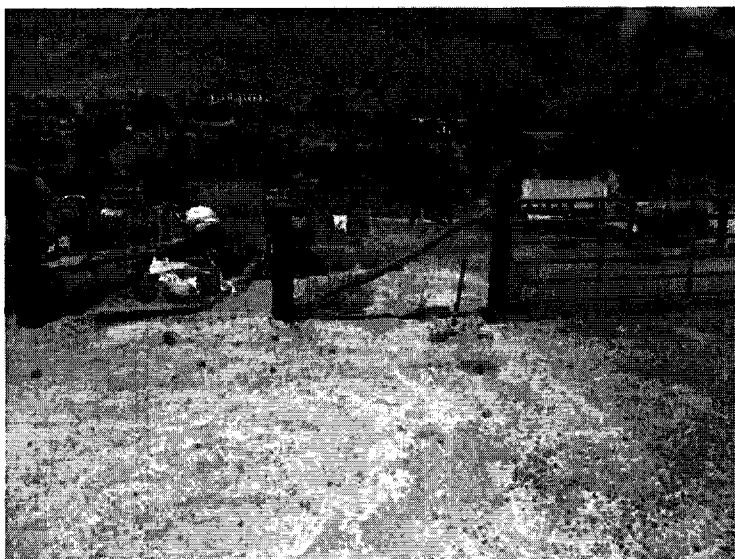
SITE MAP



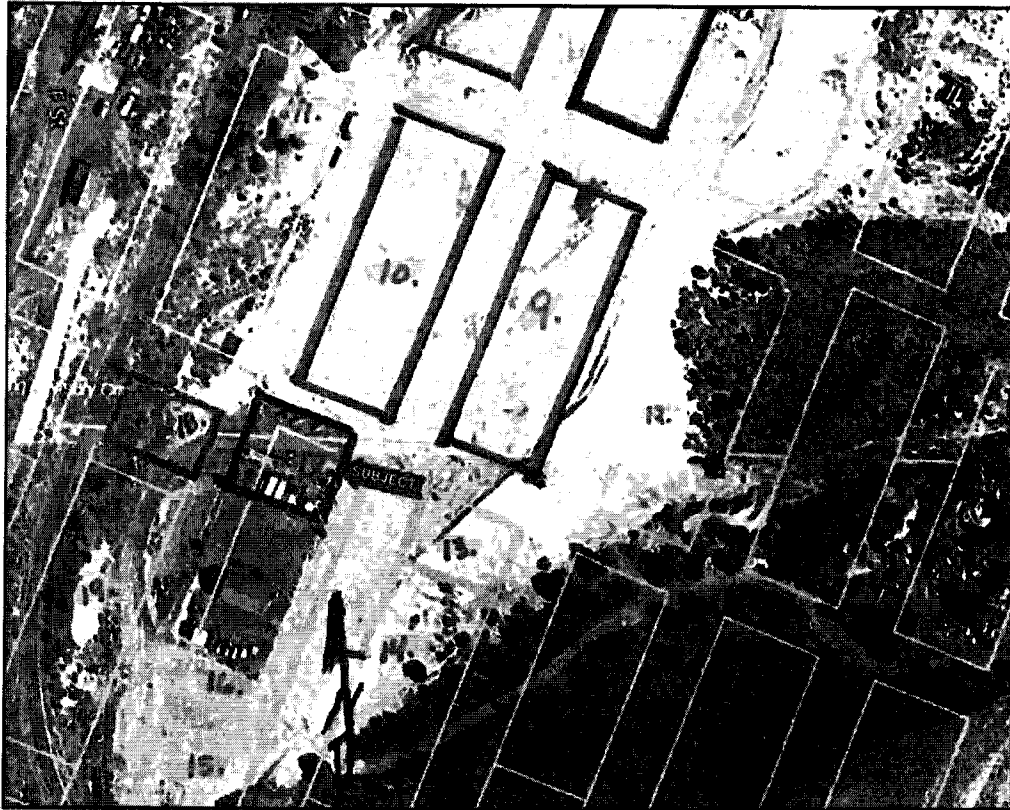
SUBJECT PHOTOS



View of the site looking southwest



View of the site looking west

AERIAL SITE MAP**SITE DATA****Location**

The subject site is located on the south side of Page Street between H and I Streets in the southeast section of Virginia City in an industrial zoned area currently leased to Storey County as part of the Virginia City Fairground and Events Center.

Dimensions, Area and Shape

The parcel is rectangular measuring 70' x 100' with a total land area of 7,000 SF, or .16 acres. The parcel has legal access but the streets have not been improved.

Topography & Drainage

The grade in the vicinity of the subject site is generally level as the large amount of dump dirt excavated from the old mines in the area was leveled and compacted several years ago.

Soils and Subsoils

No soil report was made available to this appraiser. The soils in the area appear a rocky, sandy, gravelly type compacted soil which is "dump" material from the adjoining mines that operated in the area over 100 years ago. Several years ago the large pile of dump dirt was leveled and compacted and most of the area is currently leased to the Storey County and operated as the

Virginia City Fairgrounds and Events Center. There are many miles of mining tunnels under the city that were dug in the late 1800s during the search for gold and silver ore but there is no evidence of settling under the subject site now.

Availability and Description of Utilities

Storey County provides water and sewer service in. Virginia City and Gold Hill get their potable water from Marlette Lake in the Sierras via a pipeline and there is limited water available for new development with new service on an allocation basis. Electricity is provided by NV Energy and telephone service is provided by AT&T; albeit, it was not determined if there is water sewer and power to the site but a proposed sewer line will go very near the site. There is no natural gas to the town; instead, residents and businesses use propane.

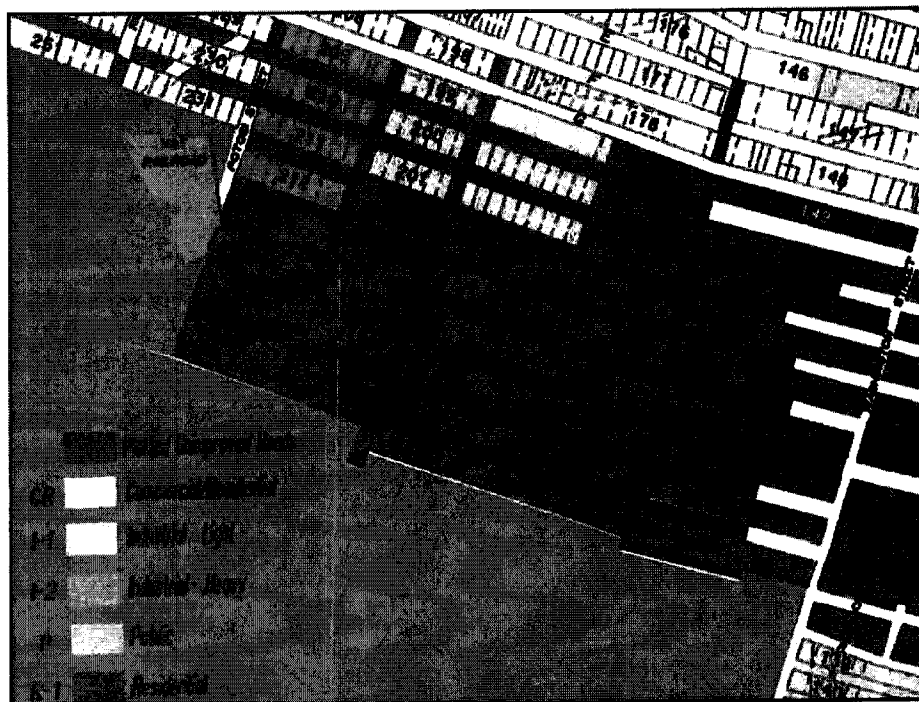
Street Improvements and Access

Even though the streets are platted, they were never improved; albeit there is an unimproved dirt and gravel road to the site over adjoining parcels and the street right of ways. Depending on development in the area the streets could be abandoned; albeit, the subject site would still need legal access which is presumed it does have now. There are no known plans to install any streets in the immediate area.

Zoning

The lots in Block 210 are zoned I-2 or Heavy Industrial. Any development of the lot would require a design review and most likely any public or private development would be approved if consistent with the desires of the governing bodies and local residents. The zoning map on the following page shows the current zoning of the parcel. Note the subject parcel is in Block 210.

Zoning Map



Assessments and Taxes

The site is identified by the Storey County Assessor's Office as parcel number 01-172-04. In Nevada the assessed value is 35% of the assessor's fair market value estimate. The 2017/18 tax rate in the area is \$3.4607 per \$100 of assessed value. According to the Storey County Assessor's Office the assessed values, taxes, and market values for the sites are as follows:

APN	Assessed Value Land	Assessed Value Imprvmnts.	Total Assessed Value	Taxes	Mkt. Vale	Size - acres
01-172-04	\$1,998	\$259	\$2,257	\$35.58	\$6,449	0.16

Easements and Encroachments

No title report was available for review by the appraiser but it does not appear there are any physical easements or encroachments that would adversely affect the subject property.

Surrounding Land Use

The subject is bordered on the south by a small warehouse and storage lot property, to the east by generally level land and then a ravine. To the north is a large level parcel currently leased to Storey County and used as part of the Virginia City Fairgrounds and Events Center. To the north is an access road, then vacant hillside land and then the V&T Railroad tracks. None of the surrounding uses are considered detrimental to the subject property and there were no conditions noted in the neighborhood that would adversely affect the subject property. In conclusion, the subject site is considered a good site for assemblage because it is part of the only larger almost level site in the community.

HIGHEST AND BEST USE

Highest and best use is defined as that reasonable and probable use that supports the highest present value as defined as of the effective date of the appraisal.

There are four criteria which must be met in the analysis of highest and best use for both land that is vacant and property that is improved. The highest and best use must be (1) physically possible, (2) legally permissible, (3) financially feasible, and (4) maximally productive. Generally, these criteria are analyzed in the preceding sequence because if a property fails any one of the criteria, the subsequent criteria are irrelevant to the analysis.

Highest and Best Use As If Vacant

Physically, the site is rectangular and is part of the original Virginia City plat but the street have never been improved. It is bordered to the west by an access road, to the east and north by open land, to the south by a small warehouse/storage lot property. The subject site is smaller than parcels in the area but this is not considered a real detriment to the property as it could probably be assembled with other sites in the area to create a parcel with more utility.

Legally, the site is zoned L-2, Heavy Industrial but most other land in the area is zoned L-1 or Light Industrial. In any case, the subject's zoning would probably not be adhered to as any development plan for the area should allow a variance for this parcel to some sort of commercial

or quasi-public use such as a park, events center and assemblage with surrounding parcels for a larger plan for the area instead of just for this parcel.

The maximally most productive use of the site would appear to be to assemble it with adjoining parcels and seek abandonment of the platted lot status to create a large enough parcels to accommodate a fairgrounds and events center and/or an smaller RV park.

Highest and Best Use As Improved

The parcel has an interim use as a fenced storage lot but ultimately the highest and best use of the site is assemblage with adjoining parcels into a higher and better use such as a county fairgrounds and events center or possibly as an RV park, or a combination of the two uses.

VALUATION

Normally, an appraiser has three methods of estimating the value of a property. These are known as the Cost Approach, the Sales Comparison Approach, and the Income Approach. In this appraisal, only the Sales Comparison using comparable land sales will be used.

A search was conducted for sales and listings of similar sites in the area. The four most comparable land sales in the area have been researched and analyzed and compared to the subject on a price per square foot basis which is the typical unit of comparison for this type of property used by market participants.

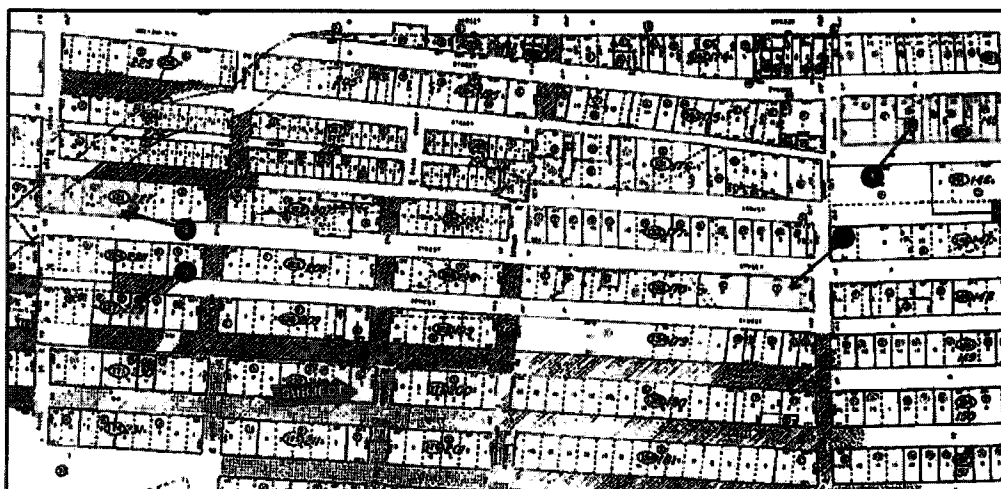
Factors that affect value include the motivation of the buyer and seller or conditions of the sale, market conditions at the time of sale (time), location and access, size, shape and utility, zoning, and availability of utilities and whether or not there were any improvements included in the sale; any other factors that might affect value were also considered. Due to lack of sales in the area and insufficient data to use paired sales for the factors affecting value, so subjective percentage adjustments in 5% increments were used to recognize clear superiority or inferiority of a characteristic of each sale in comparison to the subject site.

On the following page is a Land Sales Chart showing the salient facts regarding each comparable followed by a discussion, analysis and adjustment grid.

LAND SALES CHART

Sale No	APN # Location	Sale Price Sale Date	Land Area Zoning	Price/ Sq.Ft.	Comment
1	001-173-01, 02, 07, 12, 17, 19-21 220-289 S. C St.	\$200,000 * 7/28/2017	1.78 C2	\$2.58	Steep lots, w/2 old rentals on prop. * Net s/p - \$80,000 for imprvmts.
2	01-133-07 316 So. G St.	\$45,000 10/17/2017	.42 CR	\$2.46	Corner lot with streets on east and west sides, not parceled but util. available.
3	01-127-03 646 So. H St.	\$15,000 12/08/2016	.17 CR	\$2.03	Steep lot on paved street with util. in street
4	01-121-02 660 S. F St.	\$70,000 07/11/2018	.5632 CR	\$2.85	Corner lot, moderate slope, paved st.
Subj.	01-172-04 bet. H & I Streets bet. Potosi St. & Page St.	N/A	.16 ac I-2		Level lot with easement access, no utilities

Location Map



Discussion and Analysis

Sale 1 is a multi-parcel sale of eight separate contiguous sites, including two with old buildings on the lots which have marginal value estimated at \$40,000 each, leaving a net land value of \$200,000. The property is on C Street which has good exposure but the lots have a fairly steep downslope from the highway and it will be difficult to develop, albeit, the subject will need a legal street extension and some utilities extended if it is ever developed. This was an all cash sale through a Realtor at close to the listing price. This sale needs no adjustment for conditions of the sale or for time but should be adjusted downward for location and access and availability of utilities. Alternately, this sale should be adjusted upward for the considerable slope and the difficulty that will be encountered in developing the lots but development expenses will also be incurred for the subject as it will need a legal street and utilities to be developed. This sale also needs a considerable upward adjustment for size as all else being equal, larger parcels tend to sell for less per square foot smaller parcels. No adjustment is considered required for zoning.

Sale 2 is a single parcel with paved streets on two sides and utilities available in the streets. The terrain has a gentle slope to the east but the parcel is buildable without too much expense. This was an all cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is superior and more homogeneous than the subject site and it has utilities available in the paved streets. The terrain is sloping, so some expense will be required to develop the parcel. This sale needs an upward adjustment for size in comparison to the subject parcel but no adjustment is considered required for zoning.

Sale 3 is a single parcel with a paved street on one side but it is very steep. This was a cash sale in a private party transaction and needs no adjustment for conditions of the sale or for time. The location is considered comparable to the subject because but it is on a paved street with utilities available. The terrain is steep, so it will require considerable expense to develop the parcel. This sale needs no adjustment for size.

Sale 4 is a very recent sale of a parcel located southwest of the subject a short distance. It has a gentle down slope from a paved street and borders SR 341. It was a cash sale to a party who had been interested in buying a parcel in the area and made a personal inquiry to the owner. The buyer plans on building a shop on the site and a home sometime in the future. This sale needs no adjustment for conditions of the sale or time but the location and access are slightly more superior than the subject's location and access. This sale needs an upward adjustment for size as all else being equal larger parcels typically sell for less per unit value than smaller parcels like the subject.

Discussion & Analysis of Factors Affecting Value

Following is a discussion of the previously described factors that affect value.

Financing and Conditions of the Sale

All the sales are considered open market transactions, so no adjustment is required for this category.

Market Conditions (time)

No time adjustment is considered necessary for the sales as are fairly recent.

Location and Access

The subject is in an area where there are no permeant street improvements or utilities but there is access into the general area through proscriptive road easements. Sale 1 is on C Street which has good access and exposer, streets and utilities available; likewise, Sales 2 borders two paved streets and all utilities available. Sale 3 also is on a paved street with utilities available and Sale 4 has power and water available but no sewers; the location and access are superior to the subject site.

Lot Size

All the sales require upward adjustments for size in comparison to the subject as all else being equal, larger sites typically sell for less per square foot than smaller sites like the subject site.

Use or Zoning

No adjustment is made for this category as the uses and zoning for all the sales are compatible with each other.

Terrain

Sale 1 has a moderate to steep down slope from the street as does Sale 3, so both sales should be adjusted upward in comparison to the subject for this item. Sales 2 and 4 has gentle slopes and will be less difficult to develop and are comparable to the subject in this category.

On the following page is an adjustment grid showing the adjustments to the comparable sales for the various categories that affect value on a price per square foot basis.

ADJUSTMENT GRID					
Sale	Subject	1	2	3	4
Location	Both sides of I St. bet. Page St & Flowery St.	220-289 S. C St.	316 S. G St.	646 So. H St.	660 So. F St.
Sale/ Price		\$200,000 *	\$45,000	\$15,000	\$70,000
Sale Date		7/28/2017	10/17/2017	12/08/2016	07/11/2018
Size (acre)	0.16	1.78	0.43	0.17	0.56
Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Time Adj.		0%	0%	0%	0%
Cond. Of Sale		0%	0%	0%	0%
Adj. Price/SF		\$2.58	\$2.40	\$2.03	\$2.85
Adjustments					
Location/ Access		-5%	-5%	-5%	-5%
Size		20%	15%	0%	15%
Shape/Utility		5%	0%	5%	0%
Dev. Expense		-5%	-5%	-5%	-5%
Zoning		0%	0%	0%	0%
Other		0%	0%	0%	0%
Total Adj.		15%	5%	-5%	5%
Adjusted \$/SF		\$2.97	\$2.52	\$1.92	\$3.00

* adj. for improvements

With adjustments the price per square foot ranges from \$1.92/SF to \$3.00/SF with the arithmetic average of the sales is \$2.60/SF and the median \$2.75/SF. Sale 1 is the least comparable to the subject in location and size and is weighted the least. Sale 2 along with Sale 4 are the most comparable overall to the subject site and with most weight to these two sites and some consideration to the mean and median values, the final value is supported at \$3.00/SF for a value

indication of the subject property of:

.16 acres (7,000 SF) x \$2.75/SF = \$19,250, rounded to \$19,500

With some contributory value of the fencing estimated at \$1,500, the final value of this property is placed at \$21,000.

RECONCILIATION AND FINAL CONCLUSION OF VALUE

INDICATED VALUE BY SALES COMPARISON APPROACH: \$21,000

The Cost Approach the Income Approach were not considered relevant as the subject is has no substantial improvements, nor is it considered and income property, per se.

The Sales Comparison Approach is used by Realtors® and by buyers and sellers as well. Through the common unit of comparison, namely the price per square foot basis for the land area, sales can be compared to the subject property and a meaningful value range formed if proper recognition is given to the factors affecting value. With adjustments to the sales for the factors affecting value, and the addition value contributory value of the improvements added to the land value, there is good support for the final value indication by this approach.

After considering all the factors and information contained in this report, it is the opinion of the appraiser that the Market Value of the subject property is supported at \$21,000.

Exposure Time and Marketing Time

Based on a discussion with a discussion with an industrial broker in the area and observation of the marketing time of the sales and listings, it is estimated that at the appraised value the exposure time would be from three months to one year and without any evidence to the contrary, the marketing time in the future is expected to be the same, or from three months to one year at the appraised value.

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this appraisal and no personal interest with respect to the parties involved and have acted in our own independent capacity.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with the assignment.
- My engagement in this assignment is not contingent upon the development or reporting of a predetermined value, a requested minimum value or approval of a loan 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.

- My analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice and the Appraisal Institute. The appraiser is competent by education, training and experience to perform this appraisal.
- This appraiser has not appraised the subject property nor performed any services regarding the subject in any capacity in the last 36 months time period.
- I, Sam Ward, have made a personal inspection of the property that is the subject of this appraisal.



Samuel K. Ward
Nevada Certified General Appraiser,
No. A.0000123-CG

ADDENDA

QUALIFICATIONS
SAMUEL K. WARD

Real Estate Appraisers/Consultants
106 East Adams St., Suite 212
Carson City, NV 89706
(775) 885-8822 FAX (775) 885-7808
e-mail: sward@skwrea.com

Nevada Certified General Appraiser - A.0000123-CG Expiration date: 4/30/2019

Background and Experience

Farming & Ranching Background on Family Ranch - Yakima, Washington	1965-67
Farm & Heavy Equipment Marketing (Caterpillar/John Deere) - Yakima Washington	1968
Custom Home Construction - Seattle, Washington	
Real Estate Sales - Seattle & Spokane, Washington, & Carson City, Nevada	1969-76
Nevada Division of State Land, Land Agent	1977
Eagle Service Corporation (First Federal Savings & Loan), Staff Appraiser	1977-80
Eagle Service Corporation, Senior Commercial Appraiser	1981-82
Independent Fee Appraiser, Northern Nevada & North Eastern California	1983-Present

Education and Technical Training

Univ. of Colorado	1959-61
Univ. of Washington, B.A. Business Administration (Marketing-Finance)	1961-64
Real Estate Sales (Brokers License), Washington State	1969-72
Real Estate Sales - Carson City, Nevada	1973-76
Society of Real Estate Appraisers:	1979-83
Appraisal Institute Associate Member:	1983-present

Type of Appraisals Completed

Residences, Land, including Farms, Ranches, Subdivisions, Mining Properties, Apartments, All Types of Commercial & Income Properties, Industrial Properties, Condemnation, Estate and Various Specialty Properties (Banks, Motels, Convenience Mkts./Service Stations, Casinos, etc.), Fractional Interests & Lease Analysis, Estates & Estate Planning

Areas Served

All of Northern Nevada & Lake Tahoe Area, plus surrounding Counties in California

Affiliations

Affiliate Member of the Appraisal Institute- Reno/ Carson City/ Lake Tahoe Chapter

Partial List of Banks, Large Corporations & Government Agencies Served

<u>Partial List of Banks:</u>	<u>Large Corporation:</u>	<u>Expert Witness:</u>
Nevada State Bank	Texaco, Exxon, Mobil, ARCO	Carson District Court
City National Bank	Unocal, Standard Oil Co.	Douglas District Court
Focus Business Bank	<u>Government Entities:</u>	Washoe District Court
Bank of America	Reno Airport Authority	Fed. Bankruptcy Court, Reno
Union Bank of California	City of Reno, Nevada	
The Mechanics Bank	City of Carson, Douglas, Lyon, Washoe, Store counties in Nevada	
Bruning State Bank	U.S. Department of Interior, BLM & U.S. Forest Service	

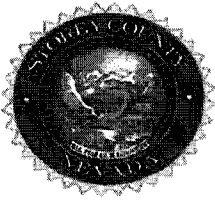
Sam Ward

From: Jeff Peters <ltdrvparts1@yahoo.com>
Sent: Tuesday, August 07, 2018 11:00 AM
To: sward@skwrea.com
Subject: PD5110610

Sam your FedEx tracking # is 772916251064.

Thank you for your business!

Jeff
Leisure Time Distributing



Storey County Board of County Commissioners Agenda Action Report

Meeting date: December 4, 2018

Estimate of time required: 10 min.

Agenda: Consent ☐ Regular agenda ☒ Public hearing required ☒

1. **Title: Discussion/Possible Action:** Special Use Permit 2018-053 is a request by the applicant to allow for construction of a single family residence and accessory structures on a 19.8 acre vacant property located in the Forestry zone east of Virginia City in Six Mile Canyon. The subject property is a portion of the West ½ of the Northwest ¼ of Section 25, Township 17 North, Range 21 East, Six Mile Canyon, Storey County, Nevada and having Assessor's Parcel Number 004-321-40.

2. **Recommended motion:** In accordance with the recommendation by staff and the Planning Commission, the Findings of Fact under Section 3.A of this report, and other findings deemed appropriate by the Board of County Commissioners, and in compliance with the conditions of approval, I (*county commissioner*), move to approve Special Use Permit 2018-053, a request by the applicant to allow for construction of a single family residence and accessory structures on a 19.8 acre vacant property located in the Forestry zoning district along Six Mile Canyon Road. The subject property is a portion of the West ½ of the Northwest ¼ of Section 25, Township 17 North, Range 21 East, Six Mile Canyon, Storey County, Nevada and having Assessor's Parcel Number 004-321-40.

3. **Prepared by:** Kathy Canfield

4. **Department:** Planning

Telephone: 775.847.1144

5. **Staff summary:** See enclosed Staff Report No. 2018-053

6. **Supporting materials:** Enclosed Staff Report No. 2018-053

7. **Fiscal impact:** None on local government.

Funds Available:

Fund:

____ Comptroller

8. **Legal review required:**

____ District Attorney

9. **Reviewed by:**

 Department Head

____ Department Name: Planning

____ County Manager

____ Other agency review: _____

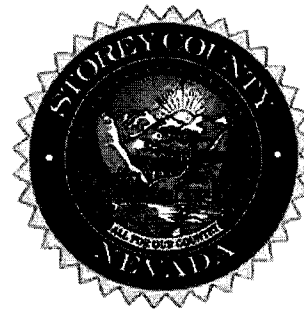
10. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

**Storey County
Planning Department**
Storey County Courthouse
26 South B Street, PO Box 176, Virginia City, Nevada 89440
Phone 775-847-1144 – Fax 775-847-0949
planning@storeycounty.org



To: Storey County Board of County Commissioners

From: Storey County Planning Department

Meeting Date: December 4, 2018

Meeting Location: Storey County Courthouse, 26 South "B" Street, Virginia City, Nevada

Staff Contact: Kathy Canfield

File: Special Use Permit File 2018-053

Applicant: Danielle Salvadia

Property Owner: Nicholas & Danielle Salvadia and Michael & Shelli Belanger

Property Location: A portion of the West ½ of the Northwest ¼ of Section 25, Township 17 North, Range 21 East, M.D.B.M, Six Mile Canyon, Storey County, Nevada and having Assessor's Parcel Number 004-321-40.

Request: Special Use Permit 2018-053 is a request by the applicant to allow for construction of a single family residence and accessory structures on a 19.8 acre vacant property located in the Forestry zone east of Virginia City in Six Mile Canyon. The subject property is a portion of the West ½ of the Northwest ¼ of Section 25, Township 17 North, Range 21 East, Six Mile Canyon, Storey County, Nevada and having Assessor's Parcel Number 004-321-40.

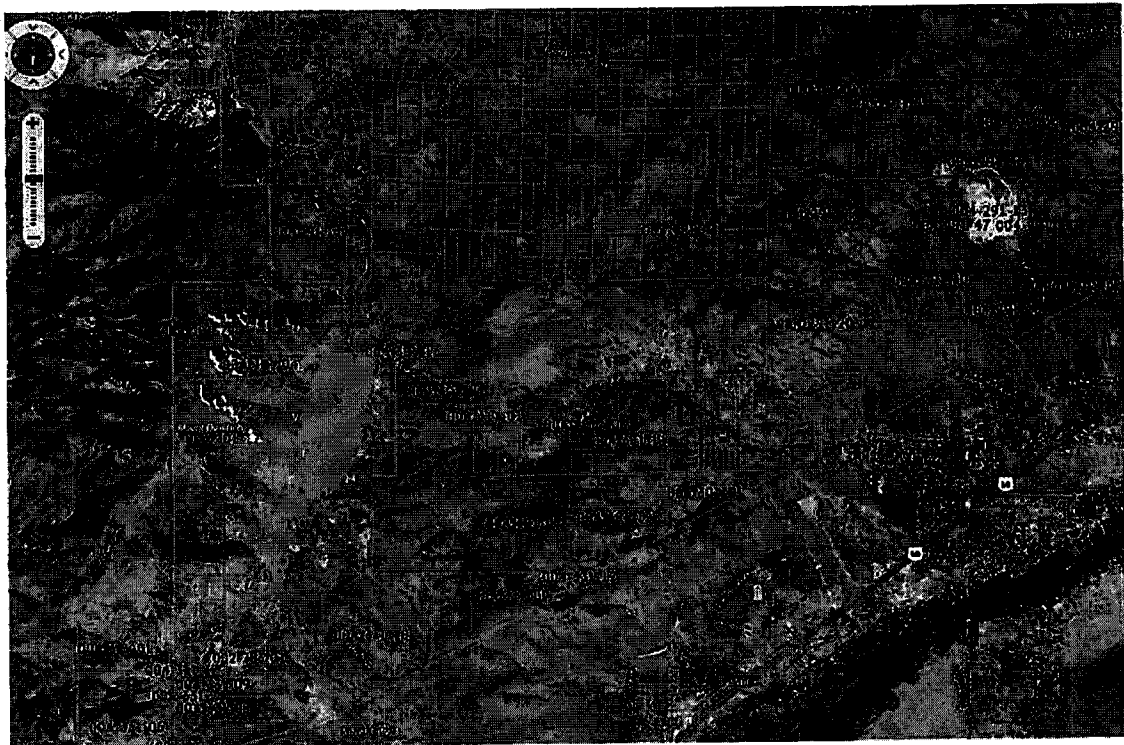
Summary of Planning Commission Meeting:

The Planning Commission heard the proposed project at their November 15, 2018 meeting. The Planning Commission had no concerns with the proposed project and recommended approval with a 6 – 0 vote, with one absent.

1. Background & Analysis

- A. Site Location and Characteristics.** The property is located along Six Mile Canyon Road and is zoned Forestry. The property is 19.8 acres in size and was created in 1983. The site is undeveloped. Surrounding land uses include vacant Forestry zoned land to the

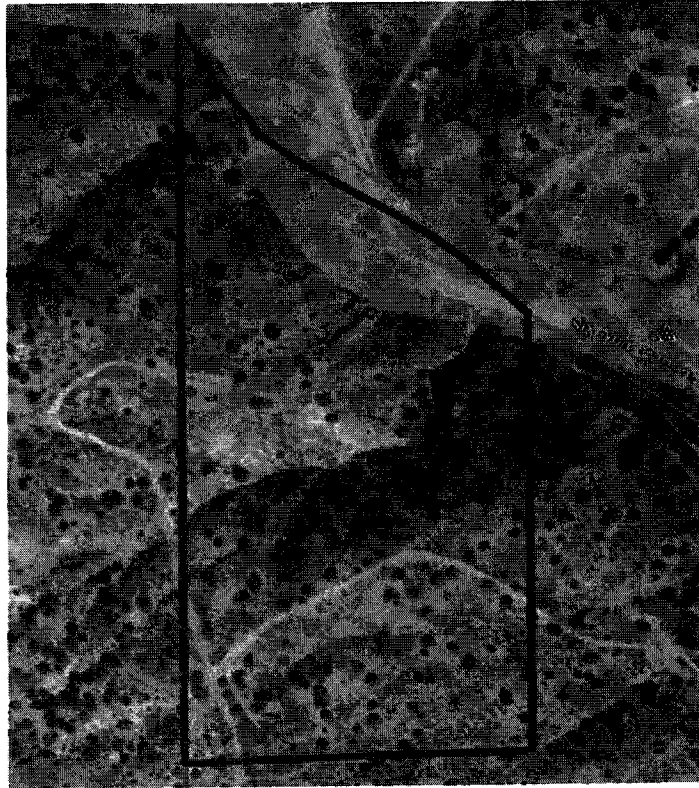
east, south and west and residential property to the north. The property does have an area of Special Flood Hazard Area along the Six Mile Canyon Road frontage.



Vicinity Map



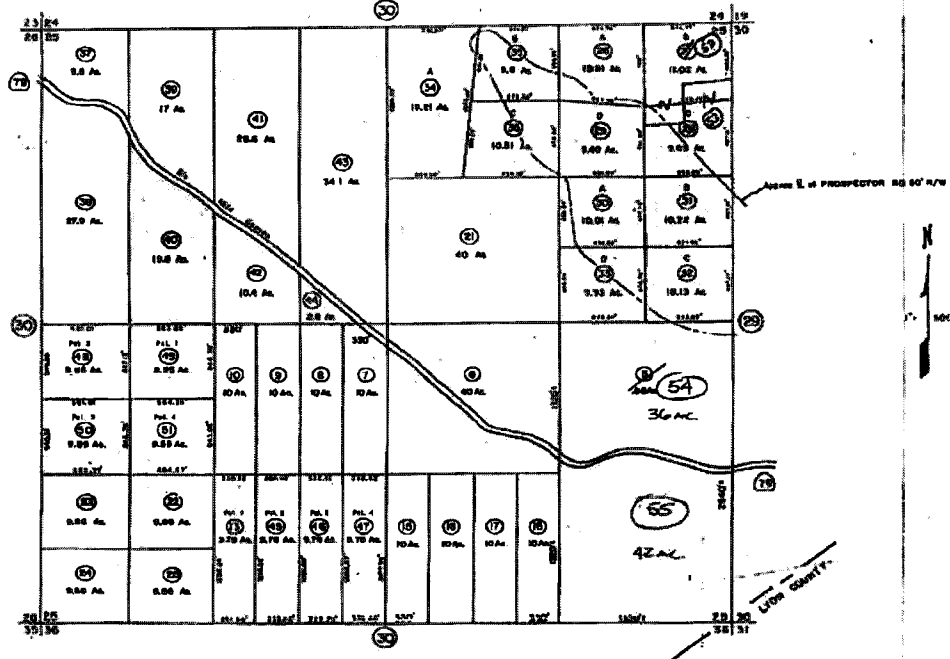
Property Location



Orange area is Special Flood Hazard Area per FEMA.

Section 25, T17N, R21E, M.D.B. & M.

04-32



Assessor's Parcel Map

- B. **Proposed Project.** The applicant is proposing to construct a single family residence on the existing vacant parcel. As part of the residential development, the applicant may desire to also construct an accessory dwelling and other typical residential accessory structures such as detached garages, barns, and sheds. This Special Use Permit addresses both the construction of a residence and any residential accessory dwelling or structures. All permissible primary uses within the Forestry zoning district require a Special Use Permit.
- C. **Zoning Ordinance.** The Forestry zoning district, Chapter 17.32 of the Storey County Zoning Ordinance, requires a minimum of 40 acre parcels. This parcel was created in 1983, prior to the Storey County zoning ordinance being adopted, and is therefore a legal non-conforming parcel size.

