



## STAFF REPORT

**Report To:** Board of Health

**Meeting Date:** October 15, 2020

**Staff Contact:** Nicki Aaker, naaker@carson.org

**Agenda Title:** For Possible Action: Discussion and possible action regarding Contract #1718-118, Vitality Services Contract, effective December 21, 2017 through December 31, 2020, and the corresponding lease agreement between Carson City and Vitality Unlimited. (Nicki Aaker, naaker@carson.org)

Staff Summary: The lease agreement between Carson City and Vitality Unlimited for a 6,998 square foot portion of the second floor of the Carson City Health and Human Services building located at 900 E. Long Street and the Vitality Services Contract #1718-118 will both terminate on December 31, 2020. Vitality Unlimited has submitted a written request to extend the lease and the services contract for an additional two-year period through December 31, 2022. Staff is requesting direction from the Board regarding the request for extension.

**Agenda Action:** Formal Action / Motion

**Time Requested:** 20 minutes

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### **Proposed Motion**

Provide direction to staff based on discussion at the meeting.

### **Board's Strategic Goal**

Quality of Life

### **Previous Action**

December 21, 2017 - The Board of Supervisors approved Contract #1718-118, a services agreement between Carson City and Vitality Unlimited, a non-profit Nevada corporation.

December 21, 2017 - The Board of Supervisors approved the lease of a 6,998 square foot portion of the second floor of the building located at 900 E. Long Street to Vitality Unlimited, a non-profit Nevada corporation, in exchange and as consideration for the provision of certain services in accordance with Contract # 1718-118 by and between Vitality Unlimited and Carson City.

### **Background/Issues & Analysis**

Staff is requesting direction from the Board regarding a request from Vitality Unlimited to extend the lease and the services contract for an additional two-year period through December 31, 2022. If directed by the Board, staff would bring the proposed extensions to the Board of Supervisors for approval in December 2020.

### **Applicable Statute, Code, Policy, Rule or Regulation**

N/A

### **Financial Information**

**Is there a fiscal impact? No**

**If yes, account name/number:**

**Is it currently budgeted?**

**Explanation of Fiscal Impact:**

**Alternatives**

**Attachments:**

[Vitality extension request.pdf](#)

[1718-118 Executed Contract.pdf](#)

**Board Action Taken:**

Motion: \_\_\_\_\_

1) \_\_\_\_\_

2) \_\_\_\_\_

Aye/Nay

\_\_\_\_\_

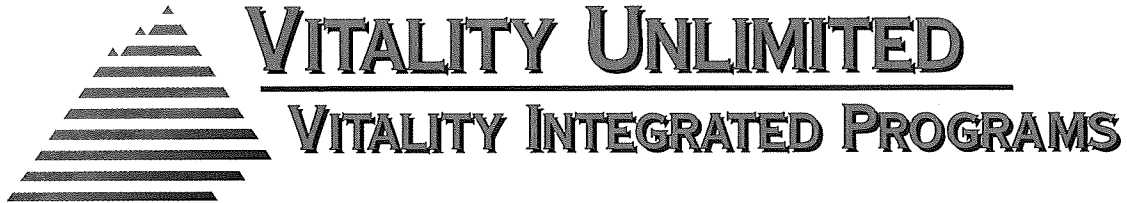
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(Vote Recorded By)



September 2, 2020

Chief Financial Officer  
Attn: Laura Rader, Purchasing and Contracts Administrator  
Purchasing and Contracts Department  
201 North Carson Street, Suite 2  
Carson City, Nevada 89701

RE: Lease – 900 E Long Street, Carson City, Nevada 89701

Dear Purchasing and Contracts Administrator:

Vitality Unlimited is currently leasing the upstairs 6,998 square feet of commercial space located at 900 E Long Street. Our current lease with Carson City expires on December 31, 2020. Vitality Unlimited is hereby requesting a two-year extension of this lease without modification to the terms set forth in our current contract with Carson City. This lease extension would expire on December 31, 2022, if accepted by the Carson City Board of Supervisors.

