

V & T INTERLOCAL AGREEMENT

This Agreement is entered into as of the date of the last signature affixed hereto and is by and between the County of Storey, (County) a political subdivision of the State of Nevada, and the Nevada Commission for the Reconstruction of the V & T Railway (Commission), a body corporate and politic of the State of Nevada.

BACKGROUND

The Commission was created by an Act passed in the 1993 Nevada Legislative Session. See Chapter 566, 1993 Stats. of Nev. pg. 2326. Initially the commission was known as the Tricounty Railway Commission and consisted of members from Carson City, Storey County and Lyon County. In the Legislative Session of 2001, the Commission was given its present name and expanded to include members from Douglas County and Washoe County. See Chapter 42, 2001 Stats. of Nev. pg. 400. In the Legislative session of 2017, the makeup of the Commission was again amended to reduce the number of commissioners and its jurisdiction was reduced to Carson City and Storey County. See Chapter 62, 2017 Stats. of Nev. pg. 239. The purpose of reducing the size of the Commission was to increase the effectiveness of the Commission, reduce the costs of the Commission and to limit the representatives on the Commission to those with a substantial interest in the successful operation of the historic V & T Railroad.

The Commission has the authority to enter into an agreement with the Board of County Commissioners of Storey County to create a fund for the Commission and to pay all claims against the fund that are properly approved by the Commission. 1993 Stats of Nev., chapter 566 , section 8(2). It also has the authority to take such actions necessary to accomplish the purposes of the act creating the Commission. Further, pursuant to NRS Chapter 277.180 any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform. By this Agreement the parties desire to establish a process for handling the finances and budgets of the Commission through the use of the services of the Storey County Treasurer with assistance from the Storey County Comptroller to provide accounting services. Accordingly, the parties hereto agree as follows:

1. **Budget Preparation.** Each year, the Storey County Comptroller shall prepare tentative and final budgets with the assistance of the Executive Director in accordance with the Local Government Budget and Finance Act (NRS 354.470 – 354.626, inclusive) on behalf of the Commission, subject to the approval of the Commission.
2. **Budget Augmentation.** The Storey County Comptroller shall also prepare the Nevada Department of Taxation documentation necessary for budget augmentations which are approved by the Commission.

3. **Comptroller Processing of Bills.** Bills to pay the expenses of the Commission will be first submitted to the Commission. Bills approved for payment must be delivered to the Storey County Comptroller for processing and for the issuance of vouchers. Vouchers prepared by the Comptroller shall be delivered to the Storey County Treasurer for payment. Processing of payables will follow Storey County policies and established processes.
4. **Creation of Fund.** The Commission shall approve by resolution, the creation of an Enterprise fund to be known as the V & T Railway Fund. It is agreed that this fund shall be under the control of the Storey County Comptroller.
5. **Location of Account.** The account containing the V & T Railway Fund shall be maintained at the Wells Fargo Bank. All balances in other accounts maintained by or on behalf of the Commission shall be consolidated into the V & T Railway Fund account.
6. **Deposits into the V & T Railway Fund.** There shall be deposited into the V & T Railway Fund the revenues from the operation of the Railway, funds appropriated by either Carson City or Storey County for the benefit of the operations of the Railway, funds generated through the sale of license plates pursuant to NRS 482.37945, grants received, and donations received.
7. **Use of Revenues from License Plate Sales.** To the extent that funds are received from the sales of license plates pursuant to NRS 482.37945, they must only be used for the reconstruction, maintenance, improvement and promotion of the Virginia & Truckee Railroad. Commission will advise the Department of Motor Vehicles that revenues from the sale of license plates should now be directed to the Storey County Treasurer for deposit in the Fund authorized by 1993 Stats. of Nev. chapter 42 section 8(2).
8. **Reimbursement of Storey County.** Approved vouchers for the payment of Commission expenses will be forwarded to the Storey County Comptroller who will audit and authorize payment of approved vouchers from Storey County funds by the Storey County Treasurer. County will be reimbursed for its expenditures from the V & T Railway Fund. The Storey County Treasurer and Comptroller will have signing authority over the V & T Railway Fund and need not await the approval of the reimbursement for the payment of vouchers authorizing the payment of bills which have been approved by the Commission.
9. **Records.** Storey County will maintain complete accounting records for the Commission, which records will be public records available for inspection by the Commission, Carson City, the independent auditor and the public. Commission will endeavor to obtain all existing accounting records and turn them over to the Storey County Comptroller.
10. **Reports.** The Storey County Comptroller will prepare timely monthly, quarterly and annual accounting reports and perform or prepare analyses and special reports as requested by the Commission.
11. **Accounting.** In addition to the other duties provided above, the Storey County Comptroller and Treasurer shall reconcile the account containing the V & T Railway

Fund, balance the check book for the fund against the bank statements produced and provide for the proper account classifications for voucher payments.