One single family detached dwelling of permanent character and location is permitted in the Forest zoning district subject to a Special Use Permit. Accessory uses and structures are permitted in the Forestry zoning district as stated in Section 17.32.025:

“Accessory uses, buildings, and structures are considered a permitted use if they are clearly incidental to another permitted use, that being a use which has been approved by a special use permit or otherwise by right. The provisions of section 17.12.045-046 also apply to accessory structures. A principal building is not required for an accessory structure incidental to the allowed uses on the premises; however, a principal single-family residential dwelling is required for an accessory dwelling to be approval.”

Section 17.12.045.D states accessory buildings in the Forestry zoning district follow the location placement and area of accessory buildings of the zoning district. Section 17.12.046.A goes on to state that accessory dwellings are regulated by the Forestry zoning district, which refers back to Section 17.32.025. As such, no specific special use permit is required for the accessory dwelling or accessory structures if the primary residential use of the property obtains a special use permit.

- D. **Special Use Permit.** The property is zoned Forestry. The single family residence is permissible subject to a Special Use Permit being obtained in accordance with Section 17.32. An accessory dwelling and accessory structures are not subject to the special use permit requirements if the single family residence has received a special use permit.

2. Compatibility and Compliance

A. **Compatibility with surrounding uses and zones.**

The following table documents land uses, zoning classifications, and master plan designations for the land at and surrounding the proposed project.

	Land Use	Master Plan Designation	Zoning Code
Applicant's Land	vacant	Resources	Forestry
Land to the North	residential	Resources	Forestry
Land to the East	vacant	Resources	Forestry
Land to the South	vacant	Resources	Forestry
Land to the West	vacant	Resources	Forestry

- B. Compliance with Zoning.** The proposed residence will be required to demonstrate conformance with all requirements of the 2015 zoning ordinance include section 17.32 Forestry and 17.12 General Provisions when the application for construction of the residence is submitted to Storey County.
- C. General use allowances and restrictions.** Storey County Code 17.03.150, Special Use Permit, identifies the administration for the Board and Planning Commission for allowing a special use permit. The approval, approval with conditions, or denial of the Special Use Permit must be based on findings of fact that the proposed use is appropriate or inappropriate in the location. The findings listed below are the minimum to be cited in an approval.

- (1) Complies with the general purpose, goals, objectives, and standards of the county master plan, this title, and any other plan, program, map, or ordinance adopted, or under consideration pursuant to official notice by the county.**

The proposed residence will be consistent with the requirements of Section 17.32 Forestry Zone and 17.12 General Provisions. The single family residence is allowed with the special use permit and an accessory dwelling and accessory structures are permissible with approval of the single family residence. The single family residence is consistent with the Zoning Ordinance as conditioned and the Storey County Master Plan.

- (2) The proposal location, size, height, operations, and other significant features will be compatible with and will not cause substantial negative impact on adjacent land uses, or will perform a function or provide a service that is essential to the surrounding land uses, community, and neighborhood.**

The residence and accessory dwelling and structures that are permissible will be located on a 19.80 acre parcel and are not anticipated to be readily visible from neighboring properties. The exact location for the residence on the 19.80 acre parcel has not been submitted to the County. A residential property exists to the north of this property across Six Mile Canyon Road, the remaining adjacent properties are vacant Forestry-zoned land.

- (3) Will result in no substantial or undue adverse effect on adjacent property, the character of the neighborhood, traffic conditions, parking, public improvements, public sites or right-of-way, or other matters affecting the public health, safety, and general welfare, either as they now exist or as they may in the future be developed as a result of the implementation of the provisions and policies of the county master plan, this title, and any other plans, program, map or ordinance adopted or under consideration pursuant to an official notice, by the county, or other governmental agency having jurisdiction to guide growth and development.**

The residential development will occur on a 19.80 acre parcel which contains adequate area to accommodate all aspects of the proposed development.

Access to the site will be from Six Mile Canyon Road. The proposed access will need to demonstrate no negative impact to the Special Flood Hazard Area located along the roadway in accordance with Chapter 15.20 – Flood Damage Prevention. No structures, excluding any associated with creating access to the parcel, shall be permitted within the FEMA designated Special Flood Hazard Area.

- (4) **The proposed use in the proposed area will be adequately served by and will impose no undue burden on any of the improvements, facilities, utilities, or services provided by the county or other governmental agency having jurisdiction in the county.**

The proposed use is not expected to require any additional governmental services or impact existing governmental facilities. The property will be required to obtain a septic system permit from the Nevada Division of Public and Behavioral Health. A well will be required for a water source and as a condition of project approval, evidence from the Nevada Division of Water Resources that the well is adequate to meet Nevada Revised Statutes requirements shall be submitted to the Community Development Department at the time of building permit request.

- D. **2016 Storey County Master Plan.** The 2016 Storey County Master Plan identifies the property within a Resource designated area. Conforming land use zoning and uses in the Resource designation include forest and rangeland, irrigated agriculture, natural resources, and recreation. Forest and rangeland are most appropriately zoned F Forestry, a zone which is intended to protect areas in the county having important environmental and resource qualities from unnecessary degradation, and to provide areas of very low density (i.e., 40-acre minimum) single-family residential and other compatible uses. Although the property is less than 40-acres, the parcel itself is legally non-conforming and the 19.80 size does provide low density development. Uses allowable within the F Forestry zone include rural residential; mining and processing; renewable energy generation; recreation; and certain agricultural uses. The master plan states that all uses are to require oversight and special approval by the board with action by the planning commission, and the F Forestry zone conforms to this guiding principle.

3. Findings of Fact

- A. **Motion for approval.** The following Findings of Fact are evident with regard to the requested special use permit when the recommended conditions of approval in Section 4, Recommended Conditions of Approval, are applied.

- (1) This approval is for Special Use Permit 2018-053, a request by the applicant to allow for construction of a single family residence and accessory structures on a 19.8 acre vacant property located in the Forestry zoning district along Six Mile Canyon Road. The subject property is a portion of the West ½ of the Northwest ¼ of Section 25, Township 17 North, Range 21 East, Six Mile Canyon, Storey County, Nevada and having Assessor's Parcel Number 004-321-40.

- (2) The Special Use Permit conforms to the 2016 Storey County Master Plan for the Resources designated area in which the subject property is located. A discussion supporting this finding for the Special Use Permit is provided in Section 2.D of this staff report and the contents thereof are cited in an approval of this Special Use Permit. The Special Use Permit complies with the general purpose, goals, objectives, and standards of the county master plan, the zoning ordinance and any other plan, program, map or ordinance adopted, or under consideration pursuant to the official notice by the county.
- (3) The proposal location, size, height, operations, and other significant features will be compatible with and will not cause substantial negative impact on adjacent land uses, or will perform a function or provide a service that is essential to the surrounding land uses, community, and neighborhood.
- (4) The Special Use Permit will result in no substantial or undue adverse effect on adjacent property, the character of the neighborhood, traffic conditions, parking, public improvements, public sites or right-of-way, or other matters affecting the public health, safety, and general welfare, either as they now exist or as they may in the future be developed as a result of the implementation of the provisions and policies of the county master plan, this title, and any other plans, program, map or ordinance adopted or under consideration pursuant to an official notice, by the county, or other governmental agency having jurisdiction to guide growth and development.
- (5) The proposed use in the proposed area will be adequately served by and will impose no undue burden on any of the improvements, facilities, utilities, or services provided by the county or other governmental agency having jurisdiction in the county.
- (6) The Special Use Permit, with the recommended conditions of approval, complies with the requirements of Chapters 17.03.150 – Special Use Permit, 17.12 – General Provisions, and 17.32 Forestry Zone.

B. **Motion for denial.** Should a motion be made to deny the Special Use Permit request, the following findings with explanation why should be included in that motion.

- (1) This denial is for Special Use Permit 2018-053, a request by the applicant to allow for construction of a single family residence and accessory structures on a 19.8 acre vacant property located in the Forestry zoning district along Six Mile Canyon Road. The subject property is a portion of the West ¼ of the Northwest ¼ of Section 25, Township 17 North, Range 21 East, Six Mile Canyon, Storey County, Nevada and having Assessor's Parcel Number 004-321-40.
- (2) The conditions under the Special Use Permit conflict with the minimum requirements/findings in the 2015 Storey County Zoning Ordinance Sections 17.03.150-Special Use Permit, 17.12-General Provisions and/or 17.32-Forestry Zone.

- (3) The conditions under the Special Use Permit do not adequately mitigate potential adverse impacts on surrounding uses or protect against potential safety hazards for surrounding use.

4. **Recommended Conditions of Approval**

- A. **Special Use Permit.** This approval is for Special Use Permit 2018-053 to allow for construction of a single family residence accessory structures on a 19.8 acre vacant property located in the Forestry zoning district along Six Mile Canyon Road. The subject property is a portion of the West ½ of the Northwest ¼ of Section 25, Township 17 North, Range 21 East, M.D.B.M., Six Mile Canyon, Storey County, Nevada and having Assessor's Parcel Number 004-321-40.
- B. **Requirements.** The Permit Holder shall apply for any/all required permits and licenses, including building and fire permits, for the project within 24 months from the date of final approval of this Special Use Permit, and continuously maintain the validity of those permits/licenses, or this approval shall be null and void. This permit shall remain valid as long as the Permit Holder remains in compliance with the terms of this permit and Storey County, Nevada State, and federal regulations.
- C. **Permit Contents.** This permit incorporates by reference the standards, objectives, conditions, terms and requirements of all plans and submitted separately from this permit. The requirements of all submitted plan, along with support material submitted with the application, become part of this Special Use Permit.
- D. **Separate Permits Required.** This Special Use Permit shall not be construed to be a permit for design or construction. A separate Storey County plan review, fire safety review, and building permit may be required for work previously performed or for future construction.
- E. **Legal Responsibility.** Issuance of this permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any injury to persons or property, any invasion of other private rights, or any infringement of state or local laws or regulations.
- F. **Hold Harmless.** The Property Owners agree to hold Storey County, its Officers and Representatives harmless from the costs and responsibilities associated with any damage or liability, and any/all other claims now existing or which may occur as a result of this Special Use Permit.
- G. **Septic.** At the time of the building permit request, the Permit Holder shall provide evidence to the Community Development Department from the Nevada Division of Public and Behavioral Health that the septic system existing and/or proposed onsite meets the requirements of the State of Nevada.
- H. **Water Well.** At the time of the building permit request, the Permit Holder shall provide to the Community Development Department valid evidence from the Nevada Division of

Water Resources that the onsite well is adequate for Nevada Revised Statutes requirements.

- I. **Transfer of Rights**. This special use permit shall inure to the record owner of the subject property and shall run with the land defined herein. This special use permit, subject to its terms and conditions, may be transferred by the permit holder, its successors, heirs or assigns. The record owner may rent or lease the land; however, in such case the record owner is ultimately responsible for compliance with the special use permit regulations.
- J. **Special Flood Hazard Area**. No structures shall be constructed within the Special Flood Hazard Area as depicted on maps prepared by FEMA (Federal Emergency Management Agency) with the exception of access to the property from Six Mile Canyon Road. Any disturbance associated with the Special Flood Hazard Area shall comply with Chapter 15.20 – Flood Damage Prevention – of the Storey County Code and shall demonstrate no negative impacts to the drainage along Six Mile Canyon Road.
- K. **Taxes Paid**. Before obtaining a building permit, the applicant must show the building department evidence that all property taxes on the land are paid to-date.

5. **Public Comment**

As of November 6, 2018, Staff has not received any comments from the public.

6. **Power of the Board**

At the conclusion of the hearing, the Board of County Commissioners must take such action thereon as it deems warranted under the circumstances and announce and record its action by formal resolution, and such resolution must recite the findings of the Board of County Commissioners upon which it bases its decision.

7. **Proposed Motions**

This section contains two motions from which to choose. The motion for approval is recommended by staff and the Planning Commission in accordance with the Findings of Fact under Section 3.A of this report. Those findings should be made part of the approval motion. A motion for denial may be made and that motion should cite one or more of the findings shown in Section 3.B. Other findings of fact determined appropriate by the Board of County Commissioners should be made part of either motion.

A. **Recommended motion for approval**

In accordance with the recommendation by staff and the Planning Commission, the Findings of Fact under Section 3.A of this report, and other findings deemed appropriate by the Board of County Commissioners, and in compliance with the conditions of approval, I (*county commissioner*), move to approve Special Use Permit 2018-053, a request by the applicant to allow for construction of a single family residence and accessory structures on a 19.8 acre vacant property located in the Forestry zoning district along Six Mile Canyon Road. The subject property is a portion of the West ¼ of

the Northwest ¼ of Section 25, Township 17 North, Range 21 East, Six Mile Canyon, Storey County, Nevada and having Assessor's Parcel Number 004-321-40.

B. Alternative motion for denial

Against the recommendation by staff and the Planning commission, but in accordance with the Findings of Fact under Section 3.B of this report, and other findings deemed appropriate by the Board of County Commissioners, I (*county commissioner*), move to deny Special Use Permit 2018-053, a request by the applicant to allow for construction of a single family residence and accessory structures on a 19.8 acre vacant property located in the Forestry zoning district along Six Mile Canyon Road. The subject property is a portion of the West ¼ of the Northwest ¼ of Section 25, Township 17 North, Range 21 East, Six Mile Canyon, Storey County, Nevada and having Assessor's Parcel Number 004-321-40.



Estimate of time required: 15 min.

- Title: Discussion/Possible Action:** The applicant requests to abandon a portion of unimproved F Street right-of-way, located within Virginia City. The right-of-way abandonment would be approximately 50-feet by 65-feet, located between Lot 5, Block 227 and Lot 5, Block 228 of Virginia City. The project also includes the dedication of an existing travelled way identified as F Street (although not currently located in the F Street right-of-way). The right-of-way abandonment is located adjacent to vacant parcels owned by the applicant at 660 S. F Street, Virginia City, Storey County, Nevada and borders Assessor's Parcel Numbers (APNs) 001-121-02 and 001-124-08.

2. **Recommended motion:** In accordance with the recommendation by staff and the Planning Commission, the Findings under section 3.A of the Staff Report, and in compliance with all Conditions of Approval, I [*County Commissioner*], hereby move to approve an abandonment of a portion of unimproved F Street right-of-way, located within Virginia City. The right-of-way abandonment would be approximately 50-feet by 65-feet, located between Lot 5, Block 227 and Lot 5, Block 228 of Virginia City. The project also includes the dedication of an existing travel way identified as F Street (although not located in the F Street right-of-way). The right-of-way abandonment is located adjacent to a vacant parcel owned by the applicant at 660 S. F Street, Virginia City, Storey County, Nevada and borders Assessor's Parcel Numbers (APNs) 001-121-02 and 001-124-08.

3. Prepared by: Kathy Canfield

4. Department: Planning

Telephone: 775.847.1144

5. Staff summary: See enclosed Staff Report No. 2018-045

6. Supporting materials: Enclosed Staff Report No. 2018-45

7. Fiscal impact: None on local government.

Funds Available:**Fund:**

Comptroller

8. Legal review required:

District Attorney

9. Reviewed by:

Department Head

Department Name: Planning

County Manager

Other agency review: _____

10. Board action:

☐ Approved
☐ Denied

[] Approved with Modifications
[] Continued

Agenda Item No.

**STOREY COUNTY
PLANNING DEPARTMENT**

Storey County Courthouse
26 South B Street, PO Box 176, Virginia City, NV 89440 Phone (775)
847-1144 – Fax (775) 847-0949
planning@storeycounty.org



To: Storey County Board of County Commissioners

From: Storey County Planning Department

Meeting Date: December 4, 2018 at 10:00 a.m.

Meeting Location: Storey County Courthouse, District Courtroom, Virginia City, Nevada

Staff Contact: Kathy Canfield

File: 2018-045 Road Abandonment Request

Applicant: Mark R. Boast

Property Owner: Mark R. Boast

Property Location: 660 S. F Street, Virginia City, Storey County, Nevada

Request: The applicant requests to abandon a portion of unimproved F Street right-of-way, located within Virginia City. The right-of-way abandonment would be approximately 50-feet by 65-feet, located between Lot 5, Block 227 and Lot 5, Block 228 of Virginia City. The project also includes the dedication of an existing travelled way identified as F Street (although not currently located in the F Street right-of-way). The right-of-way abandonment is located adjacent to vacant parcels owned by the applicant at 660 S. F Street, Virginia City, Storey County, Nevada and borders Assessor's Parcel Numbers (APNs) 001-121-02 and 001-124-08.

Summary of Planning Commission Meeting:

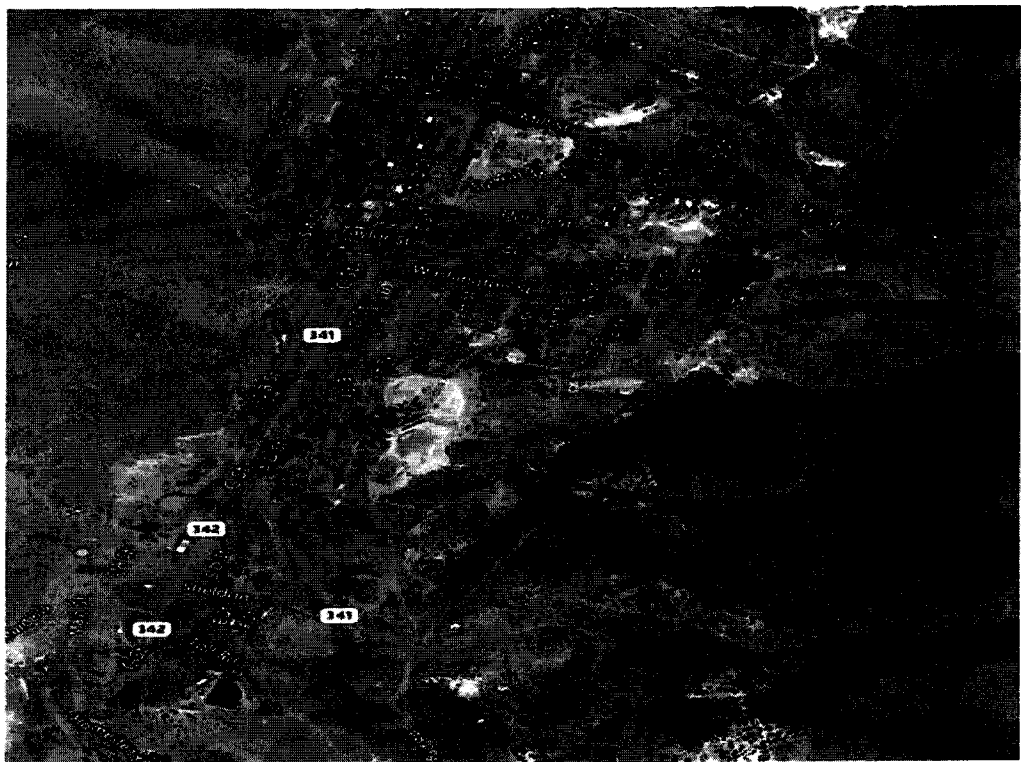
The Planning Commission heard this request at their November 15, 2018 meeting. The discussion at the meeting centered around the dedication of an easement for the existing F Street travel way. At the conclusion of the discussion, the motion was modified to include the identification that the easement dedication should be identified as a relocatable easement so that in the future if the property owner so desired to move the travel way further to the west, that it could be done subject to the new location being acceptable to both the applicant and Storey County, that the new travel way would be constructed to existing condition standards, that the new location would not be

located further east than currently exists, and that any relocation of the travel way would not be the responsibility of Storey County to either instigate, finance or construct such a relocation. As a result of the revised motion, Condition of Approval E has been modified to reflect the above information.

1. Background & Analysis

- A. Site Location.** The proposed abandonment is located approximately 215-feet north of the intersection of mapped F Street and Ridge Street, adjacent to the Highway 341. The area to be abandoned is for the next 50 linear feet, terminating at the corners of Lots 4 and 5 for both Blocks 227 and 228. Beyond the area of the proposed abandonment, the mapped F Street right-of-way has previously been abandoned and is now private property. The area within the mapped right-of-way is undeveloped.

There is an improved travel way identified as F Street that intersects with Highway 341. The travel way identified as F Street crosses the applicant's property and continues on through adjacent private property, following the topography of the area rather than the platted street right-of-way mapping.

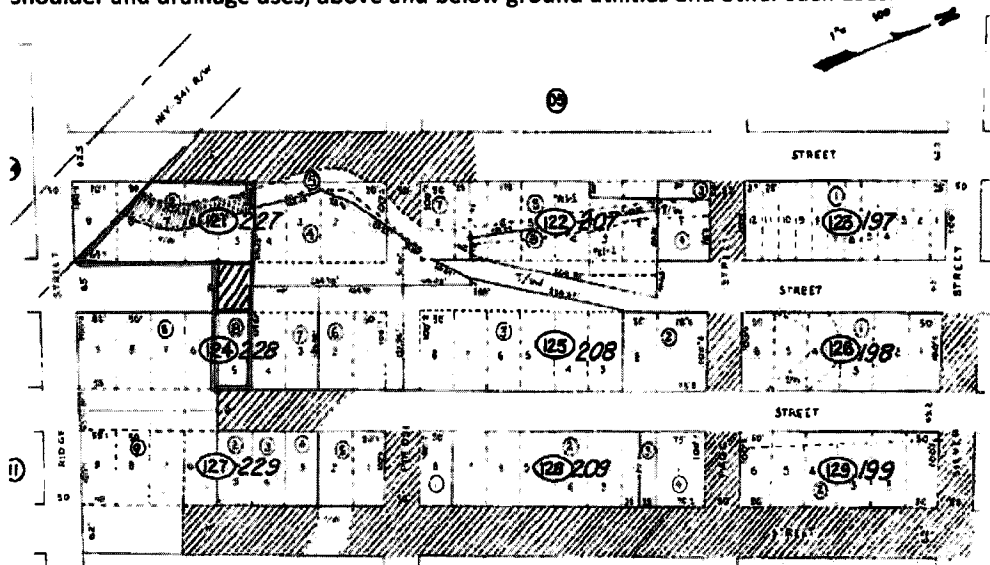


Vicinity map



Location map and surrounding properties

- B. **Proposed Project.** The applicant requests that a portion of the mapped undeveloped F Street be abandoned and a non-exclusive easement will be granted to the County for public access and public utilities across the existing travel way identified as F Street on the applicant's property. The easement will be for all uses including public access, road, shoulder and drainage uses, above and below ground utilities and other such uses.



- Area in blue is existing travel way to be a dedicated public access and utility easement.
- Area in purple is portion of mapped F Street to be abandoned.
- Area in pink to be consolidated into one parcel.



Aerial view of project location, parcel lines are approximate.

The applicant owns both APN 001-121-02 and 001-124-08. Both parcels are vacant, although APN 001-121-02 has some disturbed areas adjacent to the intersection of Highway 341, Ridge Road and the travel way identified as F Street.



View of area looking east, approximate location APN 001-121-02 is outlined in blue



View of area looking east, approximate location of APN 001-124-08 is outlined in blue



View looking north



View looking northeast from travel way.



View looking southeast from travel way

The area proposed for abandonment would be the mapped portion of F Street located between APN 001-121-02 and 001-124-08, a 50-foot by 65-foot rectangle of land. As a condition of project approval, the area of abandonment, and the two parcels owned by the applicant would be consolidated into one legal lot of record.

There is an existing AT&T telephone pole located within the area of the mapped F Street right-of-way. AT&T has surveyed the site and has agreed to relocate the line to allow for the abandonment. As a part of the relocation of the pole, AT&T has requested a five-foot easement along what would be the northern most property line of the proposed consolidated parcel and another easement along the Highway 341 frontage, the width of which is under negotiation with AT&T, but is expected to be either 5 or 10-feet. No other utilities are located within the area to be abandoned.

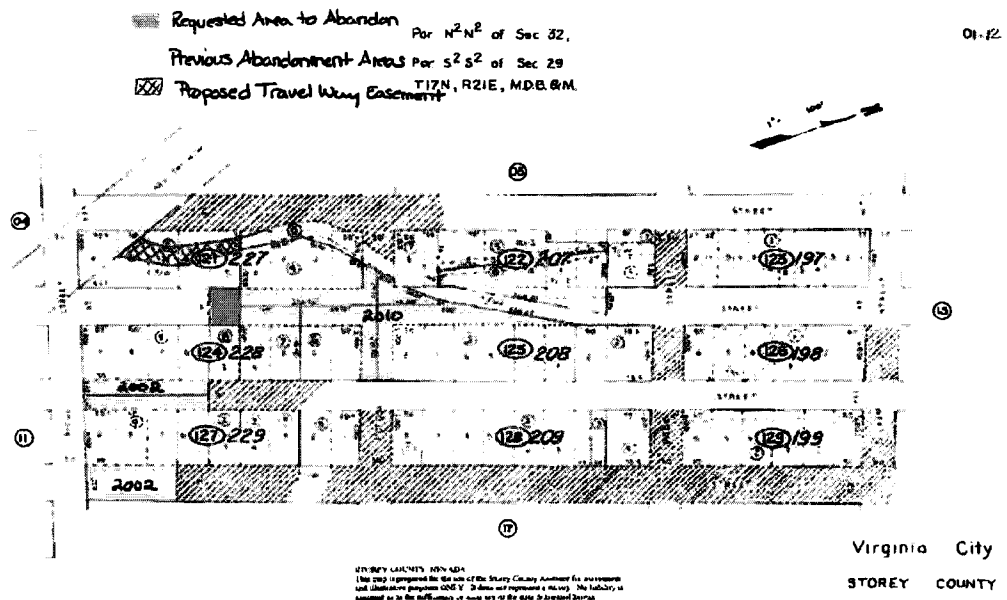
If approved, the applicant will be required to record a Parcel Map documenting the abandoned portion of land which has been consolidated into the adjacent parcel and that

easements have been dedicated for the travel way and for the AT&T phone lines. Reservation of a public utility easement would not be necessary for the abandoned portion of land.

- C. **Abandonments.** Nevada Revised Statutes (NRS) 278.480 defines requirements for abandonment of a street or easement. Storey County has not adopted its own process and therefore follows the NRS process.

Storey County has followed a recent policy to not encourage any further abandonment of roadways within the Virginia City area. In the past, some roadways were abandoned and impacts to circulation for the town have been identified as the town has grown. Staff acknowledges the importance of keeping right-of-way for the public and public circulation patterns. In this specific case, it does not appear that the overall circulation patterns or public needs will be negatively impacted by the proposed abandonment of a portion of mapped F Street. The mapped F Street has been previously abandoned north of this location and the actual travel way has been located outside of the mapped right-of-way. The travel way which the public utilizes as F Street will be dedicated for public access and public utility easements as part of this project approval.

Other areas adjacent to the property have had abandonments of right-of-way occur. The areas identified below have been abandonment and are now in private ownership. The reasons for the previous abandonments have to do with the scheme of use of the land and the topography of the area.



- D. **Noticing.** NRS 278.480 requires additional noticing of the public beyond the typical noticing procedures of Storey County per NRS 278. In addition to noticing a minimum of properties within 300-feet of the project, and a minimum of 30 unique property owners, NRS required the project to be advertised in the newspaper (Comstock Chronicle, November 2, 2018) and to notify each property owner abutting the proposed abandonment with a notice method that provides confirmation of delivery and does not require the signature of the recipient. In addition, each public utility and video service provider (NV Energy, AT&T, Storey County

Public Works, Comstock Cable) serving the affected area was notified with a written notice.

- E. **Adjacent Properties Existing Land Uses.** The property is located within Virginia City and is zoned CR Commercial Residential. The surrounding properties are also zoned CR. The portion to be abandoned is surrounded by vacant parcels.

2. Use Compatibility and Compliance

- A. **Compatibility with surrounding uses and zones.** The following table documents land uses, zoning classification and master plan designations for the land at and surrounding the proposed project. There are no evident conflicts between the proposed abandonment and Storey County Title 17 Zoning or the 2016 Master Plan.

	Land Use	Master Plan	Zoning
Applicant's Land	vacant	Mixed-use Commercial-Residential	CR Commercial Residential
Land to the North	Vacant, mining activity	Mixed-use Commercial-Residential	CR Commercial Residential
Land to the East	Vacant, residential	Mixed-use Commercial-Residential	CR Commercial Residential
Land to the South	Vacant, Highway 341, Residential	Mixed-use Commercial-Residential	CR Commercial Residential
Land to the West	Vacant, garage	Mixed-use Commercial-Residential	CR Commercial Residential

- B. **Compliance with the Storey County Code.** Section 17.12.090 discusses Access and Right-of-Ways. This chapter states that "No commercial, industrial, or dwelling construction may be permitted on any parcel or lot not served by a public right-of-way of at least 50 feet in width, with a minimum public traveled way of 24 feet in width. "

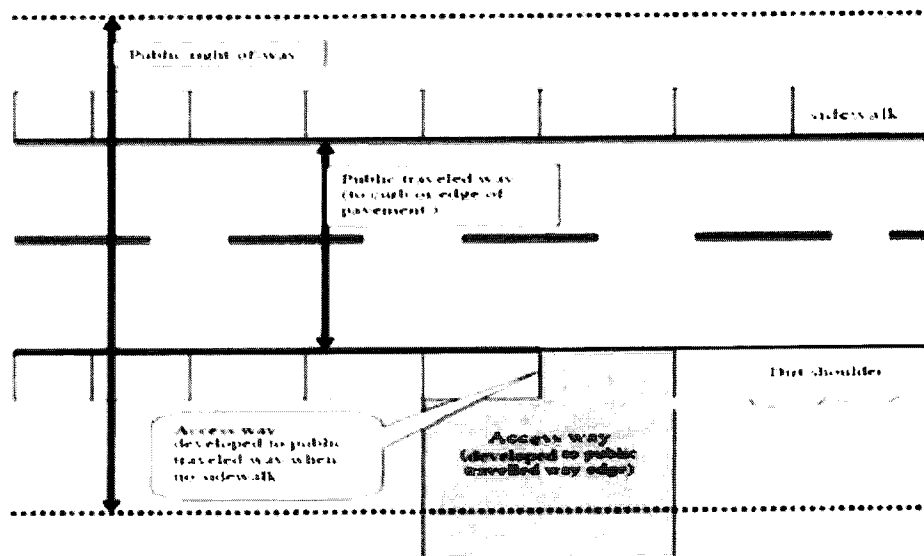


Figure 12.7: The public right-of-way encompasses much more land than the traveled way. While public utilities such as power, sanitary sewer, and water may be located above or below the traveled way, they are oftentimes located within the outer edges of the public right-of-way.

The abandonment of the proposed portion of F Street will not impact the proposed parcel or adjacent parcels. The abandoned portion will be consolidated with the adjacent parcels which will have legal access on Highway 341. The adjacent parcel to the north, APN 001-

124-07 has legal access on G Street. This portion of G Street is undeveloped. The owner of APN 001-124-07 has stated in writing he has no objection to the proposed abandonment of the mapped F Street right-of-way and is aware that G Street is the legal access his parcel of land.

C. Compliance with 2016 Storey County Master.

The proposed abandonment is consistent with the 2016 Storey County Master Plan. The Master Plan does not specifically mention abandonments of roadways. This proposed abandonment also includes the dedication of land currently utilized as F Street. Any proposed land use will conform to the overall CR zoning of the surrounding area. The abandonment will not change the circulation pattern of the town.

3. Findings of Fact

The Storey County Board of County Commissioners shall cite Findings in a recommended motion for approval, approval with conditions, or denial. The recommended approval, approval with conditions or denial of the requested Abandonment must be based on Findings. The Findings listed in the following subsections are the minimum to be cited. The Board of County Commissioners may include additional Findings in their decision.

A. Motion for Approval. The following Findings of Fact are the minimum to be cited for approval or approval with conditions. The following Findings are evident with regard to the requested Abandonment when the recommended conditions in Section 4 are applied. At a minimum, an approval or conditional approval must be based on the following Findings:

- (1) This approval is to abandon a portion of unimproved F Street right-of-way, located within Virginia City. The right-of-way abandonment would be approximately 50-feet by 65-feet, located between Lot 5, Block 227 and Lot 5, Block 228 of Virginia City. The project also includes the dedication of an existing travel way identified as F Street (although not located in the F Street right-of-way). The right-of-way abandonment is located adjacent to a vacant parcels owned by the applicant at 660 S. F Street, Virginia City, Storey County, Nevada and borders Assessor's Parcel Numbers (APNs) 001-121-02 and 001-124-08.
- (2) The Abandonment complies with NRS 278.480 relating to Abandonment of a street or easement.
- (3) The Abandonment complies with all Federal, State, and County regulations pertaining to vacation or abandonment of streets or easements, including NRS 278.240.
- (4) The Abandonment will not impose substantial adverse impacts or safety hazards on the abutting properties or the surrounding vicinity.
- (5) The Abandonment will not cause the public to be materially injured by the proposed abandonment.
- (6) The conditions of approval for the requested Abandonment do not conflict with the minimum requirements in Storey County Code Chapters 17.12.090, General

Provision – Access and Right-of-Ways, or any other Federal, State, or County regulations.

- B. **Motion for Denial.** Should a motion be made to deny the Abandonment request, the following Findings with explanation of why should be included in that motion.

- (1) Substantial evidence shows that the Abandonment with the purpose, intent, and other specific requirement of Storey County Code Chapter 17.12.090, General Provision, Access and Rights-of-Ways, or any other Federal, State, or County regulations, including NRS 278.480.
- (2) The Recommended Conditions of Approval for the Abandonment does not adequately mitigate potential adverse impacts on surrounding uses or protect against potential safety hazards for surrounding uses.

4. **Recommended Conditions of Approval**

All conditions must be met to the satisfaction of each applicable County Department, unless otherwise stated.

- A. **Approval.** This approval is to abandon a portion of unimproved F Street right-of-way, located within Virginia City. The right-of-way abandonment would be approximately 50-feet by 65-feet, located between Lot 5, Block 227 and Lot 5, Block 228 of Virginia City. The project also includes the dedication of an existing travel way identified as F Street (although not located in the F Street right-of-way). The right-of-way abandonment is located adjacent to a vacant parcels owned by the applicant at 660 S. F Street, Virginia City, Storey County, Nevada and borders Assessor's Parcel Numbers (APNs) 001-121-02 and 001-124-08.
- B. **Abandonment Area.** The required Parcel Map shall be in substantial conformance to the proposed request of abandonment of right-of-way described in the staff report.
- C. **Parcel Map.** The Permit Holder shall submit to the Storey County Planning Department a Parcel Map for review and approval prior to the Parcel Map being recorded. The Parcel Map must comply with Nevada Revised Statutes (NRS) and must comply with Federal, State, and County regulations. The Parcel Map must show all parcel boundaries, consolidated parcel boundaries, easements and areas to be dedicated at easements, and right-of-ways. Upon acceptance of the Parcel Map format, and completion of all other conditions of approval, the Parcel Map may be recorded.
- D. **Consolidation.** The Parcel Map shall demonstrate that APNs 001-121-02, 001-124-08, along with the area of abandonment, have been consolidated into one legal lot of record.
- E. **Access and Easements.** A non-exclusive, relocatable public access and public utility easement shall be dedicated along the existing pavement width of the travel way, with an additional two-feet of shoulder on each side of the pavement which is existing on APN 001-121-02. In addition, a five-foot easement for public utilities shall be provided along the north property line of the proposed consolidated parcel along with a public utility easement along the Highway 341 frontage with a width acceptable to AT&T. The dedication of these easements shall be shown on the Parcel Map. If in the future the property owner desires to move the travel way further to the west, the new location must be acceptable to both the

property owner and Storey County, the new travel way must be constructed to existing or better condition standards, that the new location would not be located further east than currently exists, and any relocation of the travel way must not be the responsibility of Storey County to instigate, finance, pay for, or construct. Storey County, however, will maintain the improved travel way.