Please advise Vitality Unlimited of any further steps we need to pursue to extend this lease arrangements. Thank you for your assistance.

Sincerely,

  
Dorothy J. Dexter  
Chief Financial Officer



## STAFF REPORT

**Report To:** Board of Supervisors

**Meeting Date:** December 21, 2017

**Staff Contact:** Nicki Aaker (naaker@carson.org); Iris Yowell (iyowell@carson.org)

**Agenda Title:** For Possible Action: To approve contract no. 1718-118, a services agreement between Carson City and Vitality Unlimited, a non-profit Nevada corporation.

**Staff Summary:** Vitality Unlimited, a non-profit Nevada corporation, entered into a lease agreement for 6,998 square feet at 900 East Long Street; Carson City, Nevada on March 17, 2014 which expired on October 31, 2017. On October 19, 2017, the Board of Supervisors extended the lease agreement to December 31, 2017. This service agreement is in conjunction with the lease agreement and sets forth the services to be provided by Vitality Unlimited an exchange in consideration for the lease agreement pursuant to NRS 244.284.

**Agenda Action:** Formal Action/Motion

**Time Requested:** 10 minutes

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### Proposed Motion

I move to approve contract no. 1718-118, a services agreement between Carson City and Vitality Unlimited, a non-profit Nevada corporation.

### Board's Strategic Goal

Quality of Life

### Previous Action

There is a services agreement that is currently in place for paid services (Contract #1516-027).

### Background/Issues & Analysis

There is a services agreement currently in place for paid services with Vitality Unlimited. In that agreement, the cost is \$1500 per bed or placement at the Vitality center.

This services agreement is being offered as consideration for the lease agreement pursuant to NRS 244.284. In exchange for the lease being offered to Vitality pursuant to NRS 244.284, three beds will be provided at no cost to the court for placement of patients in need of treatment.

### Applicable Statute, Code, Policy, Rule or Regulation

NRS 332 and Carson City Purchasing Resolution #1990-R71 authorizes the City of Carson City to approve and accept contracts.

### Financial Information

Is there a fiscal impact? ☐ Yes ☒ No

If yes, account name/number:

Is it currently budgeted? ☐ Yes ☐ No

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Explanation of Fiscal Impact: No expenses will be paid as a result of this service agreement. Carson City will receive services from Vitality Unlimited, a non-profit Nevada corporation, as exchange in consideration for the lease agreement with no rent.

**Alternatives**

Do not approve the services agreement between Carson City and Vitality Unlimited, a non-profit Nevada corporation.

**Board Action Taken:**

Motion: App

- 1) BB  
2) JB

Aye/Nay

5/0  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

APP  
(Vote Recorded By)

**INDEPENDENT CONTRACTOR AGREEMENT**  
**Contract No.1718-118**  
**Title: VITALITY SERVICES CONTRACT**

THIS CONTRACT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by and between Carson City, a consolidated municipality, a political subdivision of the State of Nevada, hereinafter referred to as "CITY", and Vitality Unlimited, hereinafter referred to as "CONTRACTOR".

**WITNESSETH:**

**WHEREAS**, the Purchasing and Contracts Administrator for CITY is authorized pursuant to Nevada Revised Statutes (hereinafter referred to as "NRS") 332 and Carson City Purchasing Resolution #1990-R71, to approve and accept this Contract as set forth in and by the following provisions; and

**WHEREAS**, CONTRACTOR'S compensation under this agreement (does ☐) (does not ☒) utilize in whole or in part money derived from one or more federal grant funding source(s); and

**WHEREAS**, it is deemed necessary that the services of CONTRACTOR for CONTRACT No.1718-118 (hereinafter referred to as "Contract") are both necessary and in the best interest of CITY; and

**NOW, THEREFORE**, in consideration of the aforesaid premises, and the following terms, conditions and other valuable consideration, the parties mutually agree as follows:

1. **REQUIRED APPROVAL:**

This Contract shall not become effective until and unless approved by the Carson City Board of Supervisors.