12. **Payment for Services of County.** County is entitled to have the costs incurred in handling the financial and budgeting matters for Commission paid to County. These costs include a portion of the salaries, wages and benefit costs incurred by County in providing the services. County will submit invoices for the cost of the services provided to Commission for approval. Commission shall promptly review each invoice on a monthly basis, and process each invoice as the Commission processes other monthly invoices. For the first 24 months of this agreement, the County and Commission on an hourly basis will share an administrative assistant, accountant, or like position to perform accounting, bookkeeping, and other administrative functions of the Commission as specified in this Agreement. The subject position will be equivalent to that of an Administrative Assistant II in the Storey County Classification Plan. All merit increases, promotions, transfers, overtime, incentive pay, differential, etc. will be administered in accordance with Storey County policies and/or the applicable collective bargaining agreement. Written timesheets shall reflect the hours spent on Commission work by the staff of the Comptroller's office. Following this 24-month period the County and Commission will share the cost of this like position on a 50/50 basis.
13. **Status of Interlocal Contract with Carson City.** The Commission and Carson City entered into an Interlocal Contract on the 31st day of August, 2005, by which the Carson City Finance Department would provide financial services on behalf of the Commission. That Agreement is superseded by this Agreement as Storey County will now be providing the financial and budgeting services.
14. **Storey County Quarter Cent Sales Tax.** Storey County voters approved a ballot measure in 2010 (ST-1) extending the 1/4 of 1 cent sales tax upon retailers in Storey County for a period of 30 years. In 2010 the Commission and Storey County agreed that if the Storey County voters approved the ballot measure, that the Commission would refund to Storey County on a monthly basis sales taxes as are collected by the Commission under any renewed or extended sales tax ordinance for the entire length of time that such additional 1/4 of 1 percent sales tax is approved by the Storey County electorate. That obligation continues. Storey County will annually attribute ~~\$125,000.00~~ \$250,000 from the proceeds of the tax in the V & T Railway Fund for the operation and maintenance of the railroad within Storey County. These funds are subject to being utilized by the Commission in preparing its annual budget. In any year in which proceeds from ticket sales and the annual amount provided above are insufficient to cover the costs

of the train operation and track maintenance of the railroad, or, in an emergency situation, the V & T Commission may request that additional tax revenues be allocated to cover those expenses.

15. The Agreement between Storey County and the Commission dated May 20, 2010 is superseded by this Agreement.
16. **Termination.** Either party may terminate this Agreement for any reason or even for no reason at all upon giving 60 days notice to the other party of the termination. Notice shall be in writing and mailed by certified mail, return receipt requested to:

Storey County Manager
P. O. Box 176
Virginia City, NV. 89440

Nevada Commission for the Restoration of the V & T Railway
Post Office Box 1711
Carson City, NV 89702-1711

Upon termination of this Agreement, the Storey County Treasurer will turn over control of the account containing the V & T Railway Fund to the Commission. The Storey County Comptroller will turn over all financial and budgeting records to the Commission.

17. **Limitation of Liability.** The parties do not waive and intend to assert available NRS Chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Actual damages for any breach by a party shall never exceed the amount of funds which have been identified for payment under the Agreement for each month.
18. **Governing Law.** This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada.
19. **Severability.** If any provision contained in this Agreement is held to be unenforceable by a court of law or equity, this Agreement shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Agreement unenforceable.
20. **Status of Parties.** The parties are associated with each other only for the purposes and to the extent set forth in this Agreement. Each party is and shall be a public agency separate and distinct from the other party and shall have the right to supervise, manage, operate, control and direct performance of the details incident to its duties under this Agreement. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or except as provided herein, otherwise create any liability for one agency whatsoever with respect to the indebtedness, liabilities and obligations of the other agency or any other party.
21. **Assignment/Delegation.** Neither party shall assign, transfer or delegate any rights, obligations or duties under this Agreement without the prior written consent of the other party.

22. **Waiver of Breach.** Failure to declare a breach or the actual waiver of any particular breach of the Agreement or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.
23. **No Interpretation Against Drafter.** Each party recognizes that this Agreement is a legally binding contract and acknowledges that such party has had the opportunity to consult with legal counsel of choice. In any construction of the terms of this Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such terms.
24. **Force Majeure.** Neither party shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Agreement after the intervening cause ceases.
25. **Entire Agreement; Modifications.** This Agreement constitutes the entire agreement of the parties and is intended to be the complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless otherwise expressly authorized by the terms of this Agreement, no modification or amendment to this Agreement shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto.
26. **Third-Party Beneficiaries.** Unless otherwise specifically provided herein, nothing in this Agreement shall be construed to create any third party beneficiaries.
27. **Counterparts and Facsimile Signatures.** This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each party and delivered to the other party, it being understood that all parties need not sign the same counterpart. This Agreement may be executed by facsimile signatures.

IN WITNESS WHEREOF, the above-named parties have set their hands and executed this Agreement on the date(s) set forth below.

(Dates and Signatures appear on next page.)

Dated this 19 day of May, 2020.

Board of County Commissioners of Storey County

By: Marshal McBride
Marshal McBride, Chairman

Attest:

Vanessa Stephens Storey County Clerk
Dated this 19 day of May, 2020

Vanessa Stephens
Vanessa Stephens, Storey County Clerk/Treasurer

Dated this 22 day of July, 2020.

Nevada Commission for the Reconstruction of the V & T Railway

By Stan Jones
Stan Jones, Chairman

Attest:

Commission Secretary