- F. **Taxes Paid.** Prior to the recording of the proposed Parcel Map, the Applicant shall submit to the Planning Department evidence that property taxes on APN 001-121-02 and 001-124-08 have been paid in full for the fiscal year.
- G. **Duties of the Parcel Map Preparer.** The preparer of the proposed Map shall meet all requirements pursuant to Nevada Revised Statutes.
- H. **Null and Void.** The Parcel Map must be recorded with the Storey County Recorder within 12 months of the Board's approval. If the Parcel Map is not recorded by that time, this approval will become null and void.
- I. **Indemnification.** The Property Owner warrants that the future use of land will conform to requirements of Storey County, State of Nevada, and applicable federal regulatory and legal requirements; further, the Property Owners warrant that continued and future use of the land shall so conform. The Property Owners agree to hold Storey County, its officers, and representatives harmless from the costs and responsibilities associated with any damage or liability, and any/all other claims now existing or which may occur as a result of this Approval.
- J. **Utility Notification.** The Permit Holder shall submit evidence from NV Energy and Comstock Cable that they have no objections to the proposed abandonment.

5. Public Comment

As of November 6, 2018, Staff has received no comments from the public.

6. Power of the Board

At the conclusion of the hearing, the Board of County Commissioners must take such action thereon as it deems warranted under the circumstances and announce and record its action by formal resolution, and such resolution must recite the findings of the Board of County Commissioners upon which it bases its decision.

7. Proposed Motions

This Section contains two motions from which to choose. The motion for approval is recommended by Staff and the Planning Commission in accordance with the findings under Section 3.A of this report. Those findings should be made part of that motion. A motion for denial may be made and that motion should cite one or more of the findings shown in Section 3.B. Other findings of fact determined appropriate by the Planning Commission should be made part of either motion.

A. Recommended Motion (motion for approval)

In accordance with the recommendation by staff and the Planning Commission, the Findings

under section 3.A of the Staff Report, and in compliance with all Conditions of Approval, I [County Commissioner], hereby move to approve an abandonment of a portion of unimproved F Street right-of-way, located within Virginia City. The right-of-way abandonment would be approximately 50-feet by 65-feet, located between Lot 5, Block 227 and Lot 5, Block 228 of Virginia City. The project also includes the dedication of an existing travel way identified as F Street (although not located in the F Street right-of-way). The right-of-way abandonment is located adjacent to a vacant parcel owned by the applicant at 660 S. F Street, Virginia City, Storey County, Nevada and borders Assessor's Parcel Numbers (APNs) 001-121-02 and 001-124-08.

B. Alternative Motion (motion for denial)

In accordance with the Findings under section 3.B of this report and other Findings against the recommendation for approval with conditions by Staff and the Planning Commission, I [County Commissioner], hereby move to deny an abandonment of a portion of unimproved F Street right-of-way, located within Virginia City. The right-of-way abandonment would be approximately 50-feet by 65-feet, located between Lot 5, Block 227 and Lot 5, Block 228 of Virginia City. The project also includes the dedication of an existing travel way identified as F Street (although not located in the F Street right-of-way). The right-of-way abandonment is located adjacent to a vacant parcel owned by the applicant at 660 S. F Street, Virginia City, Storey County, Nevada and borders Assessor's Parcel Numbers (APNs) 001-121-02 and 001-124-08.

APPENDIX 1
NRS 278.480

NRS 278.480 Vacation or abandonment of street or easement: Procedures, prerequisites and effect; appeal; reservation of certain easements; sale of vacated portion.

1. Except as otherwise provided in subsections 11 and 12, any abutting owner or local government desiring the vacation or abandonment of any street or easement owned by a city or a county, or any portion thereof, shall file a petition in writing with the planning commission or the governing body having jurisdiction.

2. The governing body may establish by ordinance a procedure by which, after compliance with the requirements for notification of public hearing set forth in this section, a vacation or abandonment of a street or an easement may be approved in conjunction with the approval of a tentative map pursuant to NRS 278.349.

3. A government patent easement which is no longer required for a public purpose may be vacated by:

(a) The governing body; or

(b) The planning commission, hearing examiner or other designee, if authorized to take final action by the governing body,

without conducting a hearing on the vacation if the applicant for the vacation obtains the written consent of each owner of property abutting the proposed vacation and any utility that is affected by the proposed vacation.

4. Except as otherwise provided in subsection 3, if any right-of-way or easement required for a public purpose that is owned by a city or a county is proposed to be vacated, the governing body, or the planning commission, hearing examiner or other designee, if authorized to take final action by the governing body, shall, not less than 10 business days before the public hearing described in subsection 5:

(a) Notify each owner of property abutting the proposed abandonment. Such notice must be provided by mail pursuant to a method that provides confirmation of delivery and does not require the signature of the recipient.

(b) Cause a notice to be published at least once in a newspaper of general circulation in the city or county, setting forth the extent of the proposed abandonment and setting a date for public hearing.

5. Except as otherwise provided in subsection 6, if, upon public hearing, the governing body, or the planning commission, hearing examiner or other designee, if authorized to take final action by the governing body, is satisfied that the public will not be materially injured by the proposed vacation, it shall order the street or easement vacated. The governing body, or the planning commission, hearing examiner or other designee, if authorized to take final action by the governing body, may make the order conditional, and the order becomes effective only upon the fulfillment of the conditions prescribed. An applicant or other person aggrieved by the decision of the planning commission, hearing examiner or other designee may appeal the decision in accordance with the ordinance adopted pursuant to NRS 278.3195.

6. In addition to any other applicable requirements set forth in this section, before vacating or abandoning a street, the governing body of the local government having jurisdiction over the street, or the planning commission, hearing examiner or other designee, if authorized to take final action by the governing body, shall provide each public utility and video service provider serving the affected area with written notice that a petition has been filed requesting the vacation or abandonment of the street. After receiving the written notice, the public utility or video service provider, as applicable, shall respond in writing, indicating either that the public utility or video service provider, as applicable, does not require an easement or that the public utility or video service provider, as applicable, wishes to request the reservation of an easement. If a public utility or video service provider indicates in writing that it wishes to request the reservation of an easement, the governing body of the local government having jurisdiction over the street that is proposed to be vacated or abandoned, or the planning commission, hearing examiner or other designee, if authorized to take final action by the governing body, shall reserve and convey an easement in favor of the public utility or video service provider, as applicable, and shall ensure that such easement is recorded in the office of the county recorder.

7. The order must be recorded in the office of the county recorder, if all the conditions of the order have been fulfilled, and upon the recordation, title to the street or easement reverts to the abutting property owners in the approximate proportion that the property was dedicated by the abutting property owners or their predecessors in interest. In the event of a partial vacation of a street where the vacated portion is separated from the property from which it was acquired by the unvacated portion of it, the governing body may sell the vacated portion upon such terms and conditions as it deems desirable and in the best interests of the city or county. If the governing body sells the vacated portion, it shall afford the right of first refusal to each abutting property owner as to that part of the vacated portion which abuts his or her property, but no action may be taken by the governing body to force the owner to purchase that portion and that portion may not be sold to any person other than the owner if the sale would result in a complete loss of access to a street from the abutting property.

8. If the street was acquired by dedication from the abutting property owners or their predecessors in interest, no payment is required for title to the proportionate part of the street reverted to each abutting property owner. If the street was not acquired by dedication, the governing body may make its order conditional upon payment by the abutting property

owners for their proportionate part of the street of such consideration as the governing body determines to be reasonable. If the governing body determines that the vacation has a public benefit, it may apply the benefit as an offset against a determination of reasonable consideration which did not take into account the public benefit.

9. If an easement for light and air owned by a city or a county is adjacent to a street vacated pursuant to the provisions of this section, the easement is vacated upon the vacation of the street.

10. In any vacation or abandonment of any street owned by a city or a county, or any portion thereof, the governing body, or the planning commission, hearing examiner or other designee, if authorized to take final action by the governing body, may reserve and except therefrom all easements, rights or interests therein which the governing body, or the planning commission, hearing examiner or other designee, if authorized to take final action by the governing body, deems desirable for the use of the city or county.

11. The governing body may establish by local ordinance a simplified procedure for the vacation or abandonment of an easement for a public utility owned or controlled by the governing body.

12. The governing body may establish by local ordinance a simplified procedure for the vacation or abandonment of a street for the purpose of conforming the legal description of real property to a recorded map or survey of the area in which the real property is located. Any such simplified procedure must include, without limitation, the requirements set forth in subsection 6.

13. As used in this section:

(a) "Government patent easement" means an easement for a public purpose owned by the governing body over land which was conveyed by a patent.

(b) "Public utility" has the meaning ascribed to it in NRS 360.815.

(c) "Video service provider" has the meaning ascribed to it in NRS 711.151.

[30:110:1941; 1931 NCL § 5063.29]—(NRS A 1967, 268, 696; 1969, 588; 1973, 1830; 1975, 164; 1977, 1506; 1979, 600; 1981, 165, 580; 1987, 663; 1993, 2580; 1997, 2436; 2001, 1451, 2815, 2822; 2007, 992; 2013, 700)

APPENDIX 2

NRS 278.240

NRS 278.240 Approval required for certain dedications, closures, abandonments, construction or authorizations. Whenever the governing body of a city, county or region has adopted a master plan, or one or more elements thereof, for the city, county or region, or for a major section or district thereof, no street, square, park, or other public way, ground, or open space may be acquired by dedication or otherwise, except by bequest, and no street or public way may be closed or abandoned, and no public building or structure may be constructed or authorized in the area for which the master plan or one or more elements thereof has been adopted by the governing body unless the dedication, closure, abandonment, construction or authorization is approved in a manner consistent with the requirements of the governing body, board or commission having jurisdiction over such a matter.

[12:110:1941; 1931 NCL § 5063.11]—(NRS A 1997, 2419; 2013, 1508)

APPENDIX 3
SURVEY MAP PREPARED BY AT&T





Storey County Board of County Commissioners

Agenda Action Report

Meeting date: December 4, 2018

Estimate of time required: 10 min.

Agenda: Consent ☐ Regular agenda ☐ Public hearing required ☒

1. **Title:** Discussion and possible action on Bill No. 109, the second reading of Ordinance No. 18-298, an ordinance amending Storey County Code chapter 15.04 Buildings and Construction, to adopt the 2018 International Fire Code, the 2018 International Wildland-Urban Interface Code, and the 2018 Northern Nevada Amendments to the 2018 International Wildland Urban Interface Code, amending section 15.04.080 Fire District requirements, and providing for other properly related matters.

2. **Recommended motion:** I move to approve the second reading of Bill No. 109, Ordinance No. 18-298.

3. **Prepared by:** Robert Morris, outside counsel
Gary Hames, Community Development Director

Department: District Attorney's Office

Telephone: 847-0964

4. Staff summary:

The Board on October 16, 2018, approved an Ordinance no. 18-293 adopting most of the 2018 editions of the International Code and the amendments to the codes. The amendments to the 2018 International Wildland-Urban Interface Code were still being worked on by the participating jurisdictions and these amendments were not made available to be included in the recent ordinance. The date of 2018 was not included on two of the codes in that ordinance. This ordinance includes updating to the 2018 International Fire Code and the 2018 International Wildland-Urban Interface Code and includes adopting the recently completed 2018 Northern Nevada Amendments to the 2018 International Wildland-Urban Interface Code. Staff recommends approval of the attached ordinance.

5. Supporting materials: Ordinance 18-298 and 2018 Northern Nevada Amendments to the International Wildland-Urban Interface Code.

6. Fiscal impact: No change on the fiscal impact on local government.

7. Legal review required: Yes

27/4 District Attorney

8. Reviewed by:

X Department Head
____ County Manager

Department Name: Community Development GDH
Other agency review: _____

9. Board action:

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

Bill No. 109

Ordinance No. 18- 298

Summary

An ordinance amending chapter 15.04 Buildings and Construction to adopt the 2018 International Fire Code, the 2018 Wildland-Urban Interface Code, and the 2018 Northern Nevada Amendments to the 2018 International Wildland-Urban Interface Code and amending section 15.04.080 Fire District requirements.

Title

An ordinance amending Storey County Code chapter 15.04 Buildings and Construction, to adopt the 2018 International Fire Code, the 2018 Wildland-Urban Interface Code, and the 2018 Northern Nevada Amendments to the 2018 International Wildland Urban Interface Code, amending section 15.04.080 Fire district requirements, and providing for other properly related matters.

The Board of County Commissioners of the County of Storey, State of Nevada, does ordain:

Section I: Chapter 15.04 is amended as follows:

15.04.010 Adoption of International and Uniform codes.

In order to regulate all matters relating to the construction, maintenance and safety of buildings structures and property within the county, the board, pursuant to NRS 244.3675 and NRS 278.580, adopts the following codes to be in force:

- A. The 2018 International Building Code (IBC)
- B. The 2018 International Residential Code (IRC)
- C. The 2018 International Existing Building Code (IEBC)
- D. The 2018 International Energy Conservation Code (IECC)
- E. The 2018 International Fuel Gas Code (IFGC)
- F. The 2018 International Mechanical Code (IMC)
- G. The 2017 National Electric Code (NEC)
- H. The 2018 Uniform Mechanical Code (UMC)
- I. The 2018 Uniform Plumbing Code (UPC)
- J. The 2018 International Swimming Pool and Spa Code (ISPSC)
- K. The 2018 Northern Nevada Amendments published by Northern Nevada Chapter of the International Code Council
- L. The 2018 International Fire Code (IFC)

M. The 2012 ~~8~~ International Wildland Urban Interface Code (IWUI), with the exception of Section 602 Residential Fire Sprinkler requirements.

N. The 2017 National Fire Protection Association Standards (NFPA)

O. The 2018 Northern Nevada Fire Code Amendments

P. The 2018 Northern Nevada Amendments to the 2018 International Wildland Fire-Urban Interface Code.

Where conflicts occur between the codes and amendments referenced above and this chapter if this chapter is more restrictive, this chapter will apply. (Ord. No. 14-255, § II, 5-19-2014; Ord. 172 § 1(part), 2000)

15.04.080 Fire district requirements.

A. The following amendments in addition to the 2018 Northern Nevada Amendments to the 2018 International Fire Code and the 2018 Northern Nevada Amendments to the 2018 International Wildland-Urban Interface Code **apply to the 2018 International Fire Code and the 2018 International Wildland-Urban Interface Code:**

B. All sections of the 2018 International Fire Code and the 2018 International Wildland Urban Interface Code adopted in section 15.04.010 that refer to a board of appeals, including IFC109, are amended and all appeals of orders, decisions, or determinations made by the fire marshal must follow the process in SCC 15.04.090.

C. Section 603.2.1.1 Adjacent land and Section 604.5 Non-combustible area of the 2018 Northern Nevada Amendments to the 2018 International Wildland-Urban Interface Code are deleted:

~~Section 603.2.1.1 Adjacent land. Property owners of land that is directly adjacent to property containing buildings or structures requiring defensible space are responsible for modifying or removing non-fire resistive vegetation on said property.~~

~~Section 604.5 Non-combustible area. The area extending from the base of any structure to 5 feet beyond the base of such structure shall be composed entirely of non-combustible material or fire resistive vegetation.~~

(Ord. No. 14-255, § II, 5-19-2014; Ord. 172 § 1(part), 2000)

Proposed on _____, 2018.

by Commissioner _____

Passed on _____, 2018.

Vote: Ayes: Commissioners _____

Nays: Commissioners

Absent: Commissioners

Marshall McBride, Chair
Storey County Board of County Commissioners

Attest:

Vanessa Stephens
Clerk & Treasurer, Storey County

This ordinance will become effective on _____, 2018

**2018 NORTHERN NEVADA AMENDMENTS TO THE 2018 INTERNATIONAL INTERNTIONAL WILDLAND-
URBAN INTERFACE CODE**

July 18, 2018

Published by the Authorities Having Jurisdiction listed below

Participating Agencies

Carson City Fire Department

777 South Stewart Street

Carson City, NV 89701

East Fork Fire Protection District

1694 County Road

Minden, NV 89423

North Lake Tahoe Fire Protection District

866 Oriole Way

Incline Village, NV 89451

Smith Valley Fire Protection District

1 Hardie Lane

Smith, NV 89430

Sparks Fire Department

1605 Victorian Avenue

Sparks, NV 89431

Storey County Community Development

P.O. Box 526

Virginia City, NV 89440

Tahoe Douglas Fire Protection District

193 Elks Point Road

Zephyr Cove, NV 89448

Truckee Meadows Fire Protection District

1001 East Ninth Street, Building D, Second Floor

Reno, NV 89520

Preface

This document comprises proposed amendments to the 2018 Edition of the International Wildland-Urban Interface Code as published by the International Code Council, Inc, amended by the Participating Agencies listed above, with the support of the Northern Nevada Chapter of the International Code Council. This document is hereafter referenced as the 2018 Northern Nevada Wildland-Urban Interface Code Amendment and is prepared to be adopted by reference by the local authority having jurisdiction. *These provisions are not considered to be or enacted as the code unless the provisions are adopted and codified by the local Authority Having Jurisdiction.*

The purpose of the document is to provide a consist area-wide application to the enforcement of the fire and life safety code sections noted in the International Wildland-Urban Interface Code, while still acknowledging necessary modifications to the nationally recognized fire and life safety document based upon the local needs of the community.

Notes:

- Deleted language in the base code has bee ~~stricken through~~.
- Added language to the code section has been underlined.
- The entire section amended has been shown for context.

The following participating agencies have reviewed the attached document referenced as the 2018 Northern Nevada Fire Code Amendments and agree with the amendments to the 2018 International Fire Code as stated therein. It is noted that the code amendments must be approved and adopted and codified by the local Authority Having Jurisdiction to become code.

Dave Ruben

Carson City Fire Department

Steve Eisele

East Fork Fire Protection District

Mark Regan

North Lake Tahoe Fire Protection District

Robert Loveberg

Smith Valley Fire Protection District

Robert King

Sparks Fire Department

Martin Azevedo

Storey County Community Development

Eric Guevin

Tahoe Douglas Fire Protection District

Lisa Beaver

Truckee Meadows Fire Protection District

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2018 Northern Nevada Wildland-Urban Interface Code Amendments

Section 101.2 Scope

Section 101.2 is amended to read:

101.2 Scope. The provisions of this code the Wildland Urban Interface Code shall apply to the construction, alteration, movement, repair, maintenance and use of any building, structure or premises and to the management of fuels on undeveloped lots and on unmodified portions of large lots within the wildland-urban interface areas in this jurisdiction.

Buildings or conditions in existence at the time of the adoption of this code are allowed to have their use or occupancy continued, if such condition, use or occupancy was legal at the time of the adoption of this code, provided such continued use does not constitute a distinct danger to life or property.

Buildings or structures moved into or within the jurisdiction shall comply with the provisions of this code for new buildings or structures.

Section 105.3 Alternative materials, design, and methods

Section 105.3 is amended to read:

105.3 Alternative materials, design, and methods. The provisions of this code are not intended to prevent the installation of any material or to prohibit any design or method not specifically prescribed by this code, provided that any such alternative has been approved. An alternative material, design or method shall be approved where ~~the building official in concurrence with~~ the fire chief finds that the proposed design is satisfactory and complies with the intent of the provisions of this code, and that the material, method or work offered is, for the purpose intended, not less than the equivalent of that prescribed in this code in quality, strength, effectiveness, fire resistance, durability and safety.

Section 106.1 General

Section 106.1 is amended to read:

106.1 General. To determine the suitability of alternative materials and methods and to provide for reasonable interpretations of the provisions of this code see *International Fire Code* section 108 as adopted by the Authority Having Jurisdiction, ~~there shall be and hereby is created a board of appeals consisting of five members who are qualified by experience and training to pass judgment on pertinent matters. The code official, building official and fire chief shall be ex officio members, and the code official shall act as secretary of the board. The board of appeals shall be appointed by the legislative body and shall hold office at their discretion. The board shall adopt reasonable rules and regulations for conducting its investigations and shall render decisions and findings in writing to the code official, with a duplicate copy to the applicant.~~

Section 106.2 Limitations of Authority

Section 106.2 is deleted:

~~**106.2 Limitations of authority.** The board of appeals shall not have authority relative to interpretation of the administrative provisions of this code and shall not have authority to waive requirements of this code.~~

Section 302.3 Review of wildland-urban interface areas.

Section 302.3 is amended to read:

302.3 Review of wildland-urban interface areas. The code official shall reevaluate and recommend modification to the *wildland-urban interface areas* in accordance with Section 302.1 ~~on a 3-year basis or more frequently as deemed necessary by the legislative body.~~ as deemed necessary by the code official.

Section 402.2.2 Water supply

Section 402.2.2 is amended to read:

Section 402.2.2 Water Supply. Individual structures hereinafter constructed or relocated into or within wildland-urban interface areas shall be provided with a conforming water supply in accordance with Section 404.

Exceptions:

1. Structures constructed to meet the requirements for the class of Ignition-resistant construction specified in Table 503.1 for a nonconforming water supply.
2. Buildings containing only private garages, carports, sheds and agricultural buildings with a floor area of not more than 600 square feet (56 m²).
3. Agricultural buildings constructed for the storage limited to harvested commodities, without electrical or fuel gas services.

Section 404.1 General

Section 404.1 is amended to read:

404.1 General. Where provided in order to qualify as a conforming water supply for the purpose of Table 503.1 or as required for new subdivisions in accordance with Section 402.1.2, an *approved* water source shall have an adequate water supply for the use of the fire protection service to protect buildings

and structures from exterior fire sources or to suppress structure fires within the *wildland-urban interface area* of the jurisdiction in accordance with this section.

Exception: Buildings containing only private garages, carports, sheds and agricultural buildings with a floor area of not more than 600 square feet (56 m²), and agricultural buildings constructed for the storage of harvested crops or agricultural commodities without electrical or fuel gas services.

Section 404.5 Adequate water supply

Section 404.5 is amended to read:

404.5 Adequate water supply. Adequate water supply shall be determined for purposes of initial attack and flame front control as follows:

1. One- and two-family dwellings. The required water supply for one- and two-family dwellings having a fire flow calculation area that does not exceed 3,600 square feet (334 m²) shall be 1,000 gallons per minute (63.1 L/s) for a minimum duration of 30 minutes. The required fire flow supply for one- and two-family dwellings having a flow calculation area in excess of 3,600 square feet (334 m²) shall be 1,500 gallons per minute (95 L/s) for a minimum duration of 30 minutes.

Exception: A reduction in required flow rate of 50 percent, as approved by the code official, is allowed where the building is provided with an approved automatic sprinkler system.

2. Buildings other than one- and two-family dwellings. The water supply required for buildings other than one- and two-family dwellings shall be as approved by the code official but shall not be less than 1,500 gallons per minute (95 L/s) for a duration of 2 hours.

Exception: A reduction in required flow rate of up to ~~75~~ 50 percent, as approved by the code official, is allowed where the building is provided with an approved automatic sprinkler system. The resulting water supply shall not be less than 1,500 gallons per minute (94.6 L/s).

Section 501.2 Objective

Section 501.2 is amended to read:

501.2 Objective. The objective of this chapter is to establish minimum standards to locate, design and construct buildings and structures or portions thereof for the protection of life and property, to resist damage from wildfires, and to mitigate building and structure fires from spreading to wildland fuels.

The minimum standards set forth in this chapter vary with the critical *fire weather*, slope and fuel type to provide increased protection, above the requirements set forth in the *International Building Code* and the *International Residential Code*, from the various levels of hazards.

Section 502.1 General

Section 502.1 is amended to read:

502.1 General. The fire hazard severity of building sites for all buildings hereafter constructed, modified or relocated into *wildland-urban interface areas* shall be established in accordance with Table 502.1 or Appendix C or the map developed by the Authority Having Jurisdiction as determined by the code official. ~~See also Appendix C.~~

Table 503.1 Ignition-Resistant Construction

Table 503.1 is amended to read as follows:

Table 503.1

IGNITION-RESISTANT CONSTRUCTION ^a

DEFENSIBLE SPACE ^c	FIRE HAZARD SEVERITY					
	Moderate Hazard		High Hazard		Extreme Hazard	
	Water supply ^d		Water supply ^b		Water supply ^b	
	Conforming ^d	Nonconforming ^e	Conforming ^d	Nonconforming ^a	Conforming ^d	Nonconforming ^e
Nonconforming	IR 2	IR 1	IR 1	IR 1 N.C.	IR 1 N.C.	Not Permitted
Conforming	IR 3	IR 2	IR 2	IR 1	IR 1	IR 1 N.C.
1.5 x Conforming ^f	Not Required	IR 3	IR 3	IR 2	IR 2	IR 1

a. Access shall be in accordance with Section 403.

b. Subdivisions shall have a conforming water supply in accordance with Section 402.1.

IR 1= Ignition-resistant construction in accordance with Section 504.

IR 2= Ignition-resistant construction in accordance with Section 505.

IR 3= Ignition-resistant construction in accordance with Section 506.

N.C.= Exterior walls shall have a fire-resistance rating of not less than 1 hour and the exterior surfaces of such walls shall be noncombustible. Usage of log wall construction is allowed.

- c. Conformance based on Section 603.
- d. Conformance based on Section 404.
- e. A nonconforming water supply is any water system or source that does not comply with Section 404, including situations where there is not water supply for structure protection or fire suppression.
- f. Only with the approval of the fire code official

Section 504.2 Roof covering

Section 504.2 is amended to read:

504.2 Roof covering. Roofs shall have a Class A roof assembly. For roof coverings where the profile allows a space between the roof covering and roof decking, the space at the eave ends and ridge line shall be fire-stopped to preclude entry of flames or embers, or have one layer of 72-pound (32.4 kg) mineral-surfaced, nonperforated cap sheet complying with ASTM D 3909 installed over the combustible decking. Roof coverings consisting of shakes or shingles made of wood are not approved as part of any Class A roof assembly.

Exceptions:

- 1. Class A roof assemblies include those with coverings of brick, masonry or an exposed concrete roof deck.
- 2. Class A roof assemblies also include ferrous or copper shingles or sheets, metal sheets and shingles, clay or concrete roof tile or slate installed on noncombustible decks or ferrous, copper or metal sheets installed without a roof deck on noncombustible framing.

Class A roof assemblies include a minimum 16 oz/sq. ft. (0.0416 kg/m²) copper sheets installed over combustible decks.

Section 504.7.1 Underfloor areas

Section 504.7.1 is amended to read:

504.7.1 Underfloor areas. When the attached structure is located and constructed so that the structure or any portion thereof projects over a descending slope surface greater than 10 percent, the area below the structure shall have all underfloor areas enclosed to within 6 inches (152 mm) of the ground, with exterior wall construction in accordance with Section 504.5.

Exception: When approved by the code official, unenclosed underfloor areas are allowed and are to be kept free of all combustible materials.

Section 504.10.1 Vent locations

Section 504.10.1 is amended to read:

504.10.1 Vent locations. Attic ventilation openings shall not be located in soffits, in eave overhangs, between rafters at eaves, or in other overhang areas. Ember-resistant gable end and dormer vents shall be located at least 10 feet (3048 mm) from lot lines. Underfloor ventilation openings shall be located as close to grade as practical.

Exceptions:

1. Listed vents complying with ASTM E2886.
 - 1.1 The Ember Intrusion Test shall have no flaming ignition of the cotton material.
 - 1.2 These shall be no flaming ignition during the Integrity Test portion of the Flame Intrusion Test. The maximum temperature of the unexposed side of the vent shall not exceed 662 degrees Fahrenheit (350 degrees Celsius).

The fire code official may accept or approve special eave and cornice vents that resist the intrusion of flame and burning embers.

Section 505.2 Roof covering

Section 505.2 is amended to read:

505.2 Roof Covering. Roofs shall have a roof assembly that complies with not less than a Class A ~~B~~ rating when tested in accordance with ASTM E108 or UL 790, ~~or an approved noncombustible roof covering.~~ For roof coverings where the profile allows a space between the roof covering and roof decking, the space at the eave ends shall be fire stopped to preclude entry of flames or embers, or have one layer of 72-pound mineral-surfaced, nonperforated cap sheet complying with ASTM D3909 installed over the combustible decking

Section 505.10.1 Vent locations

Section 505.10.1 is amended to read:

505.10.1 Vent locations. Attic ventilation openings shall not be located in soffits, in eave overhangs, between rafters at eaves, or in other overhang areas. Ember-resistant gable end and dormer vents shall be located at least 10 feet (3048 mm) from lot lines. Underfloor ventilation openings shall be located as close to grade as practical.

Exceptions:

1. Listed vents complying with ASTM E2886.
 - 1.1 The Ember Intrusion Test shall have no flaming ignition of the cotton material.
 - 1.2 These shall be no flaming ignition during the Integrity Test portion of the Flame Intrusion Test. The maximum temperature of the unexposed side of the vent shall not exceed 662 degrees Fahrenheit (350 degrees Celsius).

The fire code official may accept or approve special eave and cornice vents that resist the intrusion of flame and burning embers.

Section 603.2.1.1 Adjacent land

Section 603.2.1.1 is added to Section 603.2.1 Responsible party to read:

603.2.1 Responsible party. Persons owning, leasing, controlling, operating or maintaining buildings or structures requiring defensible spaces are responsible for modifying or removing non-fire-resistive vegetation on the property owned, leased or controlled by said person.

603.2.1.1 Adjacent land. Property owners of land that is directly adjacent to property containing buildings or structures requiring defensible space are responsible for modifying or removing non-fire-resistive vegetation on said property.

603.2.2 Trees

Section 603.2.2 is amended to read:

603.2.2 Trees. Trees are allowed within the *defensible space*, provided the horizontal distance between crowns of adjacent trees and crowns of trees and structures, overhead electrical facilities or unmodified fuel is not less than 10 feet (3048 mm) or an acceptable distance as determined by the code official.

Section 604.4 Trees

Section 604.4 is amended to read:

604.4 Trees. Tree crowns extending to within 10 feet (3048 mm) of any structure shall be pruned to maintain a minimum ~~horizontal~~ clearance of 10 feet (3048 mm) or an acceptable distance as determined by the code official. Tree crowns within the *defensible space* shall be pruned to remove limbs located less than ~~6~~ 10 feet (~~1829~~ 3048 mm) above the ground surface adjacent to the trees; or an acceptable distance as determined by the code official.

Section 604.4.1 Chimney clearance

Section 604.4.1 is amended to read:

604.4.1 Chimney clearance. Portions of tree crowns that extend to within 10 feet (3048 mm) of the outlet of a chimney shall be pruned to maintain a minimum ~~horizontal~~ clearance of 10 feet (3048 mm).

604.5 Non-combustible area

Section 604.5 is added to Section 604 Maintenance of Defensible Space to read:

604.5 Non-combustible area. The area extending from the base of any structure to 5 feet beyond the base of such structure shall be composed entirely of non-combustible material or fire resistive vegetation.

Section 607.1 General

Section 607.1 is amended to read:

607.1 General. Firewood and combustible material shall not be stored in unenclosed spaces beneath buildings or structures, or on decks or under eaves, canopies or other projections or overhangs. When required by the code official, storage of firewood and combustible material stored in the *defensible space* shall be located a minimum of ~~20-30~~ feet (6096 mm) from structures and separated from the crown of trees by a minimum horizontal distance of 15 feet (4572 mm).

Exception. Approved fire-resistance-rated coverings used in accordance with their listing and as approved and allowed by the Fire Code Official.

Appendix Section B101.1 Scope

Section B101.1 is amended to read:

B101.1 Scope. Where required vegetation management plans shall be submitted to the code official and the State Forester Fire Warden for review and approval as part of the plans required for a permit.

Appendix Section B101.2 Plan content

Section B101.2 is amended to read:

B101.2 Plan content. Vegetation management plans shall describe all actions that will be taken to prevent a fire from being carried toward or away from the building. A vegetation management plan shall include at least the following information:

1. A copy of the ~~site~~ *defensible space* plan.
2. Methods and timetables for controlling, changing or modifying areas on the property. Elements of the plan shall include removal of slash, snags, vegetation that may grow into overhead electrical lines, other ground fuels, ladder fuels and dead trees, and the thinning of live trees.
3. A plan for maintaining the proposed fuel-reduction measures.

Appendix Section B102 Defensible Space Plans

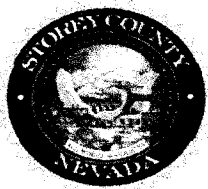
Sections B102, B102.1, and B102.2 are added to Appendix B Vegetation Management Plan is read:

B102 Defensible Space Plans.

B102.1 General. Where required, defensible space plans must be submitted to the code official for review and approval as part of the plans required for a permit.

B102.2 Plan content. A defensible space plan shall include at least the following information:

1. Property boundaries.
2. Current and proposed structures on the property.
3. Trees and vegetation taller than 3 feet in height.
4. Individual plant or brush fields 20 square feet or larger in area.
5. Tree drip lines.
6. Roads and driveways in abutting the property.



Storey County Board of Fire Commissioners

Agenda Action Report

Meeting date: December 4, 2018

Estimate of time required: 10 min.

Agenda: Consent ☐ Regular agenda ☒ Public hearing required ☐

1. **Title:** Discussion and possible action on a Resolution No. 18-518 adopting regulations consistent with Ordinance 18-298 amending Story County Code chapter 15.04 Buildings and Construction, to adopt the 2018 International Fire Code, the 2018 International Wildland Urban Interface Code and the 2018 Northern Nevada Amendments to the 2018 International Wildland-Urban Interface Code.

2. **Recommended motion:** I move to approve Resolution No. 18-518

3. **Prepared by:** Robert Morris, outside counsel, Jeff Nevin, Fire Chief

Department: District Attorney's Office

Telephone: 847-0964


4. Staff summary:

The Fire Board on October 16, 2018, approved a Resolution containing Ordinance no. 18-293 that contained most of the 2018 editions of the International Code and the amendments to the codes. The 2018 Northern Nevada Amendments to the 2018 International Wildland-Urban Interface Code were not included in that ordinance and the date of 2018 was not included on two of the codes in that ordinance. Adoption of the ordinance and this Resolution will correct these shortcomings. The ordinance sections adopted here by the Board of Fire Commissioners as regulations are identical to the corresponding sections of the ordinance adopted by the Board of County Commissioners.