2. **SCOPE OF WORK (Incorporated Contract Documents):**

2.1 **CONTRACTOR** shall provide and perform the following services set forth in Exhibit A, which shall all be attached hereto and incorporated herein by reference for and on behalf of CITY and hereinafter referred to as the "SERVICES".

2.2 **CONTRACTOR** represents that it is duly licensed by CITY for the purposes of performing the SERVICES.

2.3 **CONTRACTOR** represents that it is duly qualified and licensed in the State of Nevada for the purposes of performing the SERVICES.

2.4 **CONTRACTOR** represents that it and/or the persons it may employ possess all skills and training necessary to perform the SERVICES described herein and required hereunder. **CONTRACTOR** shall perform the SERVICES faithfully, diligently, in a timely and professional manner, to the best of its ability, and in such a manner as is customarily performed by a person who is in the business of providing such services in similar circumstances. **CONTRACTOR** shall be responsible for the professional quality and technical accuracy of all SERVICES furnished by **CONTRACTOR** to CITY.

For P&C Use Only	
CCBL expires	12/31/18
NVCL expires	N/A
GL expires	10/16/18
AL expires	10/16/18
WC expires	1/1/19

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2.5 **CONTRACTOR** represents that neither the execution of this Contract nor the rendering of services by **CONTRACTOR** hereunder will violate the provisions of or constitute a default under any other contract or agreement to which **CONTRACTOR** is a party or by which **CONTRACTOR** is bound, or which would preclude **CONTRACTOR** from performing the **SERVICES** required of **CONTRACTOR** hereunder, or which would impose any liability or obligation upon **CITY** for accepting such **SERVICES**.

2.6 Before commencing with the performance of any **SERVICES** under this Contract, **CONTRACTOR** shall obtain all necessary permits and licenses as may be necessary. Before and during the progress of work under this Contract, **CONTRACTOR** shall give all notice and comply with all the laws, ordinances, rules and regulations of every kind and nature now or hereafter in effect promulgated by any Federal, State, County, or other Governmental Authority, relating to the performance of work under this Contract. If **CONTRACTOR** performs any work that is contrary to any such law, ordinance, rule or regulation, it shall bear all the costs arising therefrom.

2.7 It is expressly understood and agreed that all **SERVICES** done by **CONTRACTOR** shall be subject to inspection and acceptance by **CITY** and approval of **SERVICES** shall not forfeit the right of **CITY** to require correction, and nothing contained herein shall relieve **CONTRACTOR** of the responsibility of the **SERVICES** required under the terms of this Contract until all **SERVICES** have been completed and accepted by **CITY**.

3. **CONTRACT TERM:**

3.1 This Contract shall be effective from December 21 2107, subject to Carson City Board of Supervisors' approval (anticipated to be December 21, 2017) to December 31, 2020, unless sooner terminated by either party as specified in **Section 7** (CONTRACT TERMINATION).

4. **NOTICE:**

4.1 Except any applicable bid and award process where notices may be limited to postings by **CITY** on its Finance Department/Bid Opportunities website ([www.carson.org](http://www.carson.org)), all notices or other communications required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by e-mail, by regular mail, by telephonic facsimile with simultaneous regular mail, or by certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address specified below.

4.2 Notice to **CONTRACTOR** shall be addressed to:

Ester Quilici, Director  
Vitality Unlimited  
3740 Idaho Street  
Elko, NV 89801  
775-738-8004/FAX: 775-753-5418  
(vc\_coo@frontiernet.net)

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- 4.3 Notice to CITY shall be addressed to:

Carson City Purchasing and Contracts Department  
Laura Rader, Purchasing & Contracts Administrator  
201 North Carson Street, Suite 2  
Carson City, NV 89701  
775-283-7362 / FAX 775-887-2107  
[Lrader@carson.org](mailto:Lrader@carson.org)

5. **COMPENSATION:**

5.1 The parties agree that **CONTRACTOR** will provide the **SERVICES** specified in **Exhibit A** (SCOPE OF WORK) and as consideration for the **SERVICES** specified in the Scope of Work, the City will be leasing the property to **CONTRACTOR** pursuant to NRS 244.284 (Lease Agreement Attached as Exhibit B).