5. **Supporting materials:** Resolution 18-518 and the 2018 Northern Nevada Amendments to the International Fire Code. (Attached to previous item.)

6. **Fiscal impact:** No change on the fiscal impact on local government.

7. **Legal review required:** Yes

 District Attorney

8. Reviewed by:

____ Department Head

Department Name:

____ County Manager

Other agency review: Fire Protection District



9. Board action:

☐ Approved

☐ Approved with Modifications

☐ Denied

☐ Continued

Agenda Item No.

Storey County Board of Fire Commissioners

Resolution Number 18-518

A Resolution adopting the 2018 Northern Nevada Amendments to the 2018 International Wildland-Urban Interface Code.

Whereas, Nevada Revised Statutes (NRS) section 474.470 directs the Board of Fire Commissioners to adopt and enforce all rules and regulations necessary for the administration and government of the district and for the furnishing of fire protection, which may include provisions that are designed to protect life and property.

Whereas, the Board of Fire Commissioners has determined to adopt by resolution the attached regulations adopting the following sections of Ordinance 18-298 amending Storey County Code chapter 15.04 Buildings and Construction by adopting the 2018 International Fire Code, the 2018 International Wildland Urban Interface Code (IWUI), with the exception of Section 602 Residential Fire Sprinkler requirements and the 2018 Northern Nevada Amendments to the 2018 International Wildland-Urban Code and amending section 15.04.080 Fire District requirements.

Now therefore, the Storey County Board of Fire Commissioners resolves to approve the following sections of Ordinance 18-298 amending chapter 15.04 attached to this resolution as Exhibit A.

Adopted this ____ day of _____, 2018, by the following vote:

Vote: Ayes: Commissioners:

Nays: Commissioners:

Absent: Commissioners:

Marshall McBride, Chairman
Storey County Board of Fire Commissioner

Attest:

Vanessa Stephens
Storey County Clerk

Exhibit A

Board of Fire Commissioners Resolution adopting the 2018 Fire Regulations.

A regulation adopting the following sections of Ordinance 18-298 amending Storey County Code chapter 15.04 Buildings and Construction and adopting the 2018 Northern Nevada International Wildland-Urban Interface Code, the 2018 International Wildland Urban Interface Code, the 2017 National Fire Protection Association Standards (NFPA) and the 2018 Northern Nevada Amendments

Section I: Ordinance No. 18-298 Chapter 15.04 and 15.08 amendments are adopted as regulations as follows:

15.04.010 Adoption of International and Uniform codes.

In order to regulate all matters relating to the construction, maintenance and safety of buildings structures and property within the county, the board, pursuant to NRS 244.3675 and NRS 278.580, adopts the following codes to be in force:

L. The 2012 ~~§~~ International Fire Code (IFC)

M. The 2012 ~~§~~ International Wildland Urban Interface Code (IWUI), with the exception of Section 602 Residential Fire Sprinkler requirements.

N. The 2017 National Fire Protection Association Standards (NFPA)

O. The 2018 Northern Nevada Fire Code Amendments

P. The 2018 Northern Nevada Amendments to the 2018 International Wildland Fire-Urban Interface Code.

Where conflicts occur between the codes and amendments referenced above and this chapter, or if this chapter is more restrictive, this chapter will apply. (Ord. No. 14-255, § II, 5-19-2014; Ord. 172 § 1(part), 2000)

15.04.080 Fire district requirements.

A. The following amendments in addition to the 2018 Northern Nevada Amendments to the 2018 International Fire Code *and the 2018 Northern Nevada Amendments to the 2018 International Wildland-Urban Interface Code* **apply to the 2018 International Fire Code and the 2018 International Wildland-Urban Interface Code:**

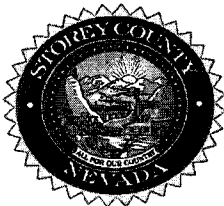
B. All sections of the *2018 International Fire Code* and the *2018 International Wildland Urban Interface Code* adopted in section 15.04.010 that refer to a board of appeals, including IFC109, are amended and all appeals of orders, decisions, or determinations made by the fire marshal must follow the process in SCC 15.04.090.

C. Section 603.2.1.1 Adjacent land, and section 604.5 Non-combustible area, of the 2018 Northern Nevada Amendments to the 2018 International Wildland-Urban Interface Code are deleted;

~~Section 603.2.1.1 Adjacent land. Property owners of land that is directly adjacent to property containing buildings or structures requiring defensible space are responsible for modifying or removing non-fire resistive vegetation on said property.~~

~~Section 604.5 Non-combustible area. The area extending from the base of any structure to 5 feet beyond the base of such structure shall be composed entirely of non-combustible material or fire resistive vegetation.~~

Section II: This regulation will become effective on the effective date of Ordinance No. 18-298



Storey County Board of County Commissioners Agenda Action Report

Meeting date: December 4, 2018

Estimate of time required: 10 minutes

Agenda: Consent [] Regular agenda [x] Public hearing required []

1. **Title:** Consideration and Possible action on amendment of Resolution 18-519 to provide a new date for a public hearing on objections to the proposed lease of a portion of the County Complex located at 1705 Peru Drive to the Nevada Highway Patrol for no rent and to allow the County Manager to license temporary use of the facility to the Nevada Highway Patrol pending a final determination on the approval/disapproval of the lease.

2. **Recommended motion** I Commissioner, _____ hereby move to amend Resolution 18-519 to provide for a hearing on objections to the proposed lease to the 6th day of January, 2019; to authorize the County Manager to license temporary use of the facility to the Nevada Highway Patrol until a final determination is made on the lease and authorize the Chairman to sign

3. **Prepared by:** Keith Loomis

Department: District Attorney's Office

Telephone: 847-0964

4. **Staff summary:** Resolution 18-519 constitutes notice that the County is proposing to lease a portion of its complex located at 1705 Peru Drive to the Nevada Highway Patrol for no rent. The Resolution requires publication of a Notice of approval of the Resolution in a newspaper and sets a date at which objection to the proposed lease may be heard. Adoption of the resolution, publication of the adoption and a hearing to consider objections is required by NRS 277.050. This Resolution was previously approved by the Board on November 9, 2018 for a public hearing on December 4, 2018. Publication of the date of the hearing has not yet occurred. Accordingly the hearing will have to be moved to another date to allow publication of the date and time for the hearing. The Highway Patrol initially wanted to begin utilization of the facility by December 1, 2018. The proposed amendment authorizes the County manager to license temporary authorize use of the facility by the Highway patrol pending a final decision on the lease.

5. **Supporting materials:** Resolution 18 – 519 Proposed Lease Agreement

6. **Fiscal impact:**

Funds Available:

Fund:

____ Comptroller

7. Legal review required:

 X District Attorney

8. Reviewed by:

 Department Head

Department Name: Commissioner's Office

 County Manager

Other agency review: _____

9. Board action:

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

AMENDED RESOLUTION NO. 18- 519

RESOLUTION Declaring Intention of Storey County to Lease Real Property and Improvements Located at 1705 Peru Avenue

WHEREAS, NRS 277.050 authorizes the Board of County Commissioners of Storey County to lease to a department or agency of the State of Nevada any real property belonging to the County.; and,

WHEREAS, The land and improvements located at 1705 Peru Avenue is real property owned by Storey County; and,

WHEREAS; The Nevada Highway Patrol is an agency of the State of Nevada which desires to lease a portion of that property for highway patrol purposes, and,

WHEREAS, The County is prepared to lease the property to the Nevada Highway Patrol.

NOW THEREFORE IS IT HEREBY RESOLVED AS FOLLOWS:

Storey County proposes to lease a portion of the land and improvements located at 1705 Peru Avenue located within the Tahoe-Reno Industrial Center to the Nevada Highway Patrol for no rent. The proposed terms of the lease are set out in the Lease Agreement attached as Exhibit A. A hearing to consider objections to the proposed lease will be held on the 6th day of January, 2019 at the hour of 10:30 a.m. Notice of the adoption of this Resolution and of the time and date for the public hearing must be published in a newspaper of general circulation published in Storey County at least twice with the second publication occurring no less than 7 days before the hearing.

IT IS FURTHER RESOLVED

That the County Manager is authorized to temporarily license a portion of the facility to the Nevada Highway Patrol pending a final decision on the approval of the lease

ADOPTED this ____ day of _____, 2018

BOARD OF COUNTY COMMISSIONERS OF STOREY COUNTY

By: _____
MARSHALL McBRIDE, Chairman

ATTEST:

VANESSA STEPHENS
Storey County Clerk/Treasurer

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Lease"), made and entered into this 15th day of October, 2018, by and between the STOREY COUNTY, hereinafter referred to as LESSOR, and the STATE OF NEVADA, DEPARTMENT OF ADMINISTRATION, PUBLIC WORKS DIVISION, hereinafter referred to as LESSEE, for and on behalf of the DEPARTMENT OF PUBLIC SAFETY, NEVADA HIGHWAY PATROL, hereinafter referred to as TENANT (hereinafter collectively known as "the Parties").

W I T N E S S E T H:

For and in consideration of the rents herein reserved and the covenants, terms and conditions herein contained, the LESSOR does by these presents lease unto LESSEE the following described property:

Approximately 393 usable square feet of office space, (the "Demised Premises" and "Shared Space") located at 1705 Peru Drive, Sparks, Nevada 89434. Refer to "**EXHIBIT A**", attached hereto and incorporated herein.

ONE. TERM OF LEASE.

1.1 Term of Lease. Subject to Section Twenty below, LESSOR hereby leases unto LESSEE and LESSEE agrees to lease from LESSOR approximately 393 usable square feet of office space, located at 1705 Peru Drive, Sparks, Nevada 89434, effective upon approval of the Nevada Board of Examiners, expected to be on December 11, 2018, retroactively commencing December 1, 2018 and terminating on November 30, 2022, with an early occupancy of November 1, 2018.



Exhibit A

1.2 Lack of Funding. Not Applicable, ZERO dollar lease. See Section Eleven below.

TWO. RENT. TENANT agrees to pay to the LESSOR as and for rental for said Demised Premises the sum of:

2.1 A monthly total of ZERO DOLLARS AND 00/100 (\$0.00).

THREE. UTILITIES AND SERVICES.

3.1 Utilities and Services Provided by LESSOR. LESSOR, at LESSOR'S sole cost and expense, shall provide the Demised Premises with utilities and services necessary to sustain a comfortable professional office environment.

3.2 Utilities and Services Provided and Paid by TENANT.

a) TELEPHONE/DATA. TENANT shall provide state-owned telephone and computer/data equipment and pay Industrial Standard user fees for telephone/data services.

b) JANITORIAL SERVICES. TENANT shall provide janitorial services for the Demised Premises.

3.3 Hours of Operation. TENANT shall have access to the Demised Premise and the Shared Space twenty-four hours a day 365 days a year as necessary to carry out its operations.

3.4 Building Access. LESSOR shall provide TENANT with access control cards, alarm codes, and building keys for TENANT employees' access to the Demised Premises and Shared Space. TENANT shall be responsible for safeguarding all LESSOR access control cards, alarm codes, and building keys and ensuring that only authorized employees have building access.



3.5 Co-location. TENANT and LESSOR shall ensure that their respective employees are sufficiently certified to view, modify, or otherwise use data which may be housed within the building. It is the responsibility of TENANT and LESSOR to safeguard the privacy of its own data.

Neither LESSOR'S nor TENANT'S personnel shall act in any manner that unreasonably causes disruption to the other party's right to quiet enjoyment of the Premises.

FOUR. REPAIR AND MAINTENANCE. LESSOR, at LESSOR'S sole cost and expense, agrees to provide maintenance and make any and all repairs necessary to keep the Demised Premises in a first-class condition during the Lease Term. TENANT shall reimburse LESSOR for repairs and replacements to the Demised Premises which are necessary due to TENANT'S misuse or negligence.

FIVE. ALTERATIONS, ADDITIONS AND IMPROVEMENTS. TENANT shall not negotiate or cause to be made any alterations, additions or improvements in or to the Demised Premises. TENANT may, at any time during the Lease Term, requisition LESSEE in writing to negotiate and arrange alterations, additions, or improvements in and to the Demised Premises by the LESSOR.

SIX. PAYMENT OF TAXES AND INSURANCE. LESSOR, at their sole cost and expense, agrees to maintain property and liability insurance on the building complex and improvements on the Demised Premises and Shared Space at all times during the Term of this Lease. LESSOR will pay all applicable real property taxes or any



other assessments on the Demised Premises when due, including improvements thereon during the Lease Term hereof or any renewal period.

TENANT shall maintain in force at its sole cost and expense, all risk property insurance coverage, including sprinkler leakage (if the building is equipped with sprinklers), in an amount equal to the replacement cost of TENANT'S trade fixtures, furnishings, equipment, and contents upon the Demised Premises.

The State of Nevada is self-insured for both liability and property insurance. All liability claims are handled in accordance with Nevada Revised Statutes, Chapter 41. Regarding property insurance, the State self-insures the first Five Hundred Thousand Dollars (\$500,000.00) of each loss. Claims above that amount are commercially insured under an all risks property insurance policy.

SEVEN. INDEMNIFICATION. To the extent of the liability limitation set forth in NRS Chapter 41, the LESSEE/TENANT hereby agrees to indemnify and hold harmless LESSOR, its successor, assigns, agents and employees from all claims, damages, losses and expenses due to TENANT negligence arising out of or resulting from the use and occupancy of the Demised Premises and Shared Space or any accident in connection therewith, but only to the extent caused in whole or in part by negligent acts or omissions of TENANT, its subtenants, employees or agents. The State shall not be required to indemnify the LESSOR, its successors, assigns, agents and employees for any liability, claims, damages, losses or expenses



relating to or arising out of this Lease to the extent caused in whole or in part by the acts, negligence or omission of LESSOR, its successors, assigns, agents, and employees, or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this paragraph.

EIGHT. WAIVER OF SUBROGATION. LESSOR and LESSEE or TENANT hereby waive any rights each may have against the other for loss or damage to its property or property in which it may have an interest where such loss is caused by a peril of the type generally covered by all risk property insurance with extended coverage or arising from any cause which the claiming party was obligated to insure against under this Lease, and each party waives any right of subrogation regarding such property damage or losses, that it might otherwise have against the other party, any additional designated insured and any other tenant in the building. The Parties agree to cause their respective insurance companies insuring the Demised Premises or insuring their property on or in the Demised Premises to execute a waiver of any such rights of subrogation or, if so provided in the insurance contract, to give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.



NINE. BREACH OR DEFAULT. In the event of any failure by LESSOR, LESSEE, or TENANT to keep and comply with any of the terms, covenants or provisions of this Lease or remedy any breach thereof, the defaulting party shall have thirty (30) days from the receipt of written notice of such default or breach within which to remove or cure said default or breach, or in the event the defaulting party is diligently pursuing the removal or cure of such breach, a reasonable time shall be allowed beyond the thirty (30) days.

TEN. ATTORNEY'S FEES. In the event suit is brought by LESSOR or by LESSEE or TENANT for breach of any express provision or condition of this Lease, the prevailing party of such action shall be entitled to reasonable attorney's fees, not to exceed \$125.00 per hour, which shall be deemed to have accrued on the commencement of the action and shall be paid on the successful completion of that suit by LESSOR, LESSEE or TENANT whichever the case may be.

ELEVEN. TERMINATION. This Lease may be terminated by mutual consent of both parties or unilaterally by either party without cause, provided that a termination shall not be effective until ninety (90) days after a party has serviced written notice upon the other party. The parties expressly agree that this Lease shall be terminated immediately if for any reason State and/or Federal funding ability to satisfy this Lease is withdrawn, limited, or impaired.

TWELVE. HOLDOVER TENANCY. If TENANT holds possession of the Demised Premises after the expiration of this Lease or if written



notice of intent to renew for any option period herein is not provided as specified, this Lease shall become a month-to-month lease on the terms herein specified. The monthly rent for each month shall be in an amount equal to the monthly rental immediately preceding the Expiration Date.

THIRTEEN. OPTION TO RENEW. LESSEE shall have the option to renew this Lease by giving written notice of intention to renew at least ninety (90) days prior to expiration of the Lease Term or any renewal period hereunder. Receipt of which shall be acknowledged by LESSOR in writing. The exercise of the option shall, however, not be effective nor binding on the Parties herein unless and until the same has been approved by the Nevada Board of Examiners, which may occur after the required prior written notice.

FOURTEEN. REMEDIES. The remedies given to LESSOR, LESSEE and/or TENANT shall be cumulative, and the exercise of any one remedy shall not be to the exclusion of any other remedy.

FIFTEEN. NOTICES. All notices under this Lease shall be in writing and delivered in person or sent by certified mail, return receipt requested, to LESSOR and in all cases jointly to both LESSEE and TENANT at their respective addresses set forth below or to such other address as may hereafter be designated by either party in writing:



LESSOR

Storey County
PO Box 176
Virginia City, Nevada 89440
Telephone: (775) 847-0930
Fax: (775) 847-0949

LESSEE

State of Nevada
Department of Administration
Public Works Division
Attention: Leasing Services
515 East Musser Street, Suite 102
Carson City, Nevada 89701-4263
Telephone: (775) 684-1815
Fax: (775) 684-1817

TENANT

Department of Public Safety
Attn: Contract Manager
555 Wright Way
Carson City, Nevada 89711
Telephone: (775) 684-4698
Fax: (775) 684-4809

SIXTEEN. SEVERABILITY. If any term or provision of this Lease or the application of it to any person or circumstance shall to any extent determined in a legal proceedings to be invalid and unenforceable, the remainder of this Lease (or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable) shall not be affected thereby, and each term and provision of this Lease shall be valid and shall be enforced to the extent permitted by law.

SEVENTEEN. AMENDMENT OR MODIFICATION. This Lease constitutes the entire agreement between the Parties and may only be amended



or modified with the mutual consent of the Parties hereto, which amendment or modification must be in writing, executed and dated by the Parties hereto and approved by the Nevada Board of Examiners.

EIGHTEEN. PARKING. LESSOR shall provide TENANT, two (2) reserved parking spaces for marked patrol vehicles and privately owned employee vehicles as necessary for use by employees assigned to work at the Premises, at no cost to the TENANT.

NINETEEN. PRIOR TERMINATION. This Lease may be terminated prior to the terms set forth herein above if for any reason, the purpose of this Lease is substantially impaired or obstructed by any event, occurrence or circumstance outside the control of LESSOR, LESSEE, or TENANT, including any governmental condemnation, without prejudice or penalty to any party hereto and without such event, occurrence or circumstance being defined, and interpreted or construed as breach or default on the part of any party.

TWENTY. PRIOR APPROVAL OF THE NEVADA BOARD OF EXAMINERS. This Lease is contingent upon prior approval by the Nevada Board of Examiners and is not binding upon the Parties hereto or effective until such approvals.

TWENTY-ONE. COUNTERPARTS. This Lease may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.



IN WITNESS WHEREOF, the Parties hereto have executed this Lease as of the day and year first above written.

LESSOR

STOREY COUNTY

By _____
Pat Whitten
County Manager

Date _____

Reviewed as to form and
compliance with law only:

PAUL ADAM LAXALT
ATTORNEY GENERAL

By _____
Susan K. Stewart
Deputy Attorney General

Date _____

Approved by:

BOARD OF EXAMINERS

By _____
Paul Nicks
Interim Clerk of the Board

Date _____

LESSEE

STATE OF NEVADA
DEPARTMENT OF ADMINISTRATION
PUBLIC WORKS DIVISION

By _____
Ward D. Patrick, PE
Administrator

Date _____

TENANT

DEPARTMENT OF PUBLIC SAFETY

By _____
James Wright
Director

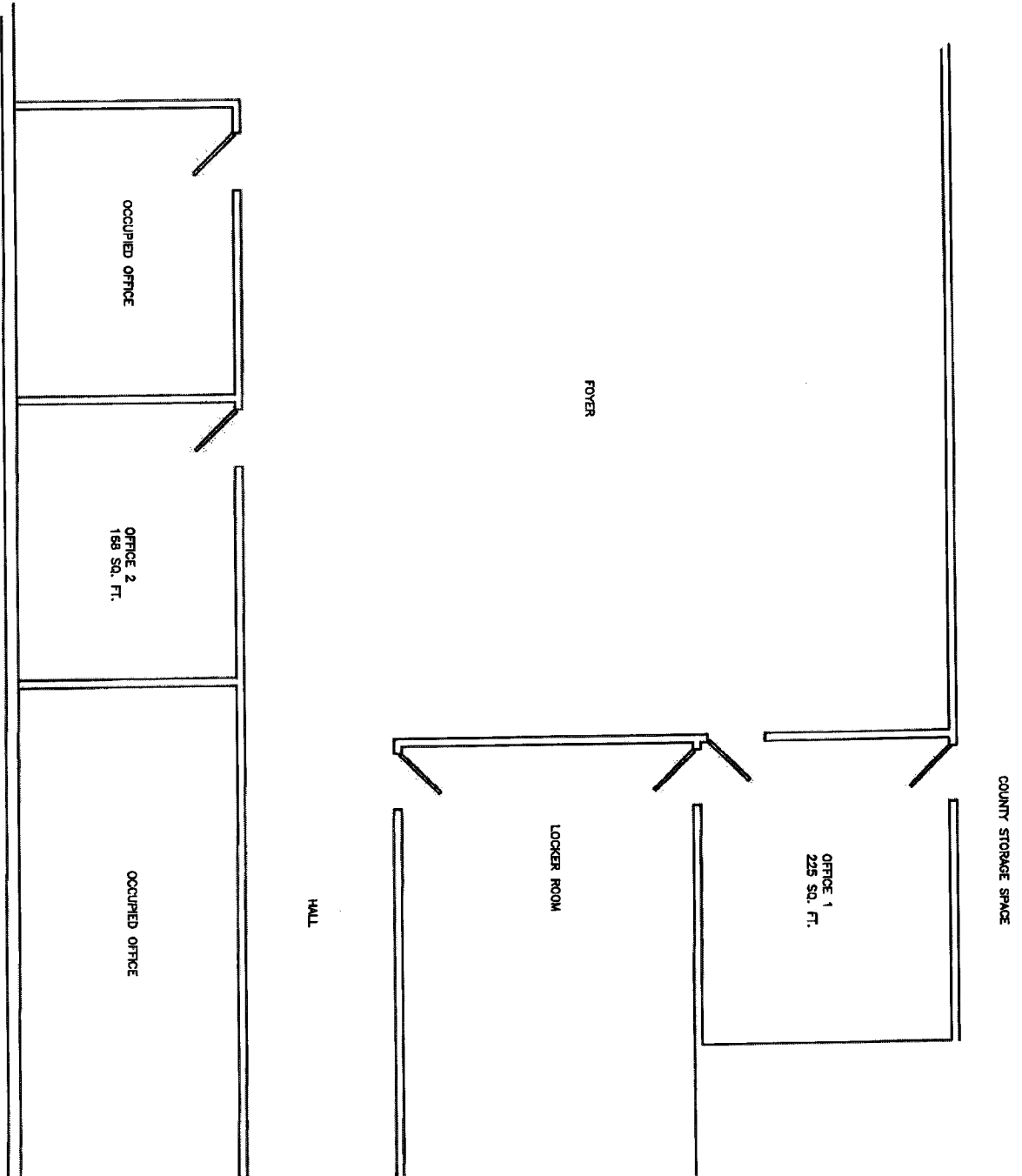
Date _____

DEPARTMENT OF PUBLIC SAFETY
NEVADA HIGHWAY PATROL

By _____
John O'Rourke
Chief

Date _____





REVISIONS

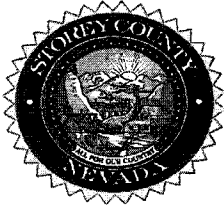
PORTION OF STOREY COUNTY McCARRAN
GOVERNMENT CENTER FLOOR PLAN

STOREY COUNTY PUBLIC WORKS
P.O. BOX 435 - 100 TOLL ROAD
VIRGINIA CITY NV 89440
775 847 0958

DATE 12/07/16
SCALE 1/8" = 1'-0"
DRAWN MCM
SHEET

AVAILABLE OFFICES

1/8" = 1'-0"



Storey County Board of County Commissioners Agenda Action Report

Meeting date: December 4, 2018

Estimate of time required: 15 min.

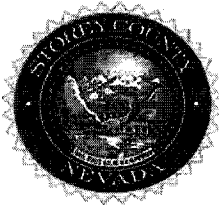
Agenda: Consent [] Regular agenda [x] Public hearing required [x]

1. **Title: Discussion/Possible Action:** Special Use Permit Amendment 2000-222-A-6-2018 by applicant Scott Jolcover representing Comstock Mining, LLC. The applicant requests an amendment to Special Use Permit (SUP) Number 2000-222-A- 5 to modify Condition 1.2 from an affective period of 10 years to 20 years for surface and underground mining, processing, and ancillary uses in accordance with Storey County Code 17.92; the amendment also includes modifying Condition 8.5 regarding contributions toward historic preservation projects. The subject properties of the SUP are located in American Flat and Gold Hill approximately in Township 16 North, Range 20 East, Sections 1 and 12; and Township 16 North, Range 21 East, Sections 4, 5, 6, 7, 8, and 9 MDBM, Storey County, Nevada.
2. **Recommended motion:** In accordance with the recommendation by staff and the Planning Commission, the Findings of Fact under Section 6.A of this report, and other findings deemed appropriate by the Board of County Commissioners, and in compliance with the conditions of approval, I (*county commissioner*), move to approve Special Use Permit Amendment 2000-222-A-6-2018, an amendment to Special Use Permit (SUP) Number 2000-222-A- 5 to modify Condition 1.2 from an affective period of 10 years to 20 years for surface and underground mining, processing, and ancillary uses in accordance with Storey County Code 17.92 and modifying Condition 8.5 regarding contributions toward historic preservation projects. The subject properties of the SUP are located in American Flat and Gold Hill approximately in Township 16 North, Range 20 East, Sections 1 and 12; and Township 16 North, Range 21 East, Sections 4, 5, 6, 7, 8, and 9 MDBM, Storey County, Nevada.
3. **Prepared by:** Kathy Canfield
4. **Department:** Planning **Telephone:** 775.847.1144
5. **Staff summary:** See enclosed Staff Report No. 2000-222-A-6-2018
6. **Supporting materials:** Enclosed Staff Report No. 2000-222-A-6-2018
7. **Fiscal impact:** None on local government.

Funds Available: _____ Fund: _____ Comptroller
8. **Legal review required:** _____ District Attorney
9. **Reviewed by:**
____ Department Head _____ Department Name: Planning
____ County Manager _____ Other agency review: _____
10. **Board action:**

<input type="checkbox"/> Approved	<input type="checkbox"/> Approved with Modifications
<input type="checkbox"/> Denied	<input type="checkbox"/> Continued

Agenda Item No. 25



Storey County Board of County Commissioners Agenda Action Report

Meeting date: December 4, 2018

Estimate of time required: 15 min.

Agenda: Consent ☐ Regular agenda ☒ Public hearing required ☒

1. **Title: Discussion/Possible Action:** Special Use Permit Amendment 2000-222-A-6-2018 by applicant Scott Jolcover representing Comstock Mining, LLC. The applicant requests an amendment to Special Use Permit (SUP) Number 2000-222-A-5 to modify Condition 1.2 from an affective period of 10 years to 20 years for surface and underground mining, processing, and ancillary uses in accordance with Storey County Code 17.92; the amendment also includes modifying Condition 8.5 regarding contributions toward historic preservation projects. The subject properties of the SUP are located in American Flat and Gold Hill approximately in Township 16 North, Range 20 East, Sections 1 and 12; and Township 16 North, Range 21 East, Sections 4, 5, 6, 7, 8, and 9 MDBM, Storey County, Nevada.

2. **Recommended motion:** In accordance with the recommendation by staff and the Planning Commission, the Findings of Fact under Section 6.A of this report, and other findings deemed appropriate by the Board of County Commissioners, and in compliance with the conditions of approval, I (*county commissioner*), move to approve Special Use Permit Amendment 2000-222-A-6-2018, an amendment to Special Use Permit (SUP) Number 2000-222-A-5 to modify Condition 1.2 from an affective period of 10 years to 20 years for surface and underground mining, processing, and ancillary uses in accordance with Storey County Code 17.92 and modifying Condition 8.5 regarding contributions toward historic preservation projects. The subject properties of the SUP are located in American Flat and Gold Hill approximately in Township 16 North, Range 20 East, Sections 1 and 12; and Township 16 North, Range 21 East, Sections 4, 5, 6, 7, 8, and 9 MDBM, Storey County, Nevada.

3. **Prepared by:** Kathy Canfield

4. **Department:** Planning

Telephone: 775.847.1144

5. **Staff summary:** See enclosed Staff Report No. 2000-222-A-6-2018

6. **Supporting materials:** Enclosed Staff Report No. 2000-222-A-6-2018

7. **Fiscal impact:** None on local government.

Funds Available:

Fund:

____ Comptroller

8. **Legal review required:**

____ District Attorney

9. **Reviewed by:**

 Department Head

____ Department Name: Planning

____ County Manager

____ Other agency review: _____

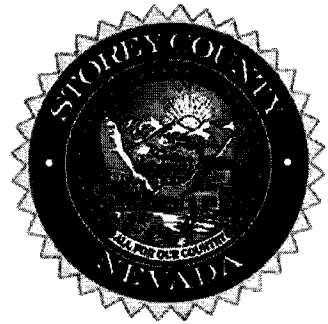
10. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

**Storey County
Planning Department**
Storey County Courthouse
26 South B Street, PO Box 176, Virginia City, Nevada 89440
Phone 775-847-1144 – Fax 775-847-0949
planning@storeycounty.org



To: Storey County Board of County Commissioners

From: Storey County Planning Department

Meeting Date: December 4, 2018 at 10:00 a.m.

Meeting Location: Storey County Courthouse, 26 S. B Street, Virginia City, Storey County, Nevada

Staff Contact: Kathy Canfield

File: Special Use Permit Amendment File 2000-222-A-6-2018

Applicant: Scott Jolcover on behalf of Comstock Mining, LLC

Property Owner: Comstock Mining, LLC

Property Location: The general location of the land subject to this Special Use Permit (SUP) amendment is located approximately in Township 16 North, Range 20 East, Sections 1 and 12; and Township 16 North, Range 21 East, Sections 4, 5, 6, 7, 8, and 9 in the Mount Diablo Baseline and Meridian in Storey County, Nevada, and as illustrated in the Staff Report as Appendix A, titled Figure 3: SUP Number 2000-222-A-5 Boundary.

Request: Special Use Permit Amendment 2000-222-A-6-2018 by applicant Scott Jolcover representing Comstock Mining, LLC. The applicant requests an amendment to Special Use Permit (SUP) Number 2000-222-A- 5 to modify Condition 1.2 from an affective period of 10 years to 20 years for surface and underground mining, processing, and ancillary uses in accordance with Storey County Code 17.92; the amendment also includes modifying Condition 8.5 regarding contributions toward historic preservation projects. The subject properties of the SUP are located in American Flat and Gold Hill approximately in Township 16 North, Range 20 East, Sections 1 and 12; and Township 16 North, Range 21 East, Sections 4, 5, 6, 7, 8, and 9 MDBM, Storey County, Nevada.

Summary of Planning Commission Meeting:
The Planning Commission heard this Special Use Permit Amendment request at their November 15, 2018 meeting. A discussion regarding the existing permit and the reasons for the amendment of the two conditions of approval occurred. The Planning Commission voted 6-0, with one absent, to recommend approval of the proposed Special Use Permit amendment.

1. **Proposed Project.** The applicant is requesting the expiration date of the 2014 Special Use Permit be amended. The current Special Use Permit was given a ten year expiration date, expiring in the year 2025. The applicant has submitted this application to allow for a twenty year time period for the Special Use Permit, expiring in the year 2034. The twenty year time period is consistent with Section 17.92.160.C (Mineral Exploration, Mining and Extraction) of the Storey County Zoning Code.

All conditions of approval outlined in the 2000-222-A-5 will remain in effect with the exception of the expiration date stated in Condition of Approval 1.2 and Condition of Approval 8.5 – Historic Area Preservation.

In considering the request for the expiration date extension, staff reviewed the existing Special Use Permit and approached the Property Owner with a modification. Currently the permit requires a contribution to historic preservation projects within Virginia City, Gold Hill, American Flat and/or Silver City. Staff is proposing that condition be amended to remove Silver City from the list of appropriate locations. Silver City is not located within Storey County and is not a part of Storey County's jurisdiction. As the permit only applies to land within Storey County, the mitigation proposed for the project should also all be located within Storey County. The applicant has stated they find the change acceptable.

This application only addresses modifying the time period and historic preservation conditions, no other portion of the Special Use Permit is being addressed at this time.

2. **Background.** The 2014 Special Use Permit had extensive discussions regarding the mining activities to take place at the site. The 2014 Special Use Permit has detailed monitoring and reporting requirements which the applicant has continued to complete and report progress to the Storey County Planning Commission. No issues have been identified and the applicant is complying with all conditions of approval identified in Special Use Permit 2000-222-A-5.
3. **Condition Modifications.** The following existing conditions of Special Use Permit 2000-222-A-5 are proposed to be amended as follows:

1.2 Expiration

This SUP is effective for a period of ~~10~~ 20 years commencing on the date of its approval and expiring on said date in the year ~~2025~~ 2034. The SUP permit holder (Permit Holder) may submit an application to renew the SUP. The application for renewal must be submitted to the Planning Department no less than 30 days before the expiration of this SUP. The application shall be treated as a new SUP application and its approval or denial will be determined by the Board of County Commissioners with ~~recommendation~~ action by the Planning Commission. The approved SUP may contain additional conditions or modified conditions from those in the preceding SUP.

8.5 Historic Area Preservation

The Permit Holder agrees to contribute at least one percent of annual Net-Smelter-Return (the gross payment on the sale of Dore less the cost of refining and related shipping) toward historic preservation and/or restoration projects within Virginia City, Gold Hill, and American Flat, Storey County, ~~and/or Silver City~~. This condition shall apply only when the

mine associated with this SUP is in active status. A Memorandum of Understanding (MOU) shall be developed between the Permit Holder and Storey County, as approved by the District Attorney's Office, for this purpose. (Note: The Permit Holder has in the past contributed financial and other resources to, and has otherwise been actively engaged in, historical preservation and restoration projects and efforts throughout the Comstock over the past several years, including in Virginia City, Gold Hill, Silver City (Lyon County), and American Flat. Accordingly, the Permit Holder collaborated with Storey County in developing and accepting this SUP condition. This SUP condition requiring partial Net-Smelter Revenues contribution is intended to be inclusive of, and not add to, the "1 percent royalties" pledged in the past by the Permit Holder for this purpose).

4. **Special Use Permit.** A Special Use Permit was issued for this project in 2014. This request to amend the expiration date to allow for a 20-year time period for the activities described in the SUP 2000-222-A-5 is consistent with the Zoning Code Chapter 17.92, and to modify the location of where projects may be implemented associated with the Historic Area Preservation component.