5.2 **CONTRACTOR** agrees that Exhibit B represents full and adequate compensation for the completed **SERVICES**, and includes the furnishing of all materials; all labor, equipment, tools, and appliances; and all expenses, direct or indirect, connected with the proper execution of the **SERVICES**.

5.3 **CITY** does not agree to reimburse **CONTRACTOR** for expenses unless otherwise specified.

6. **TIMELINESS OF BILLING SUBMISSION:**

6.1 The parties agree that timeliness of billing is of the essence to this Contract and recognize that **CITY** is on a fiscal year which is defined as the period beginning July 1 and ending June 30 of the following year. All billings for dates of service prior to July 1 must be submitted to **CITY** no later than the first Friday in August of the same year. A billing submitted after the first Friday in August will subject **CONTRACTOR** to an administrative fee not to exceed \$100.00. The parties hereby agree this is a reasonable estimate of the additional costs to **CITY** of processing the billing as a stale claim and that this amount will be deducted from the stale claim payment due to **CONTRACTOR**.

7. **CONTRACT TERMINATION:**

7.1 **Termination Without Cause:**

7.1.1 Any discretionary or vested right of renewal notwithstanding, this Contract may be terminated upon written notice by mutual consent of both parties or unilaterally by either party without cause.

7.1.2 **CITY** reserves the right to terminate this Contract for convenience whenever it considers termination, in its sole and unfettered discretion, to be in the public interest. In the event that the Contract is terminated in this manner, payment will be made for **SERVICES** actually completed. If termination occurs under this provision, in no event shall **CONTRACTOR** be entitled to anticipated profits on items of **SERVICES** not performed as of the effective date of the termination or compensation for any other item, including but not limited to, unabsorbed overhead. **CONTRACTOR** shall require that all subcontracts which it enters related to this Contract likewise contain a termination for convenience clause which precludes the ability of any subcontractor to make claims against **CONTRACTOR** for damages due to breach of contract, lost profit on items of **SERVICES** not performed, or unabsorbed overhead, in the event of a convenience termination.



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**7.2    Termination for Nonappropriation:**

7.2.1 All payments and SERVICES provided under this Contract are contingent upon the availability of the necessary public funding, which may include various internal and external sources. In the event that Carson City does not acquire and appropriate the funding necessary to perform in accordance with the terms of the Contract, the Contract shall automatically terminate upon CITY'S notice to **CONTRACTOR** of such nonappropriation, and no claim or cause of action may be based upon any such nonappropriation.

**7.3    Cause Termination for Default or Breach:**

7.3.1 A default or breach may be declared with or without termination.

7.3.2 This Contract may be terminated by either party upon written notice of default or breach to the other party as follows:

7.3.2.1 If **CONTRACTOR** fails to provide or satisfactorily perform any of the conditions, work, deliverables, goods, or any SERVICES called for by this Contract within the time requirements specified in this Contract or within any granted extension of those time requirements; or

7.3.2.2 If any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by **CONTRACTOR** to provide the goods or SERVICES or any services required by this Contract is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or

7.3.2.3 If **CONTRACTOR** becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the bankruptcy court; or

7.3.2.4 If **CITY** materially breaches any material duty under this Contract and any such breach impairs **CONTRACTOR'S** ability to perform; or

7.3.2.5 If it is found by **CITY** that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by **CONTRACTOR**, or any agent or representative of **CONTRACTOR**, to any officer or employee of **CITY** with a view toward securing a contract or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such contract; or

7.3.2.6 If it is found by **CITY** that **CONTRACTOR** has failed to disclose any material conflict of interest relative to the performance of this Contract.