If approved, Conditions 1.2 and 8.5 would be modified and all other conditions of approval would remain in effect. The Special Use Permit only authorizes the uses and land area as described in the SUP 2000-222-A-5. Any changes to land area or activities would require separate review.

If this amended Special Use Permit request is denied, the two conditions of approval requested to be modified would not occur. The Special Use Permit 2000-222-A-5 remains in effect as was approved in 2014. **This Special Use Permit does not address any other portions of SUP 2000-222-A-5 other than the two requested modified conditions of approval.**

5. **Compatibility and Compliance.** The proposed modifications to conditions of approval 1.2 and 8.5 are consistent with the Zoning Code and Master Plan. The extension of time does not alter what was approved with the original 2014 2000-222-A-5 Special Use Permit with the exception of the two conditions that are a part of this application. All descriptions of activities and areas of land, along with monitoring and reporting of activities, remain the same.

6. **Findings of Fact**

- A. **Motion for approval.** The following Findings of Fact are evident with regard to the requested special use permit when the recommended conditions of approval in Section 4, Recommended Conditions of Approval, are applied.

- (1) This approval is for Special Use Permit Amendment 2000-222-A-6-2018, a request by applicant Scott Jolcover representing Comstock Mining, LLC. The applicant requests an amendment to Special Use Permit (SUP) Number 2000-222-A-5 to modify Condition 1.2 from an affective period of 10 years to 20 years for surface and underground mining, processing, and ancillary uses in accordance with Storey County Code 17.92; the amendment also includes modifying Condition 8.5 regarding contributions toward historic preservation projects. The subject properties of the SUP are located in American Flat and Gold

Hill approximately in Township 16 North, Range 20 East, Sections 1 and 12; and Township 16 North, Range 21 East, Sections 4, 5, 6, 7, 8, and 9 MDBM, Storey County, Nevada.

- (2) The Amended Special Use Permit 2000-222-A-6-2018 conforms to the 2016 Storey County Master Plan for the Gold Hill planning area in which the subject property is located.
- (3) Granting of the Amended Special Use Permit 2000-222-A-6-2018 altering the permit expiration and the historic preservation area conditions, with the conditions of approval listed in this report, will not under the circumstances of the particular case adversely affect to a material degree the health or safety of persons/property in the neighborhood of the subject property and will not be materially detrimental to the public welfare or materially injurious to property improvements in the neighborhood or area of the subject property.
- (5) The Amended Special Use Permit 2000-222-A-6-2018 altering the permit expiration and the historic preservation area conditions will not impose substantial adverse impacts or safety hazards on the abutting properties or the surrounding area, and it will comply with all federal, state and county regulations.
- (6) The conditions under the Amended Special Use Permit 2000-222-A-6-2018 altering the permit expiration and the historic preservation area conditions do not conflict with the minimum requirements in the Storey County Zoning Ordinance.
- (7) Certain mineral and surface property rights exist across the county and the Zoning Ordinance serves to protect those rights. The Zoning Ordinance also recognizes and serves to abide by the Mining Law of 1872 which provides mineral property owners the right to mine where the property is a mine patent pursuant to Title 30 of the United States Code Section 29, or an unpatented mining claim located pursuant to Section 23, as well as the right to milling and ancillary uses pursuant to Section 42(a).
- (8) The county has a diversified economy including agriculture, commercial, industrial, tourism, recreation, and mining. Permitted uses under these categories are found to be economically and socially beneficial to the county, directly and indirectly, when they are appropriately regulated so that they do not cause substantial adverse impacts to adjacent uses and are not detrimental to the health, safety, and general welfare of citizens, property owners, scholars, and businesses in the county.
- (9) The provisions of the Zoning Ordinance serve to address and mitigate potential adverse impacts that mining and related activities may have on the natural and historic environment and adjacent land uses (e.g., residential, commercial, tourism, etc...) as they now exist or as they may in the future be developed as a result of the implementation of the provisions and policies of the county master

plan, Title 17, and any other plan, program, map or ordinance adopted or under consideration, pursuant to an official notice by the county or other governmental agency having jurisdiction to guide growth and development.

B. **Motion for denial.** Should a motion be made to deny the Special Use Permit request, the following findings with explanation why should be included in that motion.

- (1) This denial is for Special Use Permit Amendment 2000-222-A-6-2018, a request by applicant Scott Jolcover representing Comstock Mining, LLC. The applicant requests an amendment to Special Use Permit (SUP) Number 2000-222-A-5 to modify Condition 1.2 from an affective period of 10 years to 20 years for surface and underground mining, processing, and ancillary uses in accordance with Storey County Code 17.92; the amendment also includes modifying Condition 8.5 regarding contributions toward historic preservation projects. The subject properties of the SUP are located in American Flat and Gold Hill approximately in Township 16 North, Range 20 East, Sections 1 and 12; and Township 16 North, Range 21 East, Sections 4, 5, 6, 7, 8, and 9 MDBM, Storey County, Nevada.
- (2) The conditions under the Amended Special Use Permit 2000-222-A-6-2018 conflicts with the minimum requirements in the Storey County Zoning Ordinance.
- (3) The conditions under the Amended Special Use Permit 2000-222-A-6-2018 do not adequately mitigate potential adverse impacts on surrounding uses or protect against potential safety hazards for surrounding use.

7. **Recommended Conditions of Approval.** The following conditions will be amended as shown. The remaining conditions of the prior Special Use Permit (SUP 2000-222-A-5) will remain unchanged and will be incorporated into SUP 2000-222-A-6-2018.

1.2. Expiration (modified Condition 1.2 of SUP 2000-22-A-5).

This SUP is effective for a period of 20 years commencing on the date of its approval and expiring on said date in the year 2034 (September 2, 2034). The SUP permit holder (Permit Holder) may submit an application to renew the SUP. The application for renewal must be submitted to the Planning Department no less than 30 days before the expiration of this SUP. The application shall be treated as a new SUP application and its approval or denial will be determined by the Board of County Commissioners with action by the Planning Commission. The approved SUP may contain additional conditions or modified conditions from those in the preceding SUP.

8.5 Historic Area Preservation (modified condition 8.5 of SUP 2000-222-A-5).

The Permit Holder agrees to contribute at least one percent of annual Net-Smelter-Return (the gross payment on the sale of Dore less the cost of refining and related shipping) toward historic preservation and/or restoration projects within Virginia City, Gold Hill, and American Flat, Storey County. This condition shall

apply only when the mine associated with this SUP is in active status. A Memorandum of Understanding (MOU) shall be developed between the Permit Holder and Storey County, as approved by the District Attorney's Office, for this purpose. (Note: The Permit Holder has in the past contributed financial and other resources to, and has otherwise been actively engaged in, historical preservation and restoration projects and efforts throughout the Comstock over the past several years, including in Virginia City, Gold Hill, Silver City (Lyon County), and American Flat. Accordingly, the Permit Holder collaborated with Storey County in developing and accepting this SUP condition. This SUP condition requiring partial Net-Smelter Revenues contribution is intended to be inclusive of, and not add to, the "1 percent royalties" pledged in the past by the Permit Holder for this purpose).

8. Public Comment

As of November 9, 2018, Staff has not received any comments from the public.

9. Power of the Board

At the conclusion of the hearing, the Board of County Commissioners must take such action thereon as it deems warranted under the circumstances and announce and record its action by formal resolution, and such resolution must recite the findings of the Board of County Commissioners upon which it bases its decision.

10. Proposed Motions

This section contains two motions from which to choose. The motion for approval is recommended by staff in accordance with the Findings of Fact under Section 3.A of this report. Those findings should be made part of the approval motion. A motion for denial may be made and that motion should cite one or more of the findings shown in Section 3.B. Other findings of fact determined appropriate by the Planning Commission should be made part of either motion.

A. Recommended motion for approval

In accordance with the recommendation by staff and the Planning Commission, the Findings of Fact under Section 6.A of this report, and other findings deemed appropriate by the Board of County Commissioners, and in compliance with the conditions of approval, I (*county commissioner*), move to approve Special Use Permit Amendment 2000-222-A-6-2018, an amendment to Special Use Permit (SUP) Number 2000-222-A- 5 to modify Condition 1.2 from an affective period of 10 years to 20 years for surface and underground mining, processing, and ancillary uses in accordance with Storey County Code 17.92 and modifying Condition 8.5 regarding contributions toward historic preservation projects. The subject properties of the SUP are located in American Flat and Gold Hill approximately in Township 16 North, Range 20 East, Sections 1 and 12; and Township 16 North, Range 21 East, Sections 4, 5, 6, 7, 8, and 9 MDBM, Storey County, Nevada.

B. Alternative motion for denial

Against the recommendation by staff and the Planning Commission, but in accordance with the Findings of Fact under Section 6.B of this report, and other findings deemed appropriate by the Board of County Commissioners, I (*county commissioner*), move to deny Special Use Permit Amendment 2000-222-A-6-2018, an amendment to Special Use Permit (SUP) Number 2000-222-A- 5 to modify Condition 1.2 from an affective period of 10 years to 20 years for surface and underground mining, processing, and ancillary uses in accordance with Storey County Code 17.92 and modifying Condition 8.5 regarding contributions toward historic preservation projects. The subject properties of the SUP are located in American Flat and Gold Hill approximately in Township 16 North, Range 20 East, Sections 1 and 12; and Township 16 North, Range 21 East, Sections 4, 5, 6, 7, 8, and 9 MDBM, Storey County, Nevada.

Appendix A

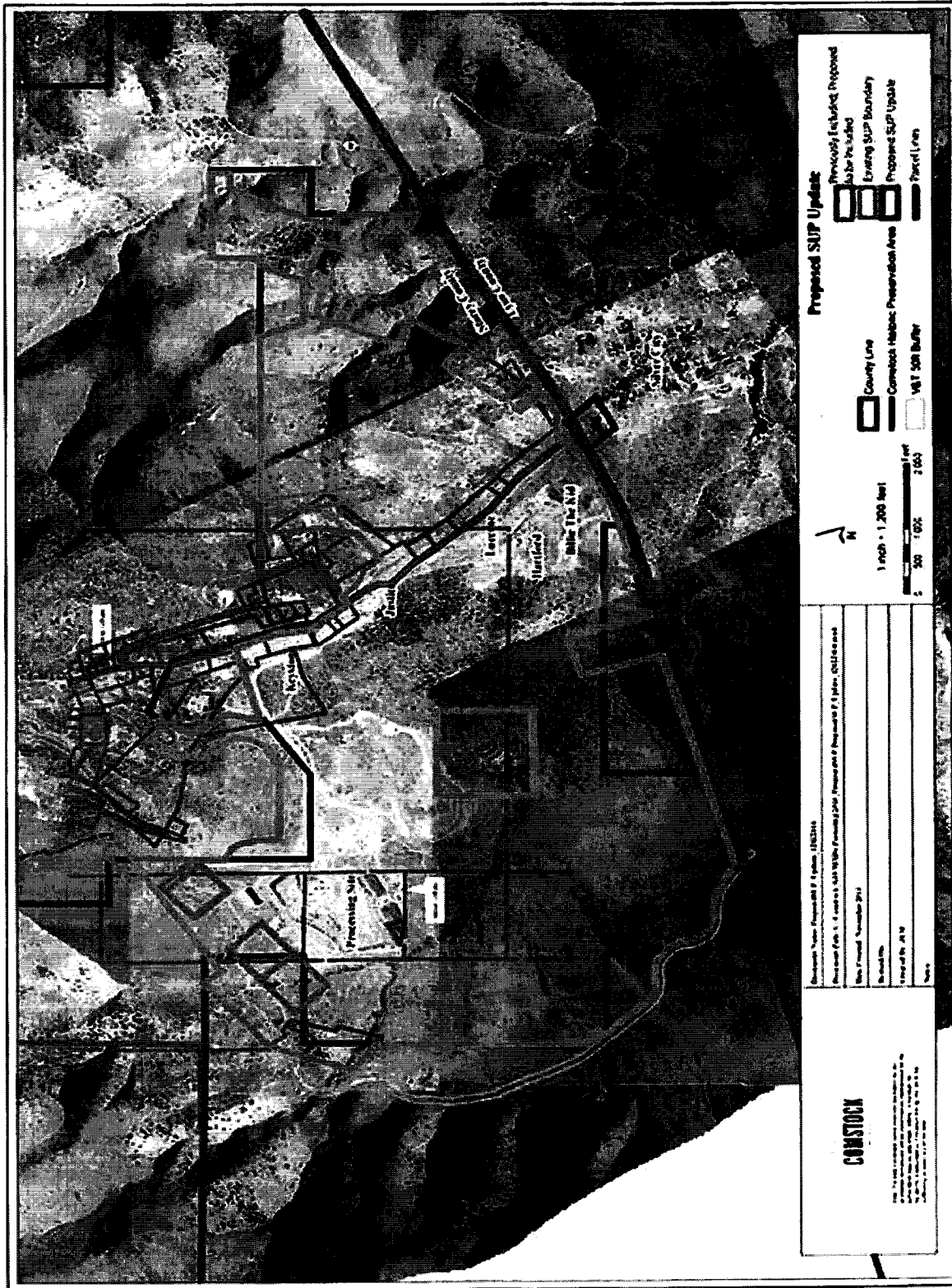


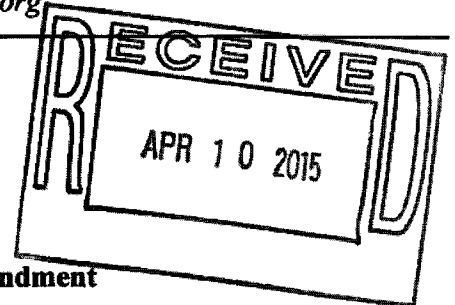
Figure 3: SUP Number 2000-222-A-5 Boundary

Appendix B
Special Use Permit 2000-222-A-5



STOREY COUNTY PLANNING DEPARTMENT

Storey County Courthouse
26 So "B" Street, PO Box 176, Virginia City, NV 89440
Phone (775) 847-1144 – Fax (775) 847-0949
planning@storeycounty.org



February 26, 2015

Comstock Mining, LLC
PO Box 1118
Virginia City, NV 89440

Re: 2000-222-A-5 Comstock Mining, LLC Special Use Permit Amendment

To Comstock Mining, LLC:

On January 5, 2015, the Board of Storey County Commissioners approved with conditions Special Use Permit (SUP) No. 2000-222-A-5, which is a major modification of former SUP No. 2000-222-A-4. SUP No. 2000-222-A-5 applies to mining, mine definition and exploration, processing, and ancillary uses on the land subject to the SUP amendment request in American Flat and Gold Hill, as illustrated in Project Area Map enclosed herewith, and located approximately in Township 16 North, Range 20 East, Sections 1 and 12; and Township 16 North, Range 21 East, Sections 4, 5, 6, 7, 8, and 9, all in the Mount Diablo Baseline and Meridian (MDB&M).

Pursuant to the Commissioners' approval, all of the following conditions must be met to the satisfaction of each applicable county department, unless otherwise stated.

CONDITIONS OF APPROVAL

I. GENERAL PROVISIONS

1.1 Purpose and scope

Special Use Permit (SUP) No. 2000-222-A-5 amends and replaces SUP No. 2000-222-A-4. This SUP is for the purpose of surface and underground mining (mining); processing, milling, and beneficiation (processing); mine definition; exploration; and uses which are ancillary to those uses. The boundaries of the land subject to this SUP (subject property) and the categorical uses allowed therein are illustrated in Exhibit A and B enclosed herewith as follows:

- "Area A" may only be used for mining, mine definition, exploration, and related uses;
- "Area B" may only be used for processing and related uses;
- "Area C" may only be used for water and power utility systems, and other related infrastructure;
- "Area D" may only be used for road improvement, including separation between the Lucerne Haul Road and American Flat Road public access/right-of-way as illustrated in enclosed Exhibit B; and
- Uses ancillary to the principal uses may occur anywhere within the subject property.

The uses to which this SUP applies shall conform to the conditions herein, and federal, state, and county regulations. This SUP does not convey property rights of any sort or any exclusive privilege; nor does it authorize any injury to persons or property, any invasion of other private property rights, or any infringement of state or local laws or regulations.

1.2 Expiration

This SUP is effective for a period of 10 years commencing on the date of its approval and expiring on said date in the year 2025. The SUP permit holder (Permit Holder) may submit an application to renew the SUP. The application for renewal must be submitted to the Planning Department no less than 30 days before the expiration of this SUP. The application shall be treated as a new SUP application and its approval or denial will be determined by the Board of County Commissioners with recommendation by the Planning Commission. The approved SUP may contain additional conditions or modified conditions from those in the preceding SUP.

1.3 Annual compliance review

At a regularly scheduled public hearing between the months of March and July of each year beginning in the year of 2015, the Permit Holder shall provide to the Planning Commission a public presentation report featuring the following elements of the active project:

- The extent to which it has or has not complied with the conditions of the SUP and applicable federal, state, and county regulations.
- The status of plans and actions related to the primary Silver City water line, including plan updates and modifications, current use encroachments thereupon, repairs and replacement of all or portions thereof, and interruptions to service provided thereby as a result of the foregoing.
- The status of plans and actions related to the use, modification, and impacts to State Route 342 between Devil's Gate and Petaluma Street (current terminus of American Flat Road at its existing alignment), as related to uses under this SUP.
- A summary report of dust, groundwater, noise, and seismic monitoring data collected pursuant to this SUP and the NDEP requirements throughout the year leading to the public report.

The presentation shall disclose valid evidence of known failure to comply with those requirements. If a violation is found to have occurred, the presentation shall explain what measures, and to what degrees of expediency and success, the Permit Holder employed to remedy the violation. The Permit Holder shall furnish to the Planning Department documents, reports, notices, and other correspondence within 30 days of receipt.

1.4 Non-compliance and show-cause

Storey County may refer this SUP to the Board of County Commissioners for show-cause hearing for revocation based on reasons listed in this section. The procedures for show-cause will be pursuant to Storey County Code (SCC) 17.03 (Administrative Provisions). The continuation of uses of a revoked SUP is a violation of SCC Title 17 (Zoning) and will be punishable as provided for therein or other applicable codes. The SUP may be referred to show-cause for the following reasons:

- Failure to comply with the SUP conditions, or federal, state, and county

regulations, without appropriate remedy;

- Any misrepresentation made in the application for the SUP or in other official documents, or amendments thereof, submitted to a federal, state, or local agency;
- Failure to provide notice to the county on violations, disasters, notice of decisions, and other such correspondence from federal, state, and local agencies as required in this SUP.

1.5 Transfer of rights

This SUP will inure to the record owner(s) of the subject property and to the Permit Holder (Comstock Mining, LLC) and will run with the land. Any and all transfers of this SUP to other persons, agencies, corporations, or entities must be advised in-person or in-writing by Certified Mail to the Planning Department at least 90 days prior to assignee taking over the project. The notice must contain the name(s), phone number(s), mailing address, and other contact information for the assignee. The new owners/managers must sign and accept all conditions and requirements of this SUP and submit documentation of their acceptance to the Building and Planning Departments at least 90 days prior to the transfer.

1.6 Indemnification and insurance

The Permit Holder warrants that the future use of land will conform to federal, state, and county regulations; further, the Permit Holder warrants that continued and future use of the land shall so conform. The Permit Holder and property owner(s) agree to hold Storey County, its officers, and representatives harmless from the costs and responsibilities associated with any damage or liability, and any/all other claims now existing or which may occur as a result of this SUP. The Permit Holder must maintain \$5,000,000 of liability insurance coverage and umbrella liability insurance coverage. The umbrella policy shall provide coverage for environmental events and disasters associated with the uses under this SUP. The Permit Holder shall submit valid documentation of the required coverage each year, or when changes are made to either policy.

1.7 Surface estate protection

Uses allowed under this SUP shall only occur on properties owned, leased, or otherwise legally controlled by the Permit Holder. At no time may surface disturbances, e.g., grading, equipment staging, and surface subsidence from underground activity, take place on surface property not owned, leased, or otherwise legally controlled by the Permit Holder. An exception to this limitation may be made upon the expressed written permission of the affected property owner(s) as allowed by this SUP and applicable federal, state, and county regulations. The written permission shall be submitted to the Building and Planning Departments at least 15 days prior to commencement of the subject operation.

1.8 Sales tax reporting

All material and equipment purchased for the project must as possible be received in Storey County and the value reported as "County-of-Delivery" on the Nevada Department of Taxation Form TPI-02.01 "Combined Sales and Use Tax Return". The Permit Holder must also report the value for all materials and equipment (personal and rented) "used" on this project as "Use Tax" on TPI-02.01 or TPI-02.02.

II. OPERATING PLAN

2.1 Operating Plan Requirements

The Permit Holder must submit a copy of its operating plan, and major modifications to its plan, to the Storey County Fire Protection District (Fire District), and the Building,

Emergency Management, and Planning Departments for review and approval. The plan must be submitted by the Permit Holder prior to commencement of operations under this SUP; updates to the plan must be submitted thereafter when a minor or major modification is made to the plan. In addition to the minimum requirements of the applicable state and federal agency, the operating plan submitted to the county shall include all elements contained in this section and otherwise in the requirements of this SUP. The elements required in this SUP are not exhaustive; the Fire District, Planning Department, or other county department, may impose additional requirements that are necessary to meet the requirements of this SUP and applicable federal, state, and county regulations. The operating plan shall also be subject to the SUP compliance requirements in section 2.2. At a minimum, the plan shall include:

- Basic company, owner, site, and emergency contact information;
- Detailed plot plan of the subject property and the uses therein, including phasing;
- All elements and supporting documentation included in a Plan of Operation required by the Nevada Division of Environmental Protection (NDEP) or the Bureau of Land Management (BLM), as applicable;
- Site evacuation and emergency procedure and emergency contact procedures, including for the NDEP, Dispatch 9-1-1, and Storey County emergency services direct connect (775.847.0950); hazardous materials management plan; wildland fire prevention and suppression; "Hot work" permitting; on-site water storage for wildland fire prevention and suppression; blasting and explosives management; access, circulation, and staging, including for emergency and non-emergency vehicles; documenting and reporting of emergency situations; post-disaster management, cleanup, and material disposal; and post-disaster damage reporting for treatment of historic structures and properties;
- Comprehensive post-operation reclamation plan as required by the NDEP or BLM, and the more stringent requirement in this SUP for concurrent and more thorough post-operations reclamation. The plan shall also include calculations for determining the amount of reclamation surety bonding applicable to the requirements of the NDEP, BLM, and this SUP (see Conditions 3.3 - 3.6).
- Comprehensive plan by which the Permit Holder will protect the Silver City water utility from accidental damage caused by surface and underground activity, and from ground vibrations or other movement caused thereby. The plan shall also include a detailed description of how accidental damage to the line, or events causing disruption to service as a result of activity associated with the SUP, will be treated and remedied immediately (see Condition 7.3).
- Process for documentation and reporting to the county environmental permits, notices, approvals, abatement mandates, and other related actions of the NDEP, BLM, and other applicable federal and state agencies; and
- Management of air, water, stormwater, noxious weeds, wildland fire fuels management, BMPs, and other environmental elements.

2.2 Operating Plan SUP Conformance Review

The operating plan shall conform to the conditions of the SUP. The Permit Holder shall update the operating plan concurrently with uses under the SUP and submit the updated plan

to the Planning Department prior to initiating activities under the modified plan.

For operating plan elements and uses within "Area A" (Exhibit A), the Board of Storey County Commissioners (board) may verify if the draft modified operating plan and each major modification thereafter ("modification") conform to the conditions of the SUP. Operating plan elements and uses within "Area B" are not subject to this validation requirement. For "Area A", the operating plan required by the NDEP or BLM (i.e., State Permits or Federal Plan of Operations), and the additional operating plan elements required by the SUP but not the NDEP or BLM, are all subject to the requirements of this section, but only as to whether the entire submission conforms to the SUP requirements and not as to whether the submission approved by other agencies conform to those agency requirements.

Minor modifications to the operating plan are not subject to the requirements of this section. Major and minor modifications are as defined in SCC 17.03.110. A "Minor modification" defined by, or identified as such in, the NDEP or BLM Plan of Operations or reclamation plan are not subject to the requirements of this section.

The Permit Holder shall submit to the Planning Department copies of the modification no later than 5:00 p.m. on the Friday of the third week before the board meeting at which the hearing will be scheduled. The Planning Department and other applicable county departments, such as the Storey County Fire Protection District, and the Emergency Management and Public Works Departments, as applicable, will review the proposed modification and verify that it conforms to the conditions of the SUP. If staff finds that the modification conforms to the conditions of the SUP, the Planning Director will schedule the matter on the agenda of the board to be heard at its next regular meeting. If staff finds that the modification does not conform to the conditions of the SUP, the Permit Holder may resubmit the modification until it is found by staff to be in compliance.

There shall be no hearing or advisory recommendation of the planning commission, and the board shall only verify that the modification conforms to the conditions of the SUP.

The Planning Director shall present to the board a summary report with findings. If all members of the board find that the modification conforms to the conditions of the SUP, it shall without a formal vote direct staff to accept the modification and allow the Permit Holder to proceed accordingly. If one or more members of the board expressly find that the modification may not conform to the conditions of the SUP, the board shall by a majority vote verify that the modification is or is not conforming.

A majority vote verifying that the modification conforms to the conditions of the SUP authorizes staff to accept the modification and allows the Permit Holder to proceed accordingly. If the board by its vote determines that the modification does not conform to the conditions of the SUP, it shall state findings of fact of the nonconformance in its motion and vote to not authorize staff to accept the modification and to continue the item to the next regular board meeting to allow the Permit Holder the opportunity to bring the modification into conformance.

The findings and determination of the board shall apply only to the modification's evident conformance to the existing conditions of the SUP, and shall not affect the conditions or entitlements existing in the SUP. The board's decision to authorize staff to accept the modification and allow the Permit Holder to proceed accordingly may not be appealed, except by the Permit Holder. The Permit Holder may at any time submit or re-submit modifications to its operating plan. There shall be no application fees or other fees required.

III. PHASING & RECLAMATION

3.1 Limited use – mining, mine definition, and exploration

In addition to the requirements for mine phasing and post-operations reclamation administered by the NDEP or BLM, as applicable, the Permit Holder shall include in the operating plan elements contained in this section. The Permit Holder shall comply with all elements of the plan. The following thresholds shall be the standard by which the Permit Holder may conduct operations. It shall be understood that the following area thresholds are to be a "rolling" maximum acreage of disturbance at any given time.

- Active mining (120 acres). Cumulative surface disturbances associated with all mining, including surface and underground mining, on the subject property is limited to 120 acres. Roads and ancillary uses are not counted against the total allowable area. Tunnels, adits, shafts, vents, drifts, and other underground workings shall only comply with the minimum requirements of SCC 17.92 and applicable federal and state regulations, and will not count toward the total allowable area in this condition. Waste storage and tailings, except for that which is being processed in accordance with the provisions of this SUP, are counted against total allowed surface disturbance area.
- Mine definition (20 acres). Mine definition is a focused assessment of mineral deposits and other geological conditions, including their location, extent, depth, and grade, for the purposes of determining subsequent phasing of the active mine. Drilling and other activities related to mine definition may occur within 300' of the active surface mine. The cumulative allowed surface disturbance caused by mine definition will not exceed 20 acres. Drill holes, drill pads, trenches, test pits, fluid detention areas, and other surface disturbances, but not access roads to drill sites, are counted against the total allowed surface disturbance area. The reclamation schedule and surety bonding for definition drilling shall be combined with and treated similarly to that for active mining. Access roads will be treated as ancillary uses.
- Exploration (20 acres). Exploration is a focused assessment of mineral deposits and other geological conditions, including their location, extent, depth, and grade, for the purposes of broad-based assessment of targeted areas throughout the entire subject property. Exploration may occur anywhere within the subject property. The cumulative allowed surface disturbance for all exploration may not exceed 20 acres. Drill holes, drill pads, fluid detention basins, but not access roads to drill sites, are counted against the total allowed surface disturbance area. Trenching, test pit, and other similar methods of exploration will be prohibited except within the active mine. Access roads will be treated as ancillary uses.
- Active reclamation (50 acres). Explained above in this section, active surface mining is limited to 120 acres. However, as part of allowed mine phasing, the active mine may proceed on up to 50 additional acres when a commensurate amount land previously mined on the subject property and in association with this SUP is reclaimed. Land within this 50 acre threshold must be re-graded, contoured, and backfilled to a point reasonably consistent with surrounding undisturbed or fully reclaimed topography and surface conditions, but must not yet be treated with soil amendments, or be re-vegetated or re-seeded. Surface treatment must provide for effective natural drainage systems and erosion prevention, noxious weed abatement.
- Fully reclaimed. Fully reclaimed land includes land that has been re-graded, contoured, and backfilled to a point reasonably consistent with surrounding undisturbed or fully

reclaimed topography and surface conditions; to which the surface has been treated with soil amendments and growth media (topsoil); and to which seeding and successful re-vegetation has occurred in conformance with the seeding and re-vegetation standards set forth by the NDEP or BLM (even if such reclamation is not required by either agency).

3.2 Limited use – processing

Processing includes, but is not limited to, crushing, conveyance and agglomeration systems; heap leach pads, including the use of sodium-cyanide; Merrill-Crowe facility and further milling and beneficiation facilities; ponds containing sodium-cyanide and other liquid substances; storm water detention, conveyance, and management systems; fire suppression water containment and systems; and road, access, staging, buildings, and other uses. The operating plan must contain the minimum elements required by the NDEP and BLM for the uses on the subject property. In addition to those requirements, the Permit Holder shall include in the operating plan the elements contained in this section that are more stringent than the federal, state, and county regulations. The Permit Holder shall comply with the plan.

- Subject area. Processing may only occur in "Area B" illustrated in Exhibits A and B.
- Hours and days. Processing may occur over 24-hours per day and 365 days per week.
- Subject processing. The processing facility will be limited to receiving and processing ore originating from: the subject property; other mine holdings of the Permit Holder located in Lyon County; and from any mine located in Storey County that is owned by the Permit Holder or another person or firm.
- Distances. No storage, processing, or use involving cyanide may occur within 1,000' of an occupied dwelling unit existing at the time of this SUP approval. Dwellings that are owned by the Permit Holder and occupied at the time of this SUP approval are exempt from this provision once the dwelling becomes vacated. Once vacated, the use may not become occupied by a permanent resident until said minimum 1,000' distance is reestablished.

3.3 Reclamation – mining, mine definition, and exploration

This section applies to post-operation reclamation of the mine, and mine definition and exploration sites. The operating plan must contain the minimum elements required by the NDEP and BLM for the uses on the subject property. In addition to those minimum requirements, the plan must include the elements contained in this section for concurrent post-operation reclamation. The Permit Holder shall comply with the plan.

- Reclamation standards. The Permit Holder shall comply with the minimum post-operation reclamation requirements administered by the NDEP and BLM. This section, however, recognizes that the state and federal regulations may not require concurrent reclamation and may preclude complete post-operation reclamation of certain portions of the subject property. The Permit Holder shall identify areas in the required NDEP or BLM reclamation plan where reclamation requirements are less stringent than the standards required by this SUP. The Permit Holder shall include in its reclamation plan detailed analyses and descriptions of subject conditions and elements that will be employed by the Permit Holder meet the more stringent requirements in this SUP.
- Reclamation schedule. The plan must include a reclamation schedule showing mine phasing and concurrent reclamation including, but not limited to, the elements in Condition 3.1; time of closure/decommissioning; and the applicable required elements in this SUP.

- Visual rendition. The plan must contain photographic or computer simulated visuals showing pre-mining surface conditions and estimated conditions throughout mine phasing and at post-closure. The visual renditions included in the SUP application showing surface conditions existing at the time of approval of this SUP and proposed post-operation reclamation conditions are enclosed herewith in Exhibit C. The image quality and the post-operations conditions they illustrate shall represent the minimum standard for post-operations reclamation and reclamation visual modeling. The model must be updated concurrently with mine phasing and at each time a minor or major modification to the operating plan or reclamation plan results in a substantial divergence from the submitted visual model. The Planning Department may determine viewpoint locations and impose other requirements for the visual models.
- Grading and contouring. The reclamation plan must show that all surface disturbances will be graded and contoured to a condition which is safe, stable, and reasonably flush and consistent with the surrounding undisturbed or fully reclaimed topography and surface environment. The plan must also include measures by which open-pits, benches, and other lateral surfaces of the mine will be treated in order to reasonably mitigate visual and other impacts. Mitigation must include as practicable, partial backfilling, sloping, grading, and other surface treatments that mitigate visual impacts, create natural appearing topography that does not resemble a "manufactured appearance", conform to natural and other drainage ways, and facilitate successful re-vegetation and noxious weed abatement.
- Bench face allowance at post operation. This SUP allows up to 30 percent of all bench faces existing at the time of Board approval of this SUP (as amended) to remain permanently after reclamation. This SUP also allows up to 30 percent of all bench faces created east of the State Route 342 alignment, as it exists at the time of this SUP approval, to remain permanently after mine reclamation. This 30 percent allowance will be subject to the Permit Holder demonstrating to the Planning Department substantial valid evidence that full reclamation of these bench faces is impracticable or impossible, including within the constraints of the land and land ownership or control. The allowance is otherwise subject to review and approval by the Planning Department. The Planning Department's determination may be appealed to the Board of County Commissioners as provided by SCC 17.03 (Administrative Provisions). Bench faces and exposed lateral surfaces existing at the time of this SUP approval are illustrated in enclosed Exhibit C. The image show existing surface conditions at the time of this SUP approval and the conditions that must be reasonably achieved as explained above. All remaining bench faces and exposed lateral surfaces shall be treated to mitigate visual contrast with the surrounding natural or fully reclaimed environment. Treating exposed side walls with an oxidation accelerator or other durable and environmentally safe manner are acceptable methods of meeting this requirement.
- Re-vegetation. The reclamation and re-vegetation plan required by the NDEP or BLM must be incorporated into the operating plan. The Permit Holder shall identify areas in the required NDEP or BLM reclamation plan where re-vegetation requirements are less stringent than the minimum standards required by this SUP (i.e., areas within the subject property to which re-vegetation is not required by the applicable agency). The plan must describe a comprehensive process, including beyond NDEP and BLM requirements as needed, by which successful post-operation re-vegetation will occur. The plan shall conform to the standards for re-vegetation and noxious weed management for post-mining reclamation established by the NDEP or BLM. The plan and process by which it

is administered shall also be subject to Fire District requirements and approval. Unless directed otherwise by the Planning Department, seeding, re-seeding, and planting will take place in the autumn season during the months of October or November, but not during times of extreme weather conditions such as snow or sub-freezing conditions.

3.4 Reclamation – processing

This section applies to post-operation reclamation of processing facilities within the subject property. The operating plan must contain the minimum elements required by the NDEP and BLM, as applicable, for processing-related uses. The Permit Holder shall comply with all elements of the plan. This SUP does not require reclamation of these uses beyond the applicable federal and state regulations administered by the NDEP or BLM.

3.5 Reclamation – ancillary uses

This section applies to post-operation reclamation of ancillary use to the mine, mine definition, exploration, and processing. Uses include, but are not limited to, roads and access; equipment and vehicle staging, parking, fueling, and maintenance areas; buildings and structures; topsoil impoundment areas; and drainage and detention systems. Ore stockpiles, waste dumps, and tailings placed in “Area A” (Exhibits A and B) are considered part of active mining and not ancillary uses. The operating plan must contain the minimum elements required by the NDEP and BLM. The Permit Holder shall comply with all elements of the plan. This SUP does not require reclamation of these uses beyond the applicable federal and state regulations administered by said agencies.

In conformance with NDEP permits existing at the time of this SUP approval, exploration roads within the subject property will be reclaimed during the project closure period unless the BLM or Storey County request that some or all of these roads remain. The Permit Holder shall work with the agencies to determine which, if any, of the exploration roads should and may remain post-closure (NDEP 0196 Reclamation Permit, 2014, p. 33).

3.6 Reclamation surety

A surety bond is required to fund post-operation reclamation for the entire subject property. The minimum amount of reclamation surety bond shall be as determined by the NDEP or BLM to be reasonably sufficient to complete all required reclamation. The surety bond required by the federal or state agency overseeing the project will be the only required surety bond for ancillary and processing uses under this SUP. For reclamation of surface disturbances caused by mining, mine definition, and exploration where the federal or state agency requires no reclamation and reclamation surety, or where valid evidence indicates that the requirements of those agencies do not meet the minimum standards for reclamation required by this SUP, the Permit Holder shall submit to the Planning Department valid documentation that it has posted cash or other guaranteed surety bonding for the complete reclamation of subject uses in accordance the reclamation plan submitted pursuant to this SUP. The valid proof of surety shall be submitted prior to surface disturbances occurring.

The amount of surety necessary to fulfill the requirements of this SUP shall be determined by a qualified licensed engineer or environmental manager at the expense of the Permit Holder. The results, or a portion thereof, determined by the engineer or environmental manager are subject to review by a qualified third-party person chosen by the county. The county’s third-party person will only have jurisdiction over portions of the reclamation plan and determination of the amount of needed surety that exceed the minimum standards required by federal and state regulations.

IV. ENVIRONMENTAL CONTROLS

4.1 Noise limitation

At a minimum, noise levels shall conform to the requirements of SCC Chapter 8.04. The Code limits noise at the property line to 84 decibel (octave range 500-1800). The property line is hereby defined as the boundaries of the subject property. When it is determined by Storey County that additional noise abatement is needed, further reasonable requirements including, but not limited to, installation of sound-absorbing structures, earth-fill barriers, and increased separation between machinery and residences, may be imposed on a case-by-case basis.

4.2 Separation requirements

- Separation from residences. No new surface disturbances including, mining, mine definition, exploration, and ancillary uses in "Area A" (Exhibit A) may occur, or otherwise be caused to occur by the Permit Holder, within 500' of an occupied dwelling unit existing at the time of this SUP approval. The following are exempt from these requirements:
 - Activities occurring within the boundaries of Special Use Permit No. 2000-222-A-3 existing prior to the approval of this SUP.
 - Dwellings that are owned by the Permit Holder;
 - Dwellings for which affidavits were submitted as part of the application for this SUP, and accordingly are located entirely within the boundaries of the subject property;
 - When a the affected property owner(s) in Storey County submit to the Planning Department a signed statement that uses associated with the SUP may occur within the distance limitation.
- Hours and days limitations. Surface activities located within 1,000' of a C, CR, E, P, or R zone, or any permitted occupied dwelling use in other zones may only occur between 8:00 a.m. to 5:00 p.m. and Mondays through Fridays. No activity may occur on weekends, and national and state holidays. The following are exempt from these requirements:
 - Uses existing at the time of approval of this SUP may occur over 24-hours per day and 365 days per year. Uses include, but are not limited to, mining, mine definition and exploration, processing, and ancillary uses, and may include, for example, the Lucerne, Hartford, and Justice Pits, and the Lucerne Haul Road.
 - Dwellings that are owned by the Permit Holder;
 - Dwellings for which affidavits were submitted as part of the application for this SUP, and, accordingly, are located entirely within the boundaries of the subject property;
 - When the affected property owner(s) in Storey County submit to the Planning Department a signed statement that uses associated with the SUP may occur within the distance limitation. The submitted waiver may extend the hours of operation limit for mine definition and exploration up to two days in a 30 day period, provided that the operating times do not occur between 6:00 p.m. and 6:00 a.m., and on Sundays. The waiver shall be non-transferrable and will become null and void immediately upon the affected property owner(s) written request to the Planning Department.

4.3 Ground water monitoring and reporting

Monitoring wells must be installed as directed by the NDEP to monitor the heap leach process and overall processing facility for possible groundwater contamination. A well permit shall be obtained from the Building Department prior to drilling. Monitoring reports and other findings must be submitted to the Building and Planning Department within 30 days of receipt on a quarterly basis when operations are active during the first year of operations, including for heap leach pad expansions. If no signs of leakage or other groundwater contamination occur, monitoring reports must be submitted thereto within 30 days of receipt bi-annually until closure.

4.4 Air monitoring and reporting.

Air emissions, including dust and other airborne materials, shall conform to NDEP air permit standards. Copies of annual reports of environmental quality, necessary to comply with the requirements of the permit(s) issued by the NDEP Bureau of Air Pollution Control, shall be submitted to the Building and Planning Departments within 30 days of receipt. Air monitoring conducted by the Permit Holder shall be inclusive and considerate of potentially impacted residents within 1,000' of active mining areas within the subject property, including from Storey County and Silver City, Lyon County. In the event that there is an air discharge in excess of the standards approved by the NDEP under construction phase or operation phase permit(s), the Permit Holder shall provide the Building and Planning Departments a copy of any notice within 24 hours of Permit Holder's receipt. If the Permit Holder is required by the NDEP to prepare a report on the event, the Permit Holder shall submit a copy of the report to the Building and Planning Departments at the same time it is submitted to the NDEP. There shall be no obnoxious odors released into the air that are a nuisance to surrounding properties.

4.5 Outdoor lighting (non-exempt)

SCC Chapter 8.02 ("Dark Skies") limits outdoor lighting that may impact adjacent land uses. Exemptions for "temporary lighting" in the Code (which normally apply to such activities as road construction, and may appear to apply to mining and processing operations) will not apply to uses under this SUP. All uses, buildings, structures will be required to comply with the strictest regulations under the Code (shield lighting) to ensure minimal impacts to neighbors and the surrounding environment.

4.6 Trees

Trees, shrubs, and other vegetation and ground surfaces must be preserved to the extent feasible. The Permit Holder shall not cause harm or cause to be removed trees of any type with a trunk of six" in diameter within 75' of the center-point of natural waterways shown in Exhibit D. The operating plan shall describe measures that will be taken to protect said trees.

4.7 Invasive species control

Integrated management of invasive weed species (noxious weeds) shall be included in the operating plan. The plan shall apply to the entire subject property and shall conform to the applicable state or federal regulations, and the requirements imposed by this SUP and the Fire District. The Permit Holder shall conform to the plan.

4.8 Septic systems.

The Permit Holder may acquire a permit from the Building Department to install septic system(s) and septic leach-field(s) capable of serving administrative offices and other occupied uses not accessible to a municipal sewerage system. The septic systems shall be removed and reclaimed by the Permit Holder as required by NRS at closure or removal of the buildings.

4.9 Carson River Mercury Superfund Site ("CRMSS")

By accepting this SUP, the Permit Holder acknowledges that portions of the subject property may be within or applicable to the CRMSS. Properly managing disturbances of existing and former mine and mill sites, mill tailings, mine waste, mine material, and other areas that are found to contain Contaminant of Concern (CoC's) as applicable to the CRMSS will be the sole responsibility of the Permit Holder as communicated thereto by the NDEP Bureau of Corrective Actions. Handling, redistributing or reprocessing CoC impacted materials by the Permit Holder shall be completed in accordance with the NDEP Bureau of Corrective Actions.

V. FIRE & EMERGENCY

5.1 Site supervision

Site and staff supervision must comply with Mine Safety and Health Administration (MSHA) requirements. Supervisors must have knowledge of and immediate access to fire suppression devices, First-Aid kits, and locked gates. While on the premises, the on-site supervisor(s) must possess a cellular telephone with adequate signal to send and receive signals to and from Storey County emergency services direct-connect 775.847.0950. All staff using cellular phones must be directed by the Permit Holder or his/her designed to dial Storey County emergency services direct-connect 775.847.0950 (in lieu of 9-1-1) in case of emergency. "Emergency 9-1-1" is appropriate from land-line telephones.

5.2 Spill reporting

Any hydrocarbon or chemical spill of or exceeding 25 gallons or 3 cubic-yards shall be reported immediately to Emergency Dispatch 9-1-1 or Storey County emergency services 775.847.0950. Additionally, the incident must be immediately reported to the NDEP and the local jurisdiction, including the Fire District and the Emergency Management, Building, and Planning Departments. The Permit Holder must comply with NDEP clean-up requirements and provide the Fire District and said county departments a copy of NDEP completion of remediation immediately. All hazardous materials incident clean-up and response costs will be borne by the Permit Holder as part of the issuance of this SUP. Incidents exceeding a standard First-Alarm fire will be billed to the Permit Holder. If mutual aid is warranted to suppress an incident, those costs will also be funded by the Permit Holder.

5.3 Emergency specialized training

The Permit Holder must provide and/or pay for any special training for the Fire District and Emergency Management Department, when applicable, that is necessary for safe operation and management of emergencies. This includes at a minimum training for water and confined space rescues, rescues involving cyanide, and other events that may occur in association with allowed uses on the property.

VI. TRANSPORTATION

6.1 Means and modes of transport

Ore, overburden, and other excavated material may be transported throughout the subject property by any type of on- and off-highway vehicles, haul trucks, tractors and heavy equipment, railroad, conveyor systems, and other on-site conveyance systems. Sky Lane, Keystone Circle, Slippery Gulch Road, and the power line access road immediately adjacent to Slippery Gulch Road shall not be used for these purposes. State Route 342 shall not be

used for these purposes, except under such unusual circumstances, as demonstrated to the Planning Department by the Permit Holder, that it is prohibited from transporting said materials between Area A and Area B within the subject property (see Exhibit A). In such case, the elements required in Subsections (a) through (c) below shall be presented to the Planning Commission at a public hearing. The Board of Commissioners with recommendation by the Planning Commission shall determine whether the requirements in this section have been satisfied before the Permit Holder may commence use of said roadway for said purposes. The Permit Holder shall demonstrate to the body:

- a. The circumstances prohibiting its transport of ore between Area A and Area B within the subject property; valid evidence of the current state of the conditions prohibiting its use of said land; and that it is exercising a continued good faith effort in remedying the circumstances prohibiting its use of said land.
- b. A written plan submitted to the Planning Department explaining the estimated timeframe that State Route 342 will be used for said purposes; the number of units (trucks) that will be using the road; days and hours that the road will be used; type of vehicles (including truck and trailer type) that will be used on the road; estimated timeframe for repair and replacement of portions of the road damaged by said use; and methods by which said portions of the road will be repaired or replaced.
- c. Planning, communications, and other correspondence between it and the Nevada Department of Transportation (NDOT) and Storey County Planning and Public Works Departments with regard to the subsections herein.
- d. Notwithstanding the foregoing in this section, and for the purpose of clarity, nothing herein in this section or in this SUP eliminates alternatives contemplated in a draft or final Environmental Assessment (EA) by the Bureau of Land Management (BLM) regarding the Permit Holder's application for right-of-way amendment. The use of State Route 342 pursuant to this section shall be limited to Mondays through Fridays, excluding national and state holidays, between the hours of 7:00 a.m. and 7:00 p.m. The use of State Route 342 otherwise will be subject to the requirements of the NDOT. The Permit Holder shall be responsible to repair damages to any state, county, or private road, utility, or other infrastructure caused by activities associated with the uses under this SUP. The repairs must be completed to the satisfaction of Storey County and the NDOT, as applicable. The county reserves the right to restrict or prohibit the use of trucks and heavy equipment on county-owned right-of-ways.

6.2 State Route 342 alignment and re-alignment

This SUP provides the Permit Holder flexibility in planning and executing viable alternatives by which eastward mine expansion may occur in relation to adjacent State Route 342. The amended SUP allows for re-alignment of State Route 342 in a manner which is determined by Storey County and NDOT, as applicable, to be practical, safe, and reasonably efficient. However, Storey County hereby expresses its position that State Route 342 serves practical purposes for inter-local transportation; provides for vital life-safety access, including for EMS, fire, and law enforcement services; and contributes substantially to the local tourism economies of Gold Hill, Virginia City, and Silver City.

The Permit Holder may re-align State Route 342 in order to facilitate uses under this SUP.

Potential acceptable alternatives include, but are not limited to: (a) developing a bridge over or under the highway through which mining and non-mining (civilian) traffic may occur simultaneously; (b) realigning the highway west of its existing alignment in concurrence with reclamation of the adjacent Lucerne and Justice pits; and (c) realigning the highway to the immediate east of the newly proposed mine expansion area. Except under temporary circumstances (up to 30 days in a 12 month period) when an access plan is approved by the Fire District and Sheriff's Office, closing the road is considered unreasonable and irresponsible and shall not be allowed.

For purposes of conforming to findings in SCC 17.92 and provisions in the Storey County Master Plan for protecting the historical character and authenticity of the area for tourists and residents, State Route 342, as existing or modified, shall maintain its north and south traffic flows through Gold Canyon and in its current approximate alignment through Devil's Gate.

6.3 Signage

Legible signage shall be placed at appropriate entry points of the premises near State Route 342, the principal administrative office(s), and the processing site. Signage must state the name of company/organization, street address (or descriptive location), contact phone number(s), and other information required by the Fire District. Appropriate signage must be installed on and around the premises stating rules for entry and circulation (e.g., no trespassing, travel permitted only on designated pathways, etc.). Directional signs must be placed at intersections of public ways and mine haul roads, and other places along public ways to appropriately direct the public, residents, and other users in the area.

6.4 Roadway approaches and egress

Egress points abutting State Route 342 must comply with the requirements of NDOT. Approaches to paved county right-of-ways must be sufficient to prevent mud and debris tracking from the site onto the public roadway. Any mud or debris tracked onto the county road must be removed by the Permit Holder immediately as allowable by the NDEP. Mud, sand, and debris must not be allowed to adversely impact existing drainage systems.

- Access Routes. Haul roads and secondary roads shall be developed to the satisfaction of the Fire District. As required thereby, established routes shall remain the primary travel ways for all emergency/fire vehicles, equipment, and personnel. The Permit Holder may develop and/or utilize other secondary travel routes for non-emergency use with approval of the Fire District. The primary emergency access routes shall be kept clear of rocks and other obstacles to emergency vehicles. In order to increase route visibility and reduce confusion for emergency personnel, roadside directional markers shall be installed as required by the Fire District.

VII. GENERAL USES

7.1 Safety and security

- Security. Appropriate security, including that required by federal and state agencies, shall be maintained to prevent unauthorized access to potentially hazardous conditions. Storage, maintenance of hazardous materials, protective devices (e.g., fencing, gates, etc.), and site monitoring (e.g., on-site security, alarm systems, etc.) shall comply with Fire District, Sheriff's Office, and applicable state and federal agency requirements. Open bodies containing cyanide and other hazardous substances

shall be treated appropriately to prevent wildlife access and safety hazards.

- **Signage.** Warning signs indicating all potentially hazardous conditions shall be installed at each port of entry and around drill pads, sumps and other potentially hazardous conditions. Cautionary signs shall be positioned peripheral to area of acidity to inform individuals entering the area to be safety conscious and aware of potentially hazardous conditions. Appropriate signage indicating crossing truck traffic (i.e., "Truck Crossing") shall be installed on the southbound and northbound lanes of State Route 342 by and at the expense of the Permit Holder and to the satisfaction of Storey County Public Works and/or NDOT, whichever is applicable.

7.2 Watchman's dwelling

The Permit Holder is authorized to place on the subject property a recreational vehicle (RV) type trailer or manufactured building to serve as temporary living quarters for on-site security. A temporary (one-year) permit from the Building Department must be obtained for this watchman's quarters and the Permit Holder shall submit an application to the Building Department each year thereafter for the use to remain. The Permit Holder shall provide with the application written permission from the Comstock Historic District. The use shall be removed from the premises within 30 days of closure of the operation or when operations under this SUP cease to operate for a period of 24 months or longer.

7.3 Silver City water line protection

As stated earlier in these conditions, the Permit Holder shall develop a comprehensive plan by which it will protect the Silver City water main from accidental damage and service disruption caused by surface and underground activity. The plan shall also include a detailed description of how accidental damage to the line, or events causing disruption to service as a result of activity associated with the SUP, will be treated and remedied immediately and without disruption to service provided to Silver City. At a minimum:

- The plan shall include Geographic Information Systems (GIS) aerial imagery illustrating the estimated alignment of the water line within the subject property; type(s) and dimensions of the existing piping, fittings, valve types, etc., in order to plan for unanticipated immediate response situations; existing roads and other surface disturbances; and surrounding topography.
- The plan shall include GIS aerial imagery showing the location of existing and proposed roads, drill pads, pits, and other surface disturbances within 500' of the water line.
- The plan shall provide a detailed explanation of the methods by which the water line will be protected from light and heavy vehicle and equipment uses within 500' thereof. The plan shall address protecting the water line at all vehicle crossing points; monitoring vibration; and protecting the water line from vibration caused by uses within 500' thereof, and from blasting within 1,000' thereof.
- The plan shall explain procedures by which the Permit Holder will immediately notify the Planning and Public Works Departments, the County Manager's Office, and the Storey County and Central Lyon County Fire Protection Districts of damage to the water line, or disruption to service.
- The plan shall explain methods, procedures, estimated timeframe, and other processes by which damage to the water line caused by the Permit Holder will be repaired

immediately after such damage and to the satisfaction of the Public Works Director.

- The plan shall indicate the Silver City municipal water tank storage capacity; estimated customer usage (in gallons) during the months of January and July; estimated timeframe of capacity based on storage capacity and usage; and the alternative source of safe drinking water and specific methods by which it will be supplied to the Silver City municipal water system if the duration of service disruption exceeds system storage capacity. The plan shall describe the source of and methods by which sufficient water flows will be provided to Silver City during a structure fire event that occurs during the service disruption.
- The plan shall explain the circumstances that will necessitate all or portions of the water line located within the subject property to be replaced by the Permit Holder prior to damage, and what agreements may be made between the Storey County Water System (Public Works Director) and the Permit Holder for the methods, procedures, and cost of its replacement.
- The plan shall be updated concurrently with active mining and the updated plan shall be submitted to the Storey County Public Works Department and Central Lyon County Fire Protection District for approval, and the Storey County Planning Department and Storey County Fire Protection District for filing.

The Permit Holder shall demonstrate active engagement with the Storey County Public Works Director and the Central Lyon County Fire Protection District Chief in developing the plan. The plan must be approved by the Storey County Public Works Director and the Central Lyon County Fire Protection District Chief, and submitted to the Storey County Planning and Public Works Departments and Storey County Fire Protection District for filing before mining, mine definition, exploration, and other such activities may occur on land east of State Route 342 in its current alignment, or within one year of approval of the SUP, whichever is sooner. Before commencing operations east of the road, the Public Works Director with concurrence by the County Manager may require the Permit Holder at its expense to replace all or a portion of the water line that runs through the subject property that are believed by the Storey County Public Works Director to be susceptible to damage caused by activities associated with the SUP in the area adjacent to the water line.

The Permit Holder will be fully responsible for financial costs associated with required repairs or replacement of the water line. All repairs and replacement shall be to the satisfaction of the Public Works Director.

7.4 Survey monument protection

No survey monument may be moved or disturbed (as prohibited by federal or state law). To the extent practicable, all monument witness corners, reference monuments, bearing trees and line trees shall be protected against undue destruction, obliteration, or damage. If in the course of operations any survey monument is destroyed, obliterated, or damaged, the Permit Holder shall immediately report the matter to the Planning Department and the Bureau of Land Management. The notice shall describe the monument and its geo-coordinates before disturbance, how it was disturbed and to what extent, and the plan for immediate corrective action. The Permit Holder shall be financially responsible for the immediate and appropriate corrective action.

VIII. CULTURAL RESOURCES

8.1 Protection of Devil's Gate

Uses under this SUP shall not cause impacts to the Devil's Gate rock outcropping/historic landmark. Storey County through this SUP and in conformance with the findings of fact in SCC 17.92 expresses to Lyon County its strong opposition to any allowance of surface disturbances to the landmark, except for realignment or improvements to State Route 342, to portions of the landmark that are located within Lyon County.

The Permit Holder shall cause no surface disturbance within 500' of the outer edge of the Devil's Gate outcropping in Storey County. Surface disturbances within 1,000' of the outer edge of the rock outcropping which are caused by mining and mine definition shall be fully reclaimed within 1 year of disturbance. Those disturbances caused by exploration shall be reclaimed as required otherwise for exploration outside of the active mine. Realignment and improvements to State Route 342 are exempt from these limitations, except that such may not cause adverse impacts to the surface of the outcropping.

8.2 Historical structures protection

Uses under this SUP shall not cause any historical structure to be disturbed, altered, moved, or demolished without a plan submitted to the Planning Department to return the structure fully in-tact to its approximate original location following activities that cause the structure to be moved. The plan and association action will be subject to Comstock Historic District approval. Historical structures shall include occupied and unoccupied buildings, outbuildings, mine head-frames, and foundations which are 50 years of age or older.

8.3 Cemetery protection

The uses under this SUP shall not cause any cemetery or structures therein, including but not limited to headstones, monuments, fences, enclosures, etc., to be disturbed, altered, moved, or destroyed. At a minimum, state laws protecting cemeteries shall not be violated. The terms of this condition shall be fulfilled by compliance with the following limitations.

- Limitations and mitigation. Activities and disturbances shall not take place within 300' of a cemetery boundary as defined by NRS 452.0075 and as determined by the Comstock Cemetery Foundation (CCF). These limitations shall not apply to general vehicular and heavy equipment traffic taking place on the established county roads and right-of-ways, including American Flat Road, or the improvement or widening of American Flat Road as allowed by the Bureau of Land Management (BLM) pursuant to its Environmental Assessment (EA) under NEPA. These limitations also shall not apply to mineral exploration activities approved by the CCF within the established cemetery buffer area, but not within any cemetery boundary or public right-of-way. Written approval by the CCF shall be submitted to Planning Department prior to commencement of activities within the scope of these regulations.
- Cooperation. Activities and disturbances may be permitted between 300' and 500' surrounding each cemetery boundary as described above when the Permit Holder initiates and maintains continuous communication and collaboration with the CCF in protecting said cemetery resources. A surface vibration monitoring program shall be developed and implemented as determined by the CCF. The program will monitor surface vibrations at selected sites to assess potential vibrations from drilling and excavating operations, heavy machinery, and vehicles. The monitoring program, upon approval of the CCF, will be at oversight of the CCF and at the expense of the Permit Holder, unless agreed otherwise between the parties.

8.4 Cultural resources discovery

Should any prehistoric or historic remains/artifacts be discovered during development or excavation, work shall temporarily be halted at the specific site and the Building and Planning Departments shall be notified in order to evaluate the site and, if deemed necessary, to record and photograph the site in question. The period of temporary delay shall be limited to a minimum of two working days from the date of notification, unless it is a significant find and it is deemed necessary to provide more time to evaluate and protect historical remains or artifacts.

8.5 Historic area preservation

The Permit Holder agrees to contribute at least one percent of annual Net-Smelter-Return (the gross payment on the sale of Dore less the cost of refining and related shipping) toward historic preservation and/or restoration projects within Virginia City, Gold Hill, American Flat, and/or Silver City. This condition shall apply only when the mine associated with this SUP is in active status. A Memorandum of Understanding (MOU) shall be developed between the Permit Holder and Storey County, as approved by the District Attorney's Office, for this purpose. (Note: The Permit Holder has in the past contributed financial and other resources to, and has otherwise been actively engaged in, historical preservation and restoration projects and efforts throughout the Comstock over the past several years, including in Virginia City, Gold Hill, Silver City (Lyon County), and American Flat. Accordingly, the Permit Holder collaborated with Storey County in developing and accepting this SUP condition. This SUP condition requiring partial Net-Smelter Revenues contribution is intended to be inclusive of, and not add to, the "1 percent royalties" pledged in the past by the Permit Holder for this purpose).

8.6 Visitor/tourism element

In conformance with the Storey County Master Plan, the Permit Holder is required to develop a pedestrian-oriented area near State Route 342 at a safe and appropriate location between the Devil's Gate outcropping and American Flat Road, Gold Hill, at which motorists may park and exit their vehicles and view information about the history and purpose of past and current mining activity in the area and associated with the this SUP. As required in proceeding SUP No. 2011-016 (closed in 2014), the Permit Holder developed a visitors' center that fully conforms to the requirements in the SUP as well as the supporting county master plan. The Permit Holder is hereby required to maintain that visitors' center, or, develop another such informational center that conforms to this SUP and is constructed to the satisfaction of the Planning and Public Works Departments, Comstock Historic District, and, if applicable, NDOT.

SUP Enclosures:

- Exhibit A: Boundaries and Uses of SUP No. 2000-222-A-5
Exhibit B: Magnified "Area C" and "Area D" for utilities and road improvement
Exhibit C: Post-Operation Reclamation at Billy the Kid, Lucerne, Hartford, and Justice
Exhibit D: Known natural drainages within subject property

If you have any questions, please contact the Planning Department at 775-847-1144.

Sincerely,



Austin Osborne
Planning Director, Storey County

ACCEPTANCE: The terms and conditions of this Confirmation of Special Use Permit No. 2000-222-A-5 are accepted by Corrado DeGasperi, President and CEO of Comstock Mining, LLC, to which this Special Use Permit is issued.