**7.4    Time to Correct (Declared Default or Breach):**

7.4.1 Termination upon a declared default or breach may be exercised only after providing seven (7) calendar days written notice of default or breach, and the subsequent failure of the defaulting or breaching party, within five (5) calendar days of providing that default or breach notice, to provide evidence satisfactory to the aggrieved party demonstrating that the declared default or breach has been corrected. Time to correct shall run concurrently with any notice of default or breach and such time to correct is not subject to any stay with respect to the nonexistence of any Notice of Termination. Untimely correction shall not void the right to

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termination otherwise properly noticed unless waiver of the noticed default or breach is expressly provided in writing by the aggrieved party. There shall be no time to correct with respect to any notice of termination without cause or termination for nonappropriation.

**7.5     Winding Up Affairs Upon Termination:**

**7.5.1** In the event of termination of this Contract for any reason, the parties agree that the provisions of this Subsection 7.5 survive termination:

**7.5.1.1** The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination; and

**7.5.1.2** **CONTRACTOR** shall satisfactorily complete **SERVICES** in progress at the agreed rate (or a pro rata basis if necessary) if so requested by **CITY**; and

**7.5.1.3** **CONTRACTOR** shall execute any documents and take any actions necessary to effectuate an assignment of this Contract if so requested by **CITY**; and

**7.5.1.4** **CONTRACTOR** shall preserve, protect, and promptly deliver into **CITY** possession all proprietary information in accordance with "**Section 19**".

**7.6     Notice of Termination:**

**7.6.1** Unless otherwise specified in this Contract, termination shall not be effective until seven (7) calendar days after a party has provided written notice of default or breach, or notice of without cause termination. Notice of Termination may be given at the time of notice of default or breach, or notice of without cause termination. Notice of Termination may be provided separately at any time after the running of the 7-day notice period, and such termination shall be effective on the date the Notice of Termination is provided to the party unless a specific effective date is otherwise set forth therein. Any delay in providing a Notice of Termination after the 7-day notice period has run without a timely correction by the defaulting or breaching party shall not constitute any waiver of the right to terminate under the existing notice(s).

**7.7     Dual Termination of Services Contract and Lease (Exhibit B).**

The parties agree that this independent contractor agreement will terminate in the event the lease is terminated for any reason (lease attached as Exhibit B).

**8.     REMEDIES:**

Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorney's fees and costs. The parties agree that, in the event a lawsuit is filed and a party is awarded attorney's fees by the court, for any reason, the amount of recoverable attorney's fees shall not exceed the rate of \$125 per hour. **CITY** may set off consideration against any unpaid obligation of **CONTRACTOR** to **CITY**.

**9.     LIMITED LIABILITY:**

**CITY** will not waive and intends to assert available NRS Chapter 41 liability limitations in all cases. Contract

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liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise expressly provided for elsewhere in this Contract. Damages for any CITY breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to CONTRACTOR, for the fiscal year budget in existence at the time of the breach. CONTRACTOR'S tort liability shall not be limited.

**10. FORCE MAJEURE:**

Neither party shall be deemed to be in violation of this Contract 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 this Contract after the intervening cause ceases.

**11. INDEMNIFICATION:**

11.1 To the extent permitted by law, including, but not limited to, the provisions of NRS Chapter 41, each party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other party from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorney's fees and costs, arising out of any alleged negligent or willful acts or omissions of the indemnifying party, its officers, employees and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of the indemnity which would otherwise exist as to any party or person described in this Section.

11.2 Except as otherwise provided in Subsection 11.4 below, the indemnifying party shall not be obligated to provide a legal defense to the indemnified party, nor reimburse the indemnified party for the same, for any period occurring before the indemnified party provides written notice of the pending claim(s) or cause(s) of action to the indemnifying party, along with:

11.2.1 a written request for a legal defense for such pending claim(s) or cause(s) of action; and

11.2.2 a detailed explanation of the basis upon which the indemnified party believes that the claim or cause of action asserted against the indemnified party implicates the culpable conduct of the indemnifying party, its officers, employees, and/or agents.

11.3 After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall not be obligated to fund or reimburse any fees or costs provided by any additional counsel for the indemnified party, including counsel through which the indemnified party might voluntarily choose to participate in its defense of the same matter.

11.4 After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall be obligated to reimburse the reasonable attorney's fees and costs incurred by the indemnified party during the initial thirty (30) day period of the claim or cause of action, if any, incurred by separate counsel.

**12. INDEPENDENT CONTRACTOR:**

12.1 CONTRACTOR, as an independent contractor, is a natural person, firm or corporation who agrees to perform SERVICES for a fixed price according to his or its own methods and without subjection to the supervision or control of the CITY, except as to the results of the SERVICES, and not as to the means by which the SERVICES are accomplished.

12.2 It is mutually agreed that CONTRACTOR is associated with CITY only for the purposes and to the extent specified in this Contract, and in respect to performance of the contracted SERVICES pursuant to this Contract. CONTRACTOR is and shall be an independent contractor and, subject only to the terms

**INDEPENDENT CONTRACTOR AGREEMENT**  
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**Title: VITALITY SERVICES CONTRACT**

of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract.

12.3 Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for CITY whatsoever with respect to the indebtedness, liabilities, and obligations of **CONTRACTOR** or any other party.

12.4 **CONTRACTOR**, in addition to **Section 11** (INDEMNIFICATION), shall indemnify and hold CITY harmless from, and defend CITY against, any and all losses, damages, claims, costs, penalties, liabilities, expenses arising out of or incurred in any way because of, but not limited to, **CONTRACTOR'S** obligations or legal duties regarding any taxes, fees, assessments, benefits, entitlements, notice of benefits, employee's eligibility to work, to any third party, subcontractor, employee, state, local or federal governmental entity.

12.5 Neither **CONTRACTOR** nor its employees, agents, or representatives shall be considered employees, agents, or representatives of CITY.

13. **INSURANCE REQUIREMENTS (GENERAL):**

**13.1 NOTICE: The following general insurance requirements shall apply unless these general requirements are altered by any specific requirements set forth in CITY'S solicitation for bid document, the adopted bid or other document incorporated into this Contract by the parties.**

13.2 **CONTRACTOR**, as an Independent contractor and not an employee of CITY, must carry policies of insurance in amounts specified and pay all taxes and fees incident hereunto. CITY shall have no liability except as specifically provided in this Contract.

13.3 **CONTRACTOR** shall not commence work before: (1) **CONTRACTOR** has provided the required evidence of insurance to CITY Purchasing and Contracts, and (2) CITY has approved the insurance policies provided by **CONTRACTOR**.

13.4 Prior approval of the insurance policies by CITY shall be a condition precedent to any payment of consideration under this Contract and CITY'S approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent this Contract. Any failure of CITY to timely approve shall not constitute a waiver of the condition.

13.5 ***Insurance Coverage (13.6 through 13.23):***

13.6 **CONTRACTOR** shall, at **CONTRACTOR'S** sole expense, procure, maintain and keep in force for the duration of this Contract the following insurance conforming to the minimum requirements specified below. Unless specifically specified herein or otherwise agreed to by CITY, the required insurance shall be in effect prior to the commencement of work by **CONTRACTOR** and shall continue in force as appropriate until the later of:

13.6.1 Final acceptance by CITY of the completion of this Contract; or

13.6.2 Such time as the insurance is no longer required by CITY under the terms of this Contract.

13.6.3 Any insurance or self-insurance available to CITY under its coverage(s) shall be in excess of and non-contributing with any insurance required from **CONTRACTOR**. **CONTRACTOR'S** insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by CITY, **CONTRACTOR** shall provide CITY with renewal or replacement evidence of insurance no less than thirty (30) calendar days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by this Contract, an insurer or surety shall fail to comply with the requirements of this Contract, as soon as **CONTRACTOR** has knowledge of any such failure, **CONTRACTOR** shall

**INDEPENDENT CONTRACTOR AGREEMENT**  
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immediately notify **CITY** and immediately replace such insurance or bond with an insurer meeting the requirements.