Corrado DeGasperi
President and CEO, Comstock Mining, LLC

4-9-15

Date

Exhibit A: Boundaries and Uses of SUP No. 2000-222-A-5

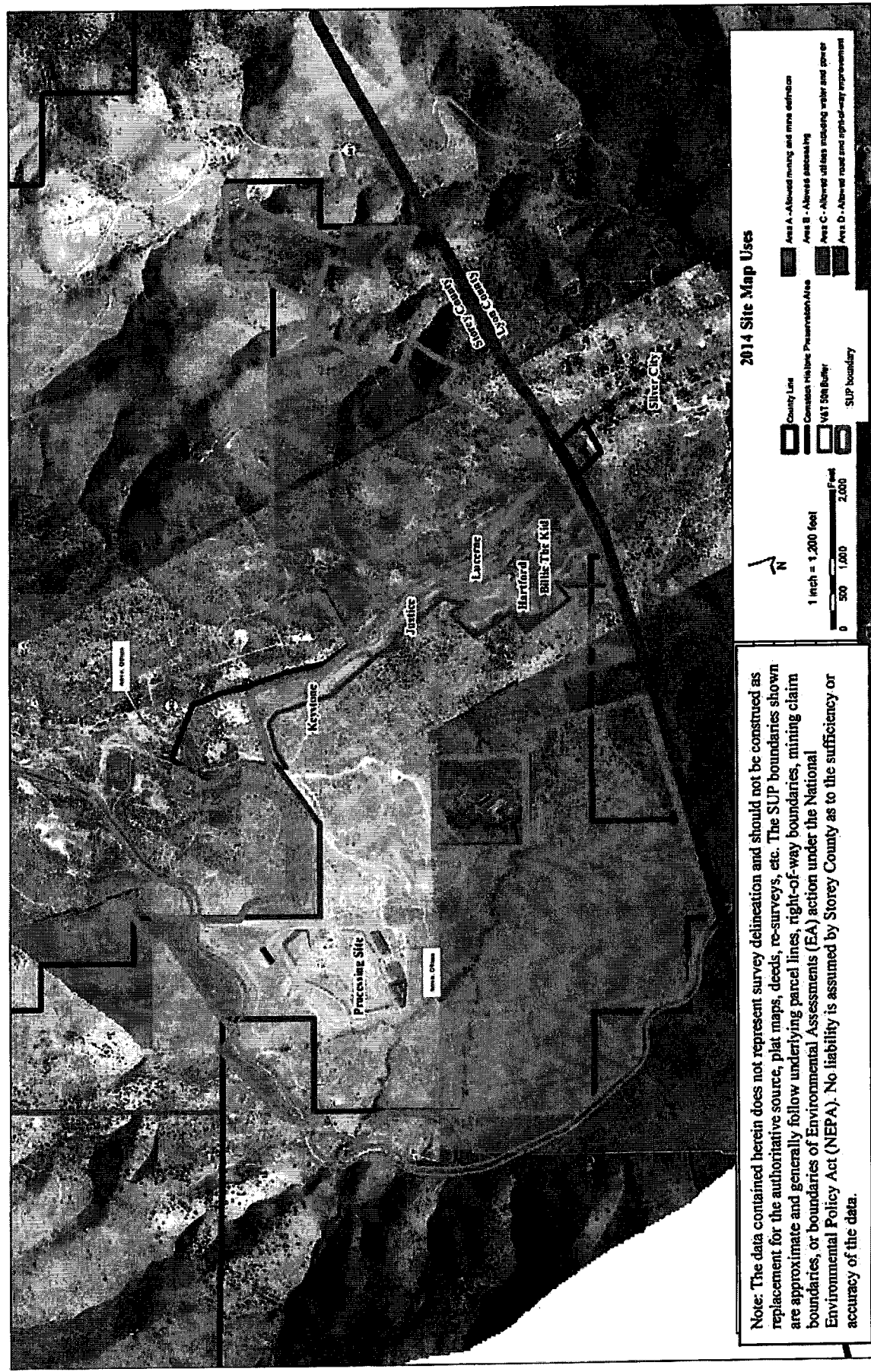


Exhibit B: Magnified "Area C" and "Area D" for utilities and road improvement

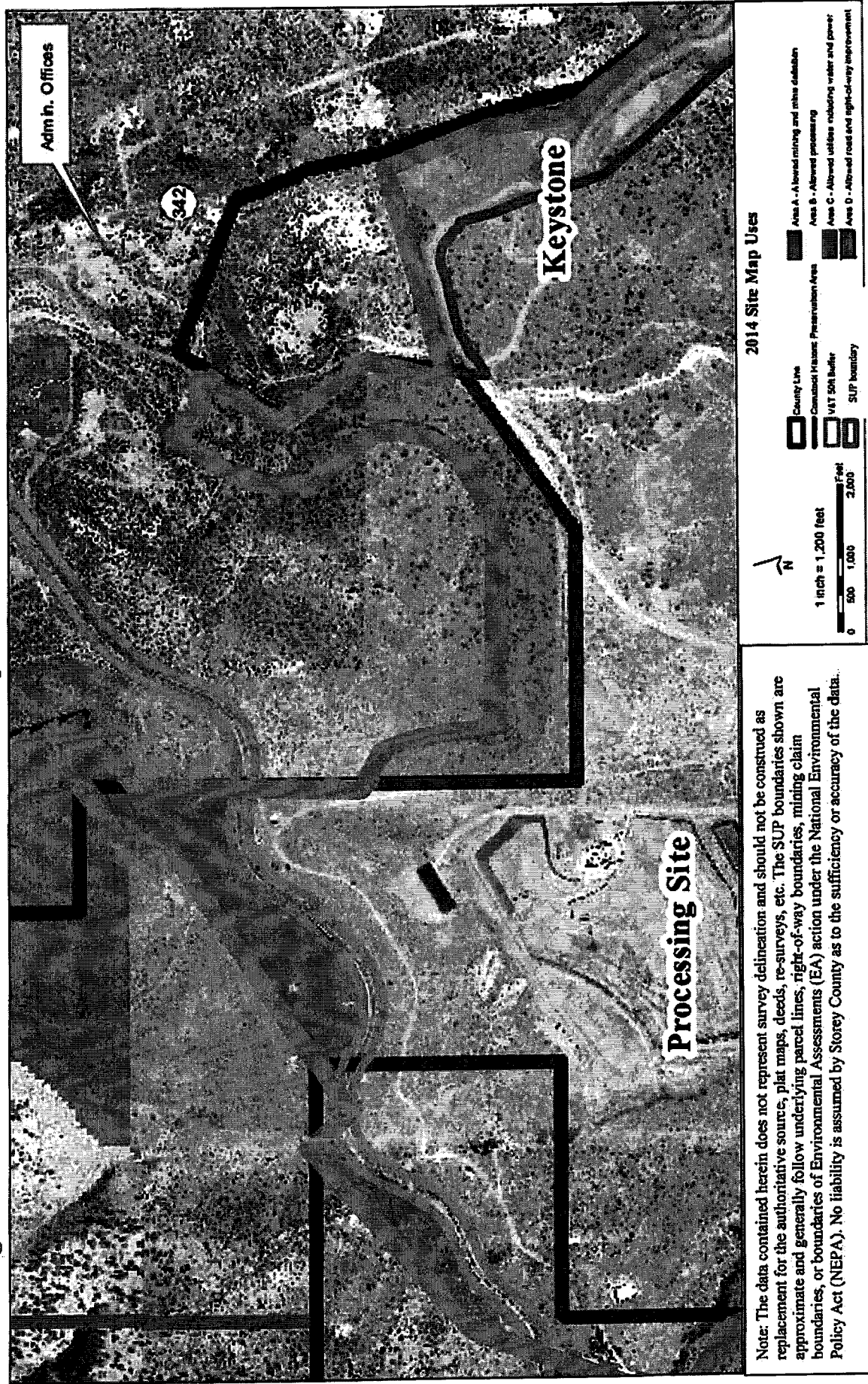
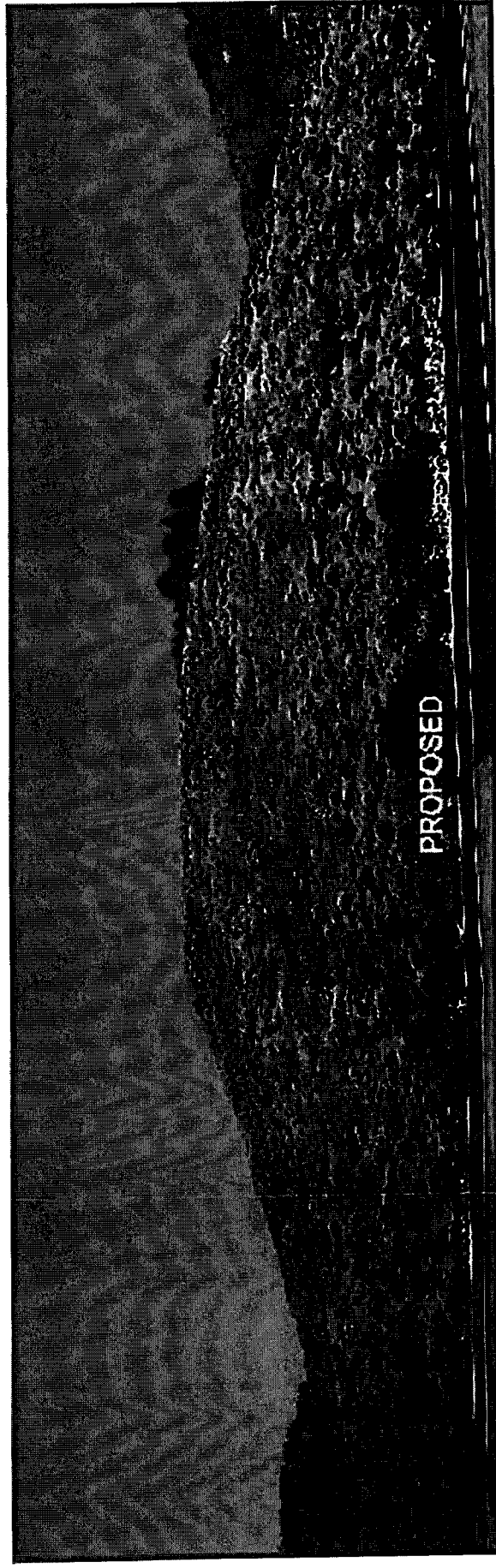
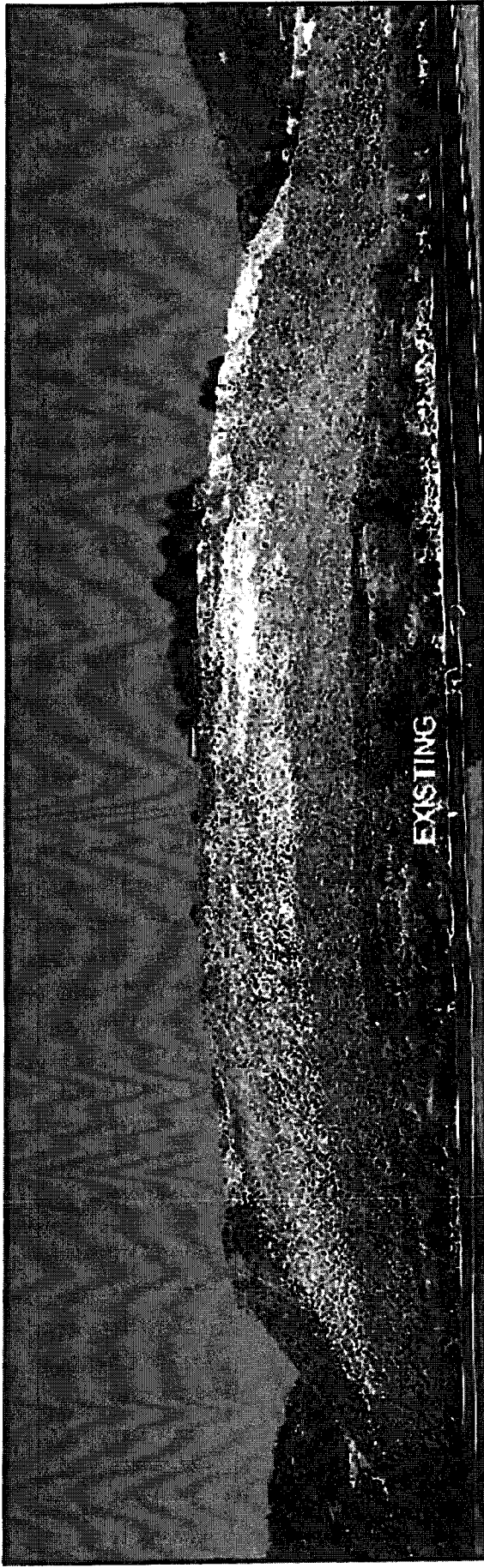
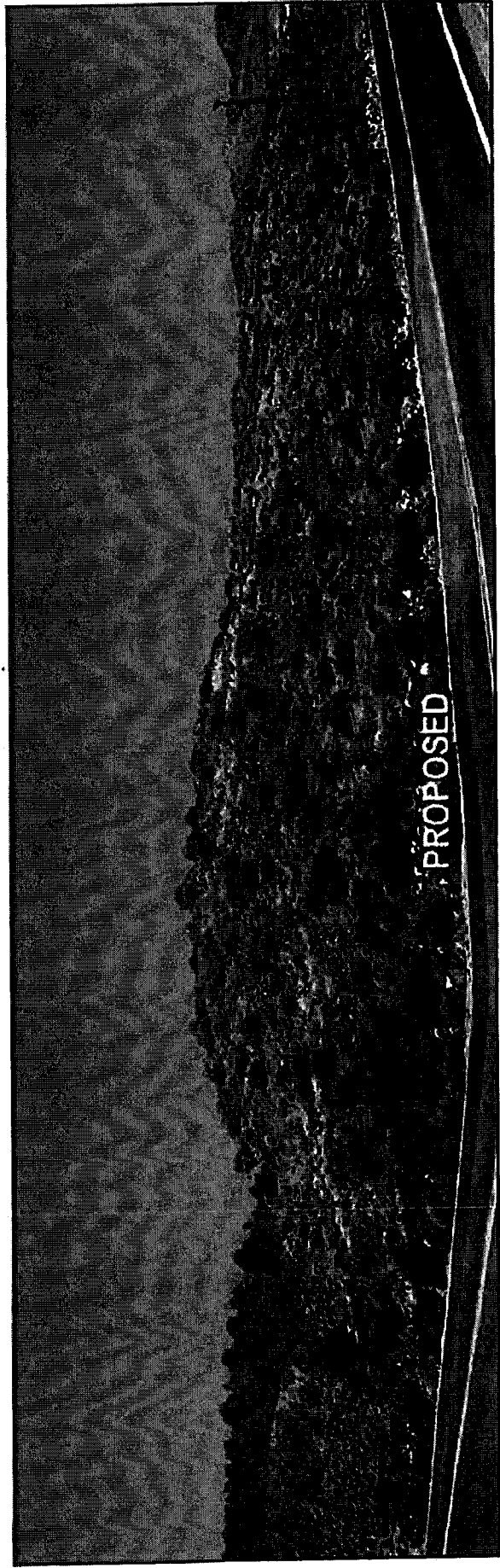
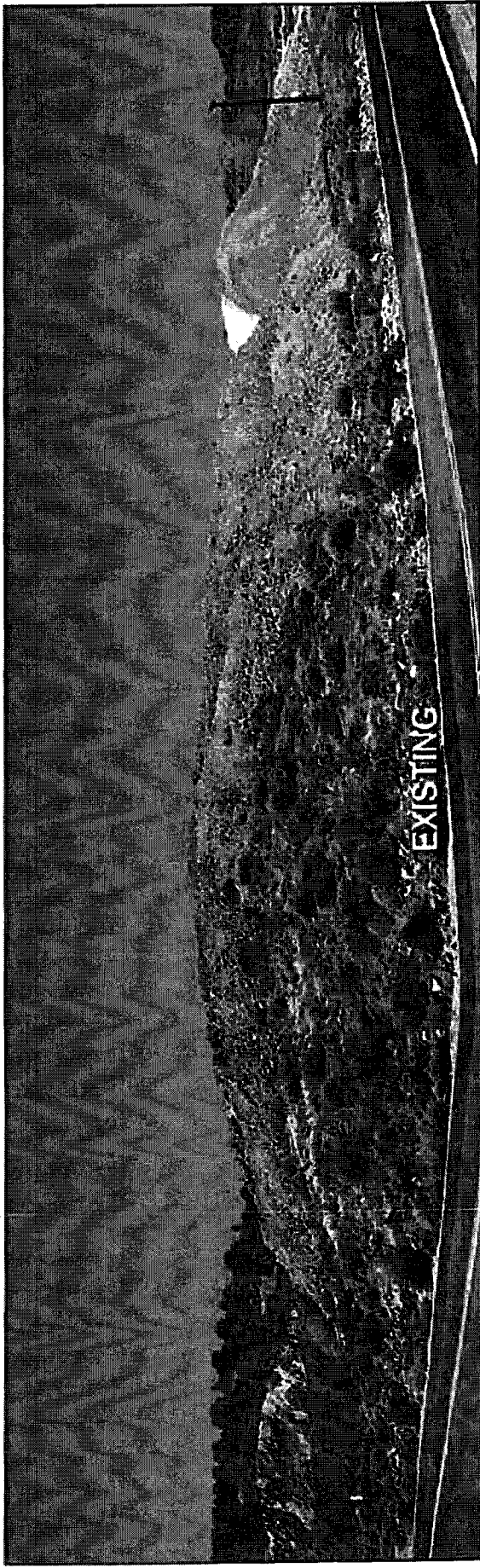


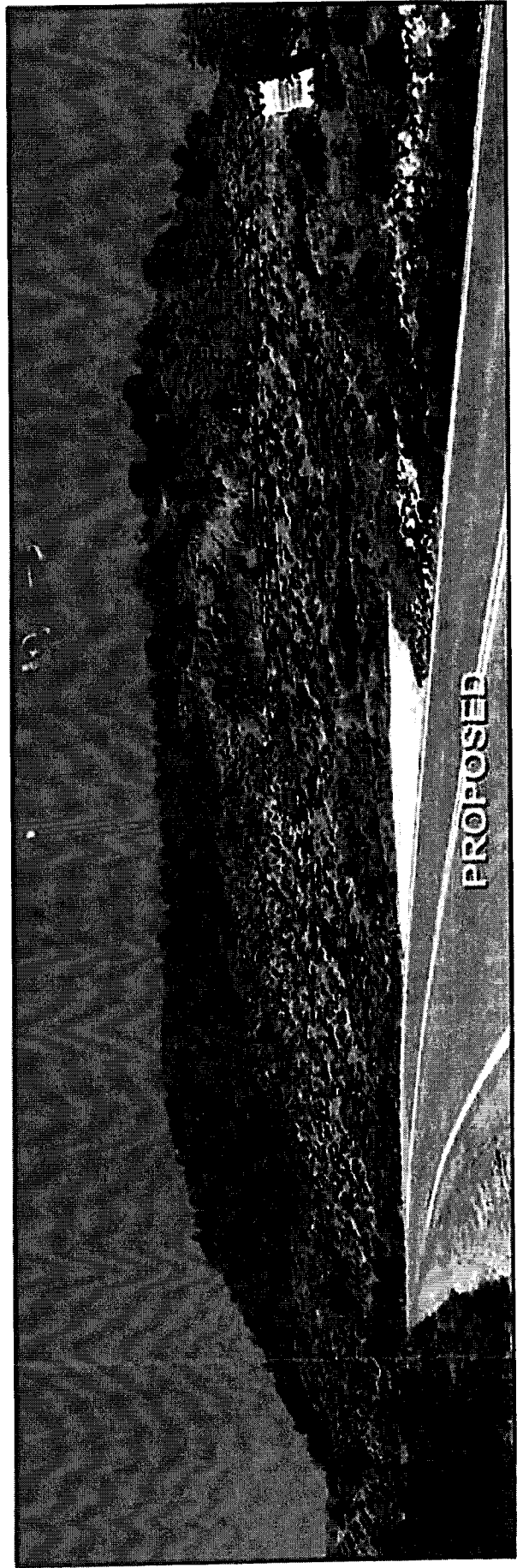
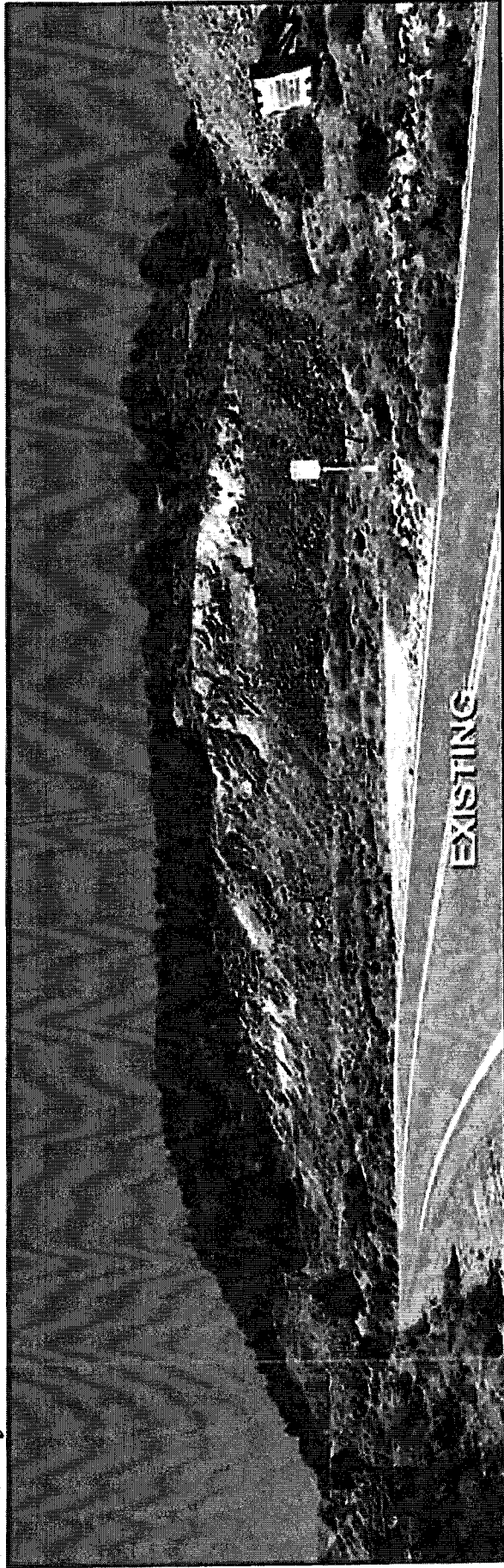
Exhibit C: Post-Operation Reclamation at Billy the Kid, Lucerne, Hartford, and Justice



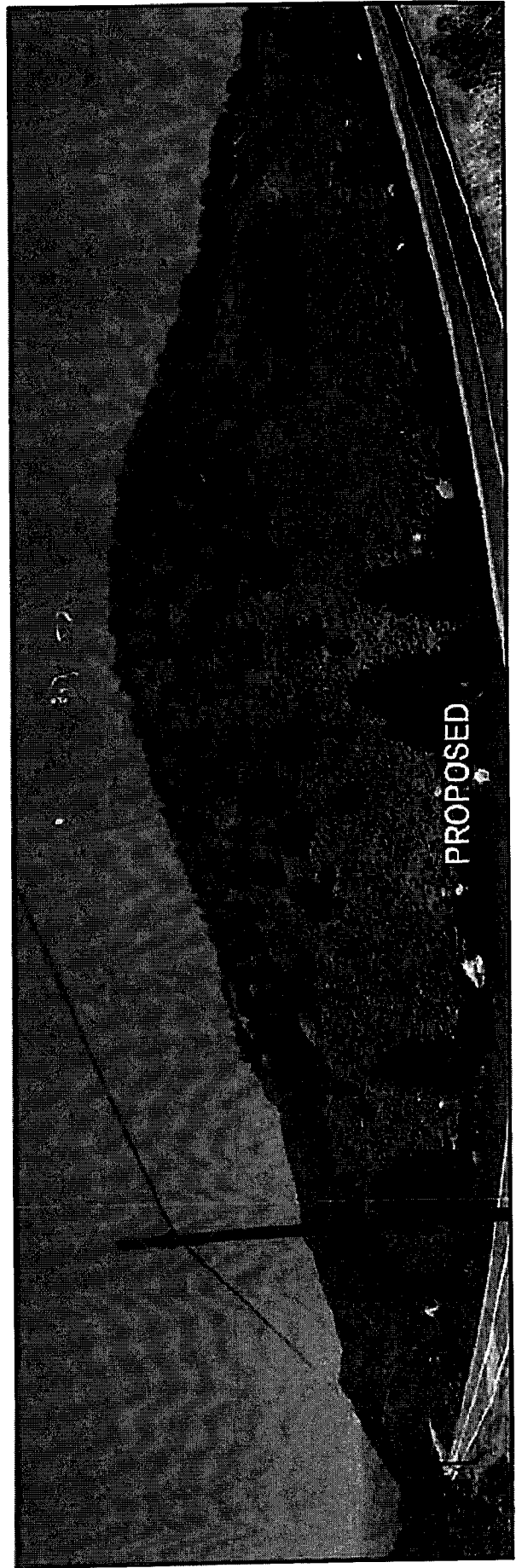
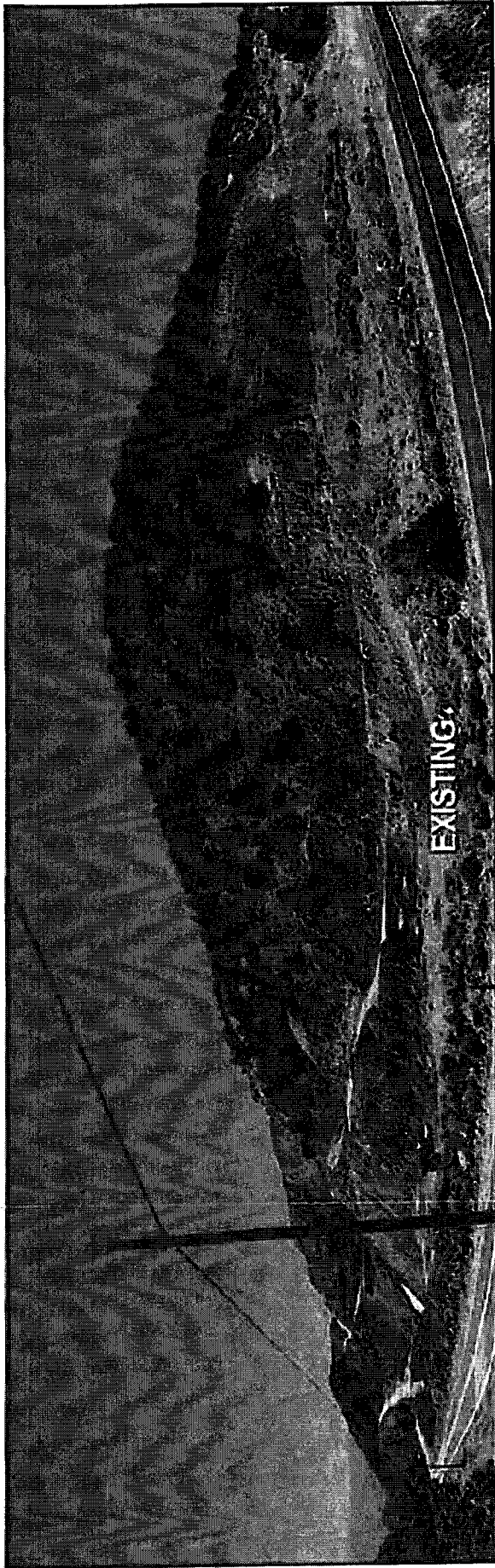
Keystone mine area



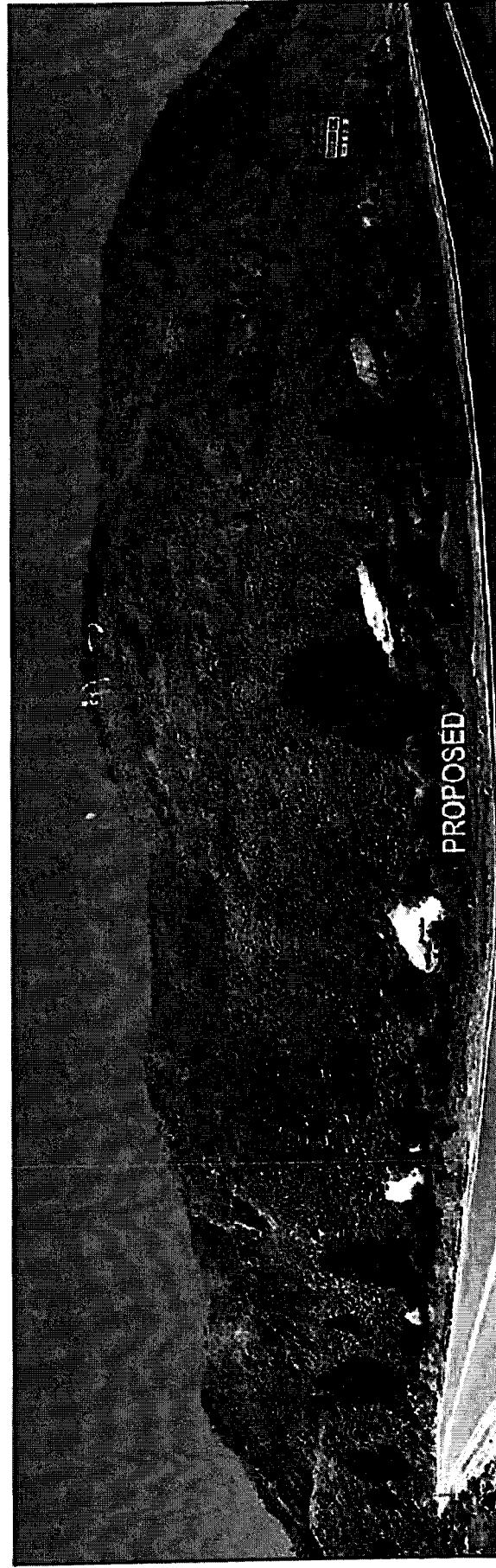
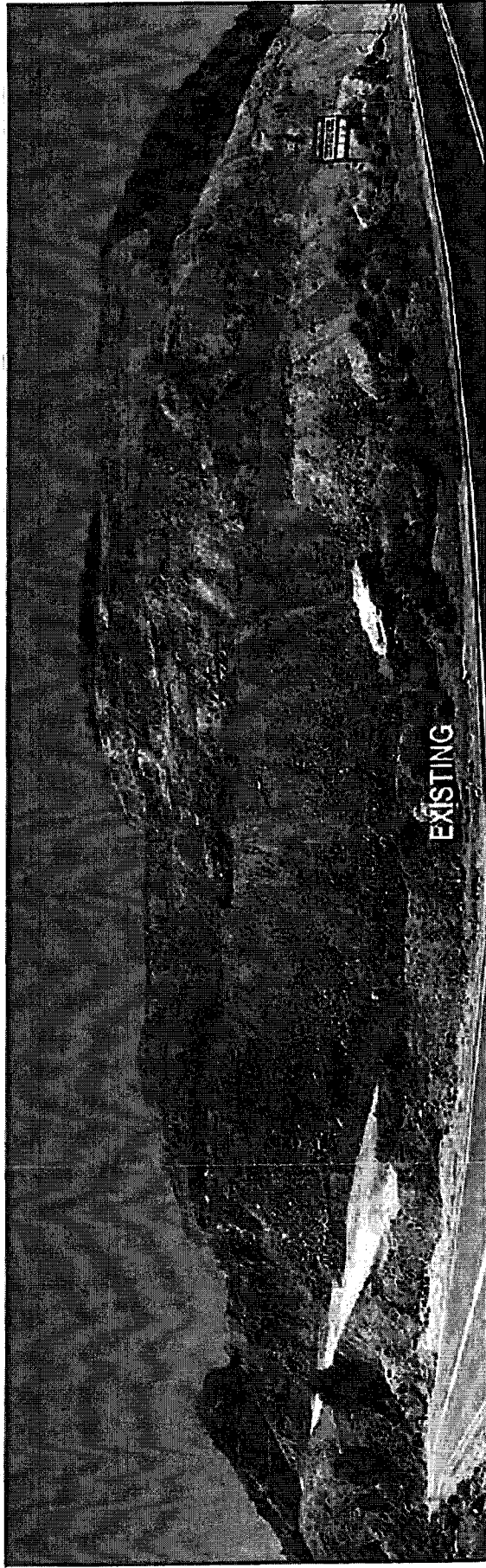
Southern Keystone mine area



Justice mine area

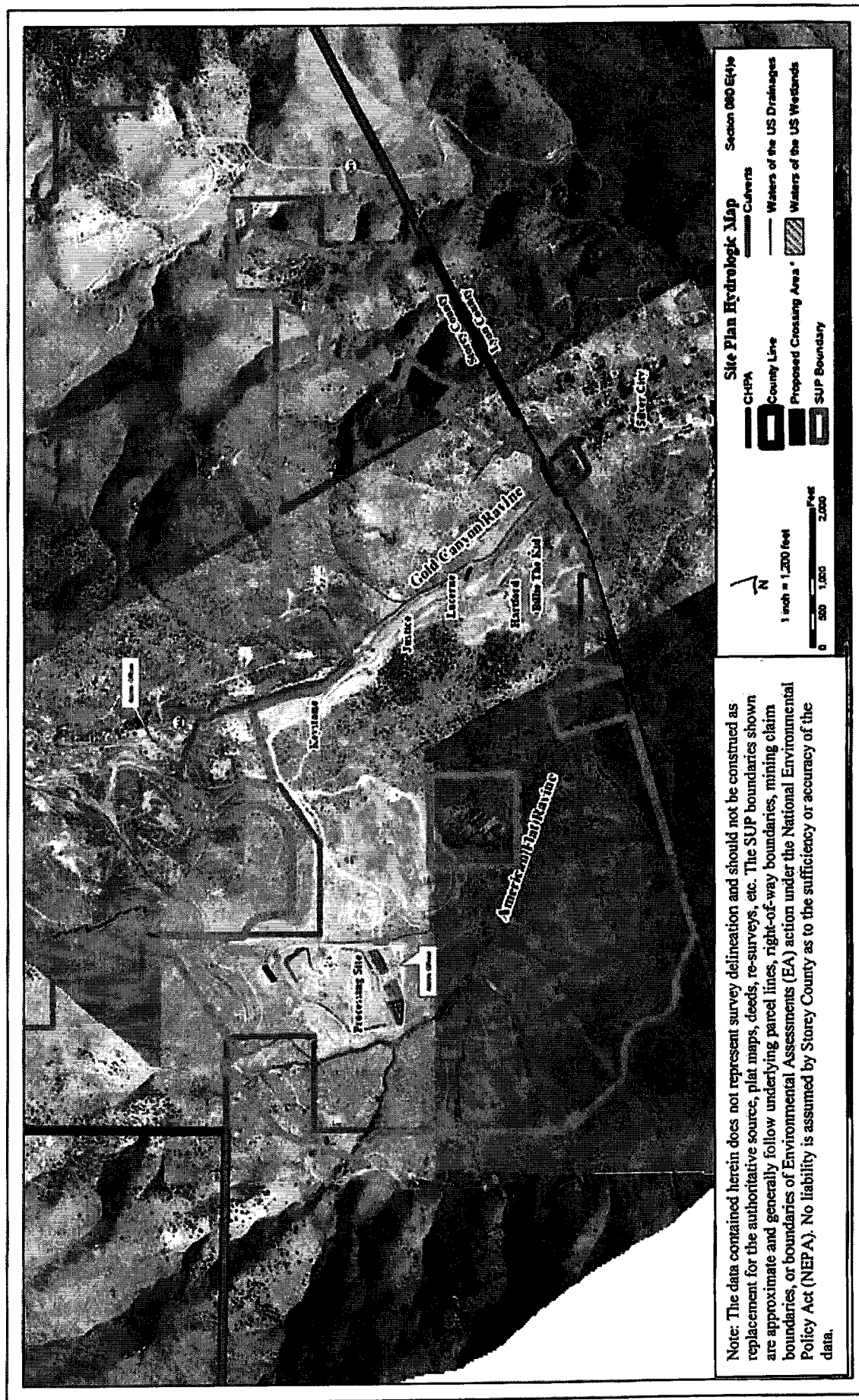


Lucerne, Hardford mine areas



Hartford, Billy the Kid mine area

Exhibit D: Known natural drainages within the subject property (See jurisdictional determination for the Plum Mining [Comstock Mining] project, Department of the Army, U.S. Army Engineer District, Sacramento, Corps of Engineers. April 14, 2014).



COMSTOCK RESIDENTS ASSOCIATION

November 14, 2018

To: Storey County Planning Commission

From: Comstock Residents Association

Joe McCarthy

Subject: Special Use Permit Amendment File 2000-222-A-6-2018

The Comstock Residents Association is writing to express our strong opposition to Special Use Permit Amendment File 2000-222-A-6-2018, as requested by Comstock Mining LLC.

The amendment would extend the permit's effective period of 10 years to 20 years by changing the current 2025 expiration date to 2038. Such an extension would be in violation of Section 17.92.160.C (Mineral Exploration, Mining and Extraction) of the Storey County Zoning Code, which limits the duration of surface and underground mining special use permits to not more than twenty years. The requested change would effectively extend the permit for 28 years from the original special use permit's approval in 2014.

More importantly, the 10 year effective period was agreed upon in 2014 by the parties involved, as well as the Storey County Planning Commission and the Board of County Commissioners. It represents both the needs of Comstock Mining, LLC and the public interest. It serves as a reasonable time limit during which the company could achieve its objectives, while the conditions and stipulations in the special use permit remained viable and relevant.

The 28 year extension requested by Comstock Mining LLC would, in effect, absolve the company and Storey County of their initially agreed upon obligation—after ten years—to evaluate the project and its impacts, make appropriate changes or modifications, and then possibly proceed with a new or revised special use permit.

It is clear that the public interest would not be served by this extension, as it would preclude for an additional fourteen years any public input or comment on the project. Storey County government is pro-mining, which is a policy choice it has every right to make. However, this does not mean setting aside the public interest and participation just because Comstock Mining LLC is falling short of its objectives, or because the requested extension may entice additional investment in the company. That is not Storey County's responsibility.

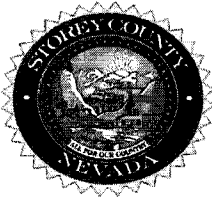
We respectfully urge you to deny Comstock Mining LLC's request.

Sincerely,

Joe McCarthy

Comstock Residents Association

PO Box 425 Silver City NV 89428



Storey County Board of County Commissioners Agenda Action Report

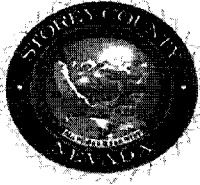
Meeting date: December 4, 2018

Estimate of time required: 5 min.

Agenda: Consent ☐ Regular agenda ☒ Public hearing required ☒

1. **Title:** ITEM WITHDRAWN **Discussion/Possible Action:** 2018-045 Zone Map Amendment of a request by applicant Storey County, and property owners Virginia City Ventures Inc. for APN 001-172-01, Lots 6-8 of Block 210, at 575 South H Street; Richard Correll for APN 001-172-03, Lots 2-5 of Block 210, at 535 South H Street; and Mark Charlton for APN 001-172-04, Lot 1 of Block 210, at 515 South H Street, all located in Virginia City, Storey County, Nevada, and, to amend the zoning designation of said parcels which are located within portions of Sections 29 and 30, Township 17 North, Range 21 East, MDBM, from (I2) Heavy Industrial to (CR) Commercial Residential. The 2016 Storey County Master Plan map for this area designates these properties as a transition zone from Industrial to Mixed-Use Commercial Residential.
2. **Prepared by:** Kathy Canfield
4. **Department:** Planning **Telephone:** 775.847.1144
5. **Staff summary:** Public Notice in paper regarding request and meeting dates, then applicant withdrew application.
6. **Supporting materials:**
7. **Fiscal impact:** None on local government.
Funds Available: _____ Fund: _____ Comptroller
8. **Legal review required:** _____ District Attorney
9. **Reviewed by:**
_____ Department Head _____ Department Name: Planning
_____ County Manager _____ Other agency review: _____
10. **Board action:**
☐ Approved ☐ Approved with Modifications
☐ Denied ☐ Continued

Agenda Item No.



Storey County Board of County Commissioners Agenda Action Report

Meeting date: 12/04/18

Estimate of time required: 45 min.

Agenda: Consent ☐ Regular agenda ☒ Public hearing required ☒

1. **Title:** Discussion and possible action: Annual review and evaluation of the performance of Pat Whitten, County Manager. The board may, without further notice, take administrative action against Pat Whitten, County Manager, if the board determines that such administrative action is awarded after considering the character, alleged misconduct, professional competence, or physical or mental health of the person. At the end of the annual performance evaluation, the board may modify existing goals and objectives of the county manager's job; determine whether to provide a merit increase, bonus, or other compensation adjustment; and/or take adverse administrative action up to and including termination.

2. **Recommended motion:** Take action as the board deems appropriate.

3. **Prepared by:** Austin Osborne

Department: Human Resources

Telephone: 847-0968

4. **Staff summary:** In the board's deliberations, the character, competence, and performance of the county manager may be discussed and the board may consider the job description, job duties, and other matters connected to this agenda item. The county manager may be present at the meeting and may present evidence relating to his character, alleged misconduct, professional competence, or physical or mental health. At the end of the annual performance evaluation, the board has the right to make changes to the existing goals and objectives of the county manager's job, the right to determine whether to provide a merit increase and/or bonus, or the right to take adverse administrative action up to and including termination.

5. **Supporting materials:** Enclosed: (A) County Manager board evaluation form; (B) Resolution 18-488 Appointed Salaries Grades; (C) Appointed Salary Chart; (D) County Manager job description.

6. **Fiscal impact:** None on local government.

Funds Available:

Fund:

____ Comptroller

7. **Legal review required:**

____ District Attorney

8. **Reviewed by:**

 Department Head

Department Name:

____ County Manager

Other agency review: _____

9. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

County Manager Annual Evaluation Form
Evaluation Period: _____

County Commissioner's Evaluation
Evaluator: _____

County Commissioner's Annual Evaluation of the Storey County Manager		
Date of Evaluation:		
County Manager Being Evaluated:		
Evaluator:		
Evaluation Period - From:	To:	(month/day/year)

A. County Manager job description essential function elements:

- | | |
|--|---|
| <ul style="list-style-type: none"> • Develops goals and objectives • Motivates staff • Fosters team management • Administrates policies • Advises appropriate policies • Administers contracts • Evaluates staff • Administers the budget • Promotes economic development | <ul style="list-style-type: none"> • Resolves issues and complaints • Assist the board • Fosters team management • Oversees the budget • Serves as a public information officer • Investigates • Legislative representative • Lobbyist • Responds to emergencies |
|--|---|

B. Primary elements of the County Manager's duties being evaluated in accordance with job description:

- | | |
|--|---|
| <ul style="list-style-type: none"> • Leadership • Organizational Management • Financial Management • Human Resources Development • Public Service | <ul style="list-style-type: none"> • Economic Development • Personal Character • Emergency Management • Code of Ethics ICMA |
|--|---|

C. Rating scale for each evaluation element. For each category, check which most closely applies. The commissioners should discuss each element collaboratively and individually decide what rating to assign for that element. The commissioners should also review and consider the ratings in the County Manager's self-evaluation.

- **Distinguished:** The County Manager is so successful at this job criterion that special note should be made. This performance rank is in the top 10 percent.
- **Excellent:** Performance at this level is one of better performance in the organization, given the common standards and results. This is better than average performance.
- **Satisfactory:** Performance is at or above minimum standards. This level of performance is what one would expect from the most experience and competent manager.
- **Needs Improvement:** Performance is somewhat below what would be expected of an experienced and competent manager. However, there appears to be potential to improve the rating within a reasonable timeframe.
- **Unsatisfactory:** Performance is well below standards and there is serious question as to whether the person can improve to meet the minimum standard.