- 13.7 **General Insurance Requirements (13.8 through 13.23):**
- 13.8 **Certificate Holder:** Each certificate shall list Carson City c/o Carson City Purchasing and Contracts, 201 N. Carson Street, Suite 2, Carson City, NV 89701 as a certificate holder.
- 13.9 **Additional Insured:** By endorsement to the general liability insurance policy evidenced by **CONTRACTOR**, The City and County of Carson City, Nevada, its officers, employees and immune contractors shall be named as additional insureds for all liability arising from this Contract.
- 13.10 **Waiver of Subrogation:** Each liability insurance policy, except for professional liability, shall provide for a waiver of subrogation in favor of City.
- 13.11 **Cross-Liability:** All required liability policies shall provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.
- 13.12 **Deductibles and Self-Insured Retentions:** Insurance maintained by **CONTRACTOR** shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by **CITY**. Such approval shall not relieve **CONTRACTOR** from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed \$5,000.00 per occurrence, unless otherwise approved by **CITY**.
- 13.13 **Policy Cancellation:** Except for ten (10) calendar days' notice for non-payment of premium, premium, **CONTRACTOR** or its insurers must provide thirty (30) calendar days prior written notice to Carson City Purchasing and Contracts if any policy will be canceled, non-renewed or if required coverage and/or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by mail to Carson City Purchasing and Contracts, 201 N. Carson Street, Suite 2, Carson City, NV 89701. When available, each insurance policy shall be endorsed to provide thirty (30) days' notice of cancellation, except for ten (10) days' notice for non-payment of premium, to City.
- 13.14 **Approved Insurer:** Each insurance policy shall be issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers under federal and Nevada law and having agents in Nevada upon whom service of process may be made, and currently rated by A.M. Best as "A-VII" or better.
- 13.15 **Evidence of Insurance:** Prior to commencement of work, **CONTRACTOR** must provide the following documents to Carson City Purchasing and Contracts, 201 North Carson Street, Suite 2, Carson City, NV 89701:
- 13.16 **Certificate of Insurance:** **CONTRACTOR** shall furnish City with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth herein. The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to Carson City Purchasing and Contracts to evidence the insurance policies and coverages required of **CONTRACTOR**.
- 13.17 **Additional Insured Endorsement:** An Additional Insured Endorsement (CG20 10 or C20 26), signed by an authorized insurance company representative, must be submitted to Carson City Purchasing and Contracts to evidence the endorsement of **CITY** as an additional insured per Subsection 13.9 (Additional Insured).
- 13.18 **Schedule of Underlying Insurance Policies:** If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the Underlying Schedule from the Umbrella or Excess insurance policy may be required.
- 13.19 **Review and Approval:** Documents specified above must be submitted for review and approval by **CITY** Purchasing and Contracts prior to the commencement of work by **CONTRACTOR**. Neither approval by **CITY** nor failure to disapprove the insurance furnished by **CONTRACTOR** shall relieve

## INDEPENDENT CONTRACTOR AGREEMENT

Contract No.1718-118

### Title: VITALITY SERVICES CONTRACT

**CONTRACTOR** of **CONTRACTOR'S** full responsibility to provide the insurance required by this Contract. Compliance with the insurance requirements of this Contract shall not limit the liability of **CONTRACTOR** or its sub-contractors, employees or agents to **CITY** or others, and shall be in addition to and not in lieu of any other remedy available to **CITY** under this Contract or otherwise. **CITY** reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

#### 13.20 COMMERCIAL GENERAL LIABILITY INSURANCE:

**CONTRACTOR** shall maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than \$1,000,000 each occurrence.

13.20.1 *Minimum Limits required:*

13.20.2 Two Million Dollars (\$2,000,000.00) - General Aggregate.

13.20.3 Two Million Dollars (\$2,000,000.00) - Products & Completed Operations Aggregate.

13.20.4 One Million Dollars (\$1,000,000.00) - Each Occurrence.

13.20.5 CGL insurance shall be written on ISO occurrence form CG 