County Manager Annual Evaluation Form
Evaluation Period: _____

County Commissioner's Evaluation
Evaluator: _____

1. Leadership

- a. Motivates and encourages teamwork, innovation, and problem-solving
- b. Instills confidence and promotes initiative through support and encouragement
- c. Delegates authority appropriately
- d. Affective advocate of county programs
- e. Communicates clearly with board, staff, and departments
- f. Leads in accordance with policies and board directives
- g. Leads according to strategic goals, objectives, and policies
- h. Positive relationship with board
- i. Positive relationship with staff, departments, and elected offices
- j. Represents board's interest in local and regional issues and projects
- k. Positive relationship with residents, businesses, and public
- l. Takes ownership of error
- m. Builds inter-local relations (local, state, federal)

____ *Distinguished*
____ *Excellent*
____ *Satisfactory*
____ *Needs Improvement*
____ *Unsatisfactory*

Comments:

New or additional goals for the future:

2. Organizational Management

- a. Implements and enforces board directives
- b. Follows organization policies and programs
- c. Responds timely to board requests
- d. Reports are accurate, comprehensive, concise, and persuasive
- e. Effective Public Information Officer (PIO)
- f. Understands, supports, and enforces policies
- g. Reviews policies and recommends improvements
- h. Efficient and effective
- i. Detail oriented and avoids errors
- j. Resolves problems
- k. Delivers product

_____ *Distinguished*

_____ *Excellent*

_____ *Satisfactory*

_____ *Needs Improvement*

_____ *Unsatisfactory*

Comments:

New or additional goals for the future:

County Manager Annual Evaluation Form
Evaluation Period: _____

County Commissioner's Evaluation
Evaluator: _____

3. Financial Management

- a. Directs preparation of balanced budget
- b. Provides service at levels consistent with board policies and directives
- c. Keeps board apprised of major financial issues
- d. Monitors budget expenditures to ensure funds are spent correctly
- e. Evaluates programs and services and makes appropriate adjustments
- f. Meets board policies, guidelines, and directives
- g. Exhibits responsible and appropriate expenditures
- h. Uses labor and resources efficiently
- i. Exhibits financial competency
- j. Anticipates and plans for future financial needs
- k. Utilizes federal and state grant and funding opportunities

____ *Distinguished*

____ *Excellent*

____ *Satisfactory*

____ *Needs Improvement*

____ *Unsatisfactory*

Comments:

New or additional goals for the future:

4. Human Resources Development

- a. Ensures personnel policies conform to law
- b. Carries out personnel policies
- c. Professional manages the compensation and benefits plan
- d. Promotes training and professional development
- e. Maintains staffing according to organizational needs and budget limits
- f. Retains and recruits competent personnel
- g. Treats all employees fairly and equitably
- h. Promptly addresses disciplinary problems
- i. Takes appropriate corrective action
- j. Monitors and evaluates performance
- k. Evaluates and coaches consistently and fairly

____ *Distinguished*

____ *Excellent*

____ *Satisfactory*

____ *Needs Improvement*

____ *Unsatisfactory*

Comments:

New or additional goals for the future:

County Manager Annual Evaluation Form
Evaluation Period: _____

County Commissioner's Evaluation
Evaluator: _____

5. Public Service

- a. Positive impression by citizens
- b. Visible, approachable, accessible, and responsive
- c. Displays diplomacy when responding to others
- d. Displays positive public image of the county
- e. Outgoing to meet with citizens and communities
- f. Communicates with citizens
- g. Citizen and customer oriented
- h. Responds timely to citizen complaints

_____ ***Distinguished***

_____ ***Excellent***

_____ ***Satisfactory***

_____ ***Needs Improvement***

_____ ***Unsatisfactory***

Comments:

New or additional goals for the future:

6. Economic Development

- a. Builds private-public partnerships
- b. Fosters inter-jurisdictional cooperation
- c. Responds quickly to stakeholder needs
- d. Adapts to changing economic environment
- e. Knows county assets, strengths, weaknesses, and opportunities
- f. Builds positive image of county based on facts
- g. Demonstrates consistency and integrity

____ *Distinguished*

____ *Excellent*

____ *Satisfactory*

____ *Needs Improvement*

____ *Unsatisfactory*

Comments:

New or additional goals for the future:

County Manager Annual Evaluation Form
Evaluation Period: _____

County Commissioner's Evaluation
Evaluator: _____

7. Personal Character

- a. Shows originality in approaching problems
- b. Takes rational, impersonal, and unbiased approach based on facts and qualified opinions
- c. Energetic and willing to spend time to do exceptional work
- d. Reaches quality decisions in timely fashion
- e. Honest and forthcoming in professional capacities
- f. Reputation in community for honesty and integrity
- g. Accepts constructive criticism and takes ownership for mistakes

____ *Distinguished*

____ *Excellent*

____ *Satisfactory*

____ *Needs Improvement*

____ *Unsatisfactory*

Comments:

New or additional goals for the future:

8. Emergency Management

- a. Leads and manages effectively during crises
- b. Inter-jurisdictional cooperation
- c. Supports emergency management planning
- d. Maintains conformance with emergency management requirements

____ *Distinguished*

____ *Excellent*

____ *Satisfactory*

____ *Needs Improvement*

____ *Unsatisfactory*

Comments:

New or additional goals for the future:

County Manager Annual Evaluation Form
Evaluation Period: _____

County Commissioner's Evaluation
Evaluator: _____

9. **ICMA Code of Ethics:** The County Manager has exhibited excellent conformance with the Code of Ethics of the International County Manager's Association ICMA

_____ *Conformed to the ICMA Code of Ethics*

_____ *Did not conform to one or more of the ICMA Code of Ethics (Circle which of the tenant(s) above with which conformance did not occur.)*

ICMA Code of Ethics

Tenet 1 – Be dedicated to the concepts of effective and democratic local government by responsible elected officials and believe that professional general management is essential to the achievement of this objective.

Tenet 2 – Affirm the dignity and worth of the services rendered by government and maintain a constructive, creative, and practical attitude toward local government affairs and a deep sense of social responsibility as a trusted public servant

Tenet 3 – Demonstrate by word and action the highest standards of ethical conduct and integrity in all public, professional, and personal relationships in order that the member may merit the trust and respect of the elected and appointed officials, employees, and the public.

Tenet 4 – Recognize that the chief function of local government at all times is to serve the best interests of all people.

Tenet 5 – Submit policy proposals to elected officials; provide them with facts and advice on matters of policy as a basis for making decisions and setting community goals; and uphold and implement local government policies adopted by elected officials.

Tenet 6 – Recognize that elected representatives of the people are entitled to the credit for the establishment of local government policies; responsibility for policy execution rests with the members.

Tenet 7 – Refrain from all political activities which undermine public confidence in professional administrators. Refrain from participation in the election of the members of the employing legislative body.

Tenet 8 – Make it a duty continually to improve the member's professional ability and to develop the competence of associates in the use of management techniques.

Tenet 9 – Keep the community informed on local government affairs; encourage communication between the citizens and all local government officers; emphasize friendly and courteous service to the public; and seek to improve the quality and image of public service.

Tenet 10 – Resist any encroachment on professional responsibilities, believing the member should be free to carry out official policies without interference, and handle each problem without discrimination on the basis of principle and justice.

Tenet 11 – Handle all matters of personnel on the basis of merit so that fairness and impartiality govern a member's decisions, pertaining to appointments, pay adjustments, promotions, and discipline.

Tenet 12 – Public office is a public trust. A member shall not leverage his or her position for personal gain or benefit.

RESOLUTION NO. 18-488

A RESOLUTION SETTING SALARIES OF EMPLOYEES FIXED BY ORDINANCE OR RESOLUTION PER NRS 245.045 FOR APPOINTED OFFICIALS.

BE IT HEREBY RESOLVED BY THE STOREY COUNTY BOARD OF COUNTY COMMISSIONERS, STOREY COUNTY, NEVADA:

WHEREAS, for the purposes of NRS 245.210, the Storey County Board of County Commissioners has authority to establish the salaries of all appointed County employees by the enactment of a resolution.

WHEREAS, the salaries of all regular county employees, except certain Sheriff's Office employees set by collective bargaining agreement, are consistently to be derived from a similar step and grade range salary chart shown in the General Salary Schedule for regular employees of the county.

WHEREAS, the salary range of appointed employees shall be set by the General Salary Schedule for regular employees of the county and the assigned grades for the appointed positions are as follows:

Public Works Director	Grade 151
Assistant Public Works Director	Grade 137
Automotive/Equipment Specialist	Grade 133
County Manager	Grade 157 ←
Assistant County Manager	Grade 152
Fire Marshal	Grade 144
Community Development Director	Grade 151
Chief Deputy District Attorney	Grade 152
Deputy District Attorney	Grade 151
Chief Deputy Sheriff	Grade 136
Communications Director	Grade 140
Information Technology Director	Grade 151
Network Administrator	Grade 130
Comptroller	Grade 151
Management Analyst I to Comptroller	Grade 129
Management Analyst II to Comptroller	Grade 133
Management Analyst I to County Manager	Grade 129
Management Analyst II to County Manager	Grade 131
Management Analyst III to County Manager	Grade 133
Management Analyst I to Fire District	Grade 129
Administrative Officer/HR Director	Grade 151
Community Services Coordinator	Grade 133
Senior Planner	Grade 134
VCTC Director	Grade 151
Tourism Marketing Manager	Grade 135
Bailiff/Director of Security	Grade 140

WHEREAS, each employee who is capped in the ten-step General Salary Schedule shall receive a Cost of Living increase equal to fifty (50%) percent of any PERS increase for that year, if there is no PERS increase (every other year) each employee who is capped in the ten-step General Salary Schedule shall receive a two (2%) percent Cost of Living increase July 1st. Each employee who is not capped in the ten-step General Salary Schedule shall receive a Cost of Living increase equal to fifty (50%) percent of any PERS increase for that year, if there is no PERS increase (every other year) no Cost of Living increase will be granted.

NOW, THEREFORE BE IT RESOLVED BY THE STOREY COUNTY BOARD OF COUNTY COMMISSIONERS, by unanimous vote, to adopt Resolution 18-488 providing for the setting of salaries for the appointed officials not represented by a bargaining unit.

This resolution shall be effective on the 1st, day of July, 2018.

PROPOSED AND ADOPTED this 3rd day of July, 2018.

THOSE VOTING AYE:

THOSE VOTING NAY:

STOREY COUNTY

BOARD OF COUNTY COMMISSIONERS

Marshall McBride, Chairman

ATTEST:

CLERK TO THE BOARD

Resolution 18-488

**GENERAL SALARY SCHEDULE
UNIFIED
Step and Grade (Appointed Exempt Employees and Non-Appointed AFSCME Employees)
OFFICIAL 2016-2019**

STEP	Grade	Step 1 2080 hours/yr. (40-hour week)	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
110		\$ 17.43	\$ 36,256.16	\$ 37,525.13	\$ 38,838.50	\$ 40,197.85	\$ 41,604.78	\$ 43,060.94	\$ 44,568.08	\$ 46,127.96	\$ 47,742.44
111		\$ 17.87	\$ 37,162.56	\$ 38,463.25	\$ 39,809.46	\$ 41,202.79	\$ 42,644.89	\$ 44,137.46	\$ 45,682.27	\$ 47,281.15	\$ 48,935.99
112		\$ 18.31	\$ 38,091.62	\$ 39,424.83	\$ 40,804.70	\$ 42,232.86	\$ 43,711.01	\$ 45,240.90	\$ 46,824.33	\$ 48,463.18	\$ 50,159.39
113		\$ 18.77	\$ 39,043.92	\$ 40,410.46	\$ 41,824.82	\$ 43,288.69	\$ 44,803.80	\$ 46,371.93	\$ 47,994.95	\$ 49,674.77	\$ 51,413.39
114		\$ 19.24	\$ 40,020.01	\$ 41,420.71	\$ 42,870.44	\$ 44,369.90	\$ 45,923.88	\$ 47,531.22	\$ 49,194.81	\$ 50,916.63	\$ 52,698.71
115		\$ 19.72	\$ 41,020.51	\$ 42,456.23	\$ 43,942.20	\$ 45,480.18	\$ 47,071.98	\$ 48,719.50	\$ 50,424.69	\$ 52,189.55	\$ 54,016.18
116		\$ 20.21	\$ 42,046.03	\$ 43,517.65	\$ 45,040.76	\$ 46,617.19	\$ 48,248.79	\$ 49,937.50	\$ 51,685.31	\$ 53,494.30	\$ 55,366.60
117		\$ 20.72	\$ 43,097.18	\$ 44,605.58	\$ 46,166.77	\$ 47,782.61	\$ 49,455.00	\$ 51,185.93	\$ 52,977.43	\$ 54,831.64	\$ 56,750.75
118		\$ 21.24	\$ 44,174.61	\$ 45,720.72	\$ 47,320.94	\$ 48,977.17	\$ 50,691.38	\$ 52,465.57	\$ 54,301.87	\$ 56,202.43	\$ 58,169.52
119		\$ 21.77	\$ 45,278.98	\$ 46,863.75	\$ 48,503.98	\$ 50,201.62	\$ 51,958.67	\$ 53,777.23	\$ 55,659.43	\$ 57,607.51	\$ 59,623.77
120		\$ 22.31	\$ 46,410.96	\$ 48,035.34	\$ 49,716.58	\$ 51,456.66	\$ 53,257.64	\$ 55,121.66	\$ 57,050.92	\$ 59,047.70	\$ 61,114.37
121		\$ 22.87	\$ 47,571.22	\$ 49,236.22	\$ 50,959.48	\$ 52,743.07	\$ 54,589.07	\$ 56,499.69	\$ 58,477.18	\$ 60,523.88	\$ 62,647.22
122		\$ 23.44	\$ 48,760.51	\$ 50,467.13	\$ 52,233.48	\$ 54,061.65	\$ 55,953.81	\$ 57,912.20	\$ 59,939.12	\$ 62,036.99	\$ 64,208.29
123		\$ 24.03	\$ 49,979.52	\$ 51,728.80	\$ 53,539.31	\$ 55,413.19	\$ 57,352.65	\$ 59,359.99	\$ 61,437.59	\$ 63,587.91	\$ 65,813.48
124		\$ 24.63	\$ 51,229.01	\$ 53,022.02	\$ 54,877.79	\$ 56,798.51	\$ 58,786.46	\$ 60,843.99	\$ 62,973.53	\$ 65,177.60	\$ 67,458.82
125		\$ 25.25	\$ 52,509.73	\$ 54,347.57	\$ 56,249.73	\$ 58,218.47	\$ 60,256.12	\$ 62,365.08	\$ 64,547.86	\$ 66,807.04	\$ 69,145.28
126		\$ 25.88	\$ 53,822.47	\$ 55,706.25	\$ 57,655.97	\$ 59,673.93	\$ 61,762.52	\$ 63,924.21	\$ 66,161.56	\$ 68,477.21	\$ 70,873.91
127		\$ 26.52	\$ 55,168.03	\$ 57,098.92	\$ 59,097.38	\$ 61,165.79	\$ 63,306.59	\$ 65,522.32	\$ 67,815.60	\$ 70,189.15	\$ 72,645.77
128		\$ 27.19	\$ 56,547.23	\$ 58,526.39	\$ 60,574.81	\$ 62,694.93	\$ 64,889.25	\$ 67,160.38	\$ 69,510.99	\$ 71,943.87	\$ 74,461.91
129		\$ 27.87	\$ 57,960.93	\$ 59,989.56	\$ 62,089.19	\$ 64,262.31	\$ 66,511.50	\$ 68,839.40	\$ 71,248.78	\$ 73,742.48	\$ 76,323.47
130		\$ 28.56	\$ 59,409.94	\$ 61,489.29	\$ 63,641.42	\$ 65,868.87	\$ 68,174.28	\$ 70,560.38	\$ 73,029.99	\$ 75,586.04	\$ 78,231.55
131		\$ 29.28	\$ 60,895.19	\$ 63,026.52	\$ 65,232.45	\$ 67,515.58	\$ 69,878.63	\$ 72,324.38	\$ 74,855.73	\$ 77,475.69	\$ 80,187.33
132		\$ 30.01	\$ 62,417.57	\$ 64,602.18	\$ 66,863.26	\$ 69,203.47	\$ 71,625.59	\$ 74,132.49	\$ 76,727.13	\$ 79,412.57	\$ 82,192.01
133		\$ 30.76	\$ 63,978.00	\$ 66,217.23	\$ 68,534.83	\$ 70,933.55	\$ 73,416.23	\$ 75,985.99	\$ 78,645.30	\$ 81,397.88	\$ 84,246.81
134		\$ 31.53	\$ 65,577.45	\$ 67,872.66	\$ 70,248.21	\$ 72,706.89	\$ 75,251.63	\$ 77,885.44	\$ 80,611.43	\$ 83,432.83	\$ 86,352.98
135		\$ 32.32	\$ 67,216.89	\$ 69,569.48	\$ 72,004.41	\$ 74,524.57	\$ 77,133.93	\$ 79,832.58	\$ 82,626.72	\$ 85,518.66	\$ 88,511.81
136		\$ 33.12	\$ 68,897.31	\$ 71,308.72	\$ 73,804.53	\$ 76,387.68	\$ 79,061.25	\$ 81,828.40	\$ 84,692.39	\$ 87,656.62	\$ 90,724.61
137		\$ 33.95	\$ 70,619.75	\$ 73,091.44	\$ 75,649.64	\$ 78,297.38	\$ 81,037.79	\$ 83,874.11	\$ 86,809.70	\$ 89,848.04	\$ 92,992.72
138		\$ 34.80	\$ 72,385.25	\$ 74,918.73	\$ 77,540.88	\$ 80,254.82	\$ 83,063.73	\$ 85,970.97	\$ 88,979.95	\$ 92,094.25	\$ 95,317.55
139		\$ 35.67	\$ 74,194.88	\$ 76,791.70	\$ 79,479.41	\$ 82,261.19	\$ 85,140.33	\$ 88,120.24	\$ 91,204.45	\$ 94,396.61	\$ 97,700.49
140		\$ 36.56	\$ 76,049.76	\$ 78,711.50	\$ 81,466.40	\$ 84,317.73	\$ 87,268.85	\$ 90,323.26	\$ 93,484.57	\$ 96,756.53	\$ 100,143.01
141		\$ 37.48	\$ 77,950.99	\$ 80,679.28	\$ 83,503.05	\$ 86,425.66	\$ 89,450.56	\$ 92,581.33	\$ 95,821.67	\$ 99,175.43	\$ 102,646.57
142		\$ 38.41	\$ 79,899.77	\$ 82,696.26	\$ 85,590.63	\$ 88,586.30	\$ 91,686.83	\$ 94,895.86	\$ 98,217.22	\$ 101,654.82	\$ 105,212.74
143		\$ 39.37	\$ 81,897.27	\$ 84,763.67	\$ 87,730.40	\$ 90,800.97	\$ 93,979.00	\$ 97,268.26	\$ 100,672.65	\$ 104,196.20	\$ 107,843.06
144		\$ 40.36	\$ 83,944.71	\$ 86,882.77	\$ 89,923.67	\$ 93,071.00	\$ 96,328.48	\$ 99,699.98	\$ 103,189.48	\$ 106,801.11	\$ 110,539.15
145		\$ 41.37	\$ 86,043.31	\$ 89,054.83	\$ 92,171.75	\$ 95,397.76	\$ 98,736.68	\$ 102,192.47	\$ 105,769.20	\$ 109,471.12	\$ 113,302.61
146		\$ 42.40	\$ 88,194.40	\$ 91,281.20	\$ 94,476.05	\$ 97,782.10	\$ 101,205.10	\$ 104,747.28	\$ 108,413.44	\$ 112,207.91	\$ 116,135.18
147		\$ 43.46	\$ 90,399.26	\$ 93,563.23	\$ 96,837.94	\$ 100,227.27	\$ 103,735.23	\$ 107,365.96	\$ 111,123.77	\$ 115,013.10	\$ 119,038.56
148		\$ 44.55	\$ 92,659.23	\$ 95,902.31	\$ 99,258.89	\$ 102,732.95	\$ 106,328.60	\$ 110,050.10	\$ 113,901.86	\$ 117,888.42	\$ 122,014.52
149		\$ 45.66	\$ 94,975.73	\$ 98,299.88	\$ 101,740.37	\$ 105,301.28	\$ 108,986.83	\$ 112,801.37	\$ 116,749.42	\$ 120,835.65	\$ 125,064.89
150		\$ 46.80	\$ 97,350.11	\$ 100,757.37	\$ 104,283.88	\$ 107,933.81	\$ 111,711.50	\$ 115,621.40	\$ 119,668.15	\$ 123,856.53	\$ 128,191.51
151		\$ 47.97	\$ 99,783.87	\$ 103,276.31	\$ 106,890.98	\$ 110,640.38	\$ 114,540.29	\$ 118,511.94	\$ 122,659.86	\$ 126,952.95	\$ 131,396.31
152		\$ 49.17	\$ 102,278.47	\$ 105,858.21	\$ 109,563.25	\$ 113,397.97	\$ 117,366.90	\$ 121,474.74	\$ 125,726.35	\$ 130,126.77	\$ 134,681.21
153		\$ 50.40	\$ 104,835.43	\$ 108,504.67	\$ 112,302.33	\$ 116,232.91	\$ 120,301.07	\$ 124,511.60	\$ 128,869.51	\$ 133,379.94	\$ 138,048.24
154		\$ 51.66	\$ 107,456.31	\$ 111,217.28	\$ 115,109.88	\$ 119,138.73	\$ 123,308.59	\$ 127,624.39	\$ 132,091.24	\$ 136,714.43	\$ 141,499.44
155		\$ 52.95	\$ 110,142.72	\$ 113,997.72	\$ 117,987.64	\$ 122,117.20	\$ 126,391.30	\$ 130,815.00	\$ 135,393.53	\$ 140,132.30	\$ 145,036.93
156		\$ 54.28	\$ 112,896.90	\$ 116,842.67	\$ 120,887.44	\$ 125,023.34	\$ 129,353.10	\$ 133,885.39	\$ 138,628.37	\$ 143,685.62	\$ 148,962.06
157		\$ 55.63	\$ 115,718.70	\$ 119,768.85	\$ 123,960.76	\$ 128,299.39	\$ 132,789.87	\$ 137,437.51	\$ 142,247.82	\$ 147,226.50	\$ 152,379.43

GENERAL SALARY SCHEDULE
UNIFIED
Step and Grade (Appointed Exempt Employees and Non-Appointed AFSCME Employees)
OFFICIAL 2016-2019

158	\$ 57.02	\$ 118,611.66	\$ 122,763.07	\$ 127,059.77	\$ 131,506.86	\$ 136,109.60	\$ 140,873.44	\$ 145,804.01	\$ 150,907.15	\$ 156,188.90	\$ 161,655.51
159	\$ 58.45	\$ 121,576.96	\$ 125,832.15	\$ 130,236.28	\$ 134,794.55	\$ 139,512.36	\$ 144,395.29	\$ 149,449.13	\$ 154,679.85	\$ 160,093.64	\$ 165,696.92
160	\$ 59.91	\$ 124,616.39	\$ 128,977.96	\$ 133,492.19	\$ 138,164.42	\$ 143,000.17	\$ 148,005.18	\$ 153,185.36	\$ 158,546.85	\$ 164,095.99	\$ 169,839.35
161	\$ 61.41	\$ 127,731.79	\$ 132,202.41	\$ 136,829.49	\$ 141,618.52	\$ 146,575.17	\$ 151,705.30	\$ 157,014.99	\$ 162,510.51	\$ 168,198.38	\$ 174,085.32
162	\$ 62.94	\$ 130,925.09	\$ 135,507.46	\$ 140,250.22	\$ 145,158.98	\$ 150,239.55	\$ 155,497.93	\$ 160,940.36	\$ 166,573.27	\$ 172,403.34	\$ 178,437.45
163	\$ 64.52	\$ 134,198.22	\$ 138,895.15	\$ 143,756.49	\$ 148,787.96	\$ 153,995.54	\$ 159,385.38	\$ 164,963.87	\$ 170,737.61	\$ 176,713.43	\$ 182,898.39
164	\$ 66.13	\$ 137,553.17	\$ 142,367.53	\$ 147,350.39	\$ 152,507.65	\$ 157,845.42	\$ 163,370.01	\$ 169,087.96	\$ 175,006.04	\$ 181,131.25	\$ 187,470.85
165	\$ 67.78	\$ 140,992.00	\$ 145,926.72	\$ 151,034.16	\$ 156,320.35	\$ 161,791.56	\$ 167,454.27	\$ 173,315.17	\$ 179,381.20	\$ 185,659.54	\$ 192,157.62

*Note: There are no longer 35-hour employees working in Storey County. The column, however, is included for retroactive reference. All employees henceforth are pursuant to the 40-hour workweek schedule.

Storey County Job Description

County Manager

Class Title: County Manager
Reports to: Board of Storey County Commissioners
FLSA Status: Exempt
Represented Status: Non-Represented
Created: March 2007
Last Revised: Draft 2-20-2018

1. Job summary. The county manager is the county's chief administrative officer and reports to the Storey County Board of County Commissioners (board). The board considers and sets policy and the county manager is tasked with implementing these policies. Without limiting the specific duties and responsibilities that the county manager may be assigned by the board, the broad activity areas for measured achievement are:

- A. Executive leadership and development of goals for the county
- B. Managerial and organizational effectiveness
- C. Financial planning and preparation of the budget
- D. Human resource development
- E. Public service and communication
- F. Economic development in the county
- G. Emergency management
- H. Any job duties listed here or set by the board

2. Distinguishing characteristics: The county manager is responsible for the leadership, supervision, and management of county staff, and management of county resources consistent with the administrative and policy direction of the board. An employee in this position is unclassified and "at-will," serving at the pleasure of the Storey County County Commissioners.

3. Evaluation of job performance. The county manager will be given a yearly evaluation by the board during the first quarter of the calendar year. The board may consider an increase in salary, including a merit increase consistent with the amount given unclassified personnel and a possible performance based bonus. The administrative officer and/or personnel director (director) is responsible for placing the review on the board's agenda, providing any required legal notice, and providing material for the agenda packet including salary comparisons and any material requested by the board.

4. Examples of duties: The county manager's duties are authorized by action by the board. The duties listed below are examples of the work typically performed by an employee in this position that are authorized by the board. The board may take action to include or eliminate other duties for the county manager.

A. Assist the board in the development of overall goals of the county; provide leadership and direction in the development of short- and long-range plans for achieving overall goals; work with the board and others to develop community and economic development plans.

B. Develop, evaluate, and implement administrative policies based on federal and state law and regulations, and the organizational goals and objectives of the board. Recommends policy changes where appropriate to the board for approval. Informs the board of operational problems.

C. Facilitate team management approach for decision making; promote opportunities for employee involvement in collaborative and participatory problem solving; select, direct, develop, and evaluate management personnel and other staff; administers discipline for inadequate performance or improper behavior.

D. Subject to the limitations of law and board direction; is designated the authorized representative to be responsible for the development, award and proper administration of all purchases and contracts made pursuant to the local government purchasing law, negotiates and supervises county contractual agreements, and after approval of the contract by the board, administers the agreements and if authorized by the board, enforces agreements.

E. Oversee the development of the annual county budget in conjunction with the comptroller for approval by the board; monitor expenditures to ensure compliance with budgets; account for variances between projected and actual expenditures, initiate remedial action, and reports significant variances to the board.

F. Administer the preparation of board meeting agendas; attend board meetings; makes oral and written presentations to the board of county commissioners and to other public and private groups; provide information to the news media and the public regarding County operations; represent the County with other government agencies and in meetings with the public.

G. Analyze proposed legislation and administrative regulations for their impact on County operations; review and makes recommendations to the board regarding legislative activities; participate in the lobbying process by presenting oral and written testimony to appropriate bodies.

H. Receive, investigate, and resolve complaints and concerns regarding County programs, services, employees, and facilities; act as liaison with cities, counties, regional, state, and federal agencies on a broad range of matters.

I. Engage with the county economic development team, transfer knowledge attracting and enhancing private enterprise and building public-private relationships.

J. May respond to call out in emergencies, other than during normal working hours, as needed. For example, may respond to and actively participate in all hazard Incident Command Systems.

QUALIFICATIONS FOR EMPLOYMENT:

Knowledge and Ability:

The county manager must have knowledge of: public administration and public finance principles and methods; organizational principles and relationships, principles of strategic planning; Nevada public finance laws, regulations and practices; conflict resolution techniques; principles and practices of supervision and employee development.

The county manager must have the ability to: synthesize large volumes of data, interpret and evaluate; exercise initiative, ingenuity, independent analysis and judgment in solving difficult and complex administrative, managerial and technical problems; understand and interpret complex regulations, laws and policies; demonstrate executive leadership and management skills; supervise effectively; establish and maintain effective community relations; make effective oral and written presentations; advocate effectively for the benefit of the county's interest; gain and maintain the confidence and cooperation of elected and appointed officials and the public.

5. Licensing, education, and other requirements.

A county manager must have:

- Any combination of training, education, and experience that would provide the required knowledge and abilities. A typical way to gain the required knowledge and ability is:
 - Bachelor's Degree or equivalent from an accredited college or university with coursework in public or business administration, management, accounting, economics, or a similar field. Other education may be considered based on other qualifications and experience.
 - Master's Degree or higher with such major or significant coursework may be preferred.
 - At least 5 years of increasingly responsible professional experience in management, human resources, or administrative capacity that includes experience in supervision and/or personnel management in an open political environment.
 - Professional certifications, such as ICMA Credentialed Manager, applicable to the position may be preferred.
- Must possess a valid Nevada Class C Driver License.
- Ability to pass a criminal background investigation.

6. Physical demands.

The requirements described here are representative of those that must be met by an employee to successfully perform the essential functions of the job.

- **Physical Requirements.** Strength, dexterity, coordination, and vision to use keyboard and video display terminal for prolonged periods. Strength and stamina to bend, stoop, sit, and stand for long periods of time. Dexterity and coordination to handle files and single pieces of paper; occasional lifting of files, stacks of paper or reports, references, and other materials. Some reaching for items above and below desk level. Some reaching, bending, squatting, and stooping to access files and records is necessary. The manual dexterity and cognitive ability to operate a personal computer using word processing and databases. The ability to communicate via telephone. Light lifting (up to 50 pounds) is occasionally required. In compliance with applicable disability laws, reasonable accommodations may be provided for qualified individuals with a disability

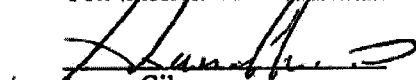
who require and request such accommodations. Incumbents and individuals who have been offered employment are encouraged to discuss potential accommodations with the employer.


- **Working Environment.** Work is typically performed indoors in an office environment where a portion of work is performed at a desk and on a computer. Work is typically performed independently with reporting directly to the board of county commissioners as appropriate. Position may occasionally be required to travel by motor vehicle to on- and off-site locations. Environment is generally clean with limited exposure to conditions such as dust, fumes, noise, or odors. Frequent interruptions to planned work activity by telephone calls, office visitors, and response to unplanned events.

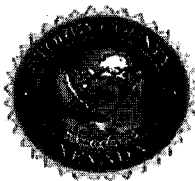
Effective this 20 day of February, 2018.


Marshall McBride
Commission Chairman


Jack McGuffey
Commission Vice-Chairman


Lance Gilman
Commissioner


Austin Osborne
Human Resources Director



Storey County Board of County Commissioners Agenda Action Report

Meeting date:
12-4-18

Estimate of time required: 0 - 5

Agenda: Consent ☐ Regular agenda ☒ Public hearing required ☐

1. **Title:** Business License Second Readings -- Approval

2. **Recommended motion:** Approval

3. **Prepared by:** Melissa Field

Department: Community Development

Telephone: 847-0966

4. **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.

5. **Supporting materials:** See attached Agenda Letter

6. **Fiscal impact:**

Funds Available:

Fund:

____ Comptroller

7. **Legal review required:**

____ District Attorney

8. **Reviewed by:**

☒ Department Head

Department Name:

____ County Manager

Other agency review: _____

9. **Board action:**

☐ Approved
☐ Denied

☐ Approved with Modifications
☐ Continued

Agenda Item No.

Storey County Community Development

Business Licensing

P O Box 526 • Virginia City NV 89440 • (775) 847-0966 • Fax (775) 847-0935 • mfield@storeycounty.org

To: Vanessa Stephens, Clerk's Office
Pat Whitten, County Manager

November 21, 2018
Via email

Fr: Melissa Field

Please add the following item(s) to the **December 4, 2018 COMMISSIONERS Agenda:**

Storey County Building Department has inspected and found that the following businesses meet code requirements necessary to operate in the county:

LICENSING BOARD SECOND READINGS

- A. **OMBOLI INTERIORS INC** – Contractor / 4200 Rewana Way ~ Reno, NV
- B. **ADKORE STAFFING GROUP LLC** – General / 4200 W. 115th St ~ Legwood, KS
- C. **MICHAEL CLAY CORPORATION** – Contractor / 410 E. Minor ~ Winnemucca, NV
- D. **PICKETT, KELM & ASSOCIATES** – General / 4100 Duval Rd ~ Austin, TX
- E. **FISHER SAND & GRAVEL, dba: ARIZONA DRILL & B** – Contractor / 1302 W. Drivers Way ~ Tempe, AZ
- F. **DANNY WAYNEHAM, dba: SAWDUDE DESIGNS** – General / 1130 Harmony ~ WMCA, NV
- G. **PROGRESS WIRELESS** – Contractor / 2133 Donald Dr #3 ~ Moraga, CA
- H. **HOLDER CONSTRUCTION** – Contractor / 3300 Riverwood Pkwy ~ Atlanta, GA
- I. **ATLAS COPCO RENTAL LLC** – General / 2306 South Battleground Rd ~ La Port, TX
- J. **CHIKO AIRTEC CO., LTD** – General / 2-27-24 Hakushima ~ Osaka, Japan
- K. **COLIN GORDON ASSOCIATES** – General / 150 North Hill Dr ~ Brisbane, CA
- L. **ALPINE LOCK AND KEY, INC** – General / 811 Ryland St ~ Reno, NV
- M. **SOUTH STAR RISK CONSULTING, LLC** – General / 1059 Redfish St ~ Bayou Vista, TX
- N. **ENGINEERED TOOLING SYSTEMS** – General / 2780 Courier NW ~ Grand Rapids, MI
- O. **WEIGL CONCRETE, LLC** – Contractor / 3550 Barron Way ~ Reno, NV
- P. **PROSPECT PEAK LLC** – Contractor / 177 Walnut Dr ~ Fernley, NV
- Q. **NEESER CONSTRUCTION** – Contractor / 455 US Hwy 395 N ~ Washoe Valley, NV
- R. **MTEX INNOVATIVE SOLUTIONS GMBH** – General / 7 Kirchstrafe ~ Roansburg, Germany
- S. **TYRES INTERNATIONAL INC** – General / 4637 Allen Rd ~ Stow, OH
- T. **RYAN SESSIONS, dba: HANDYMAN SERVICE** – Home Business / 7770 Opal Bluff Dr ~ Reno, NV

Ec: Community Development
Commissioners' Office

Planning Department
Comptroller's Office

Sheriff's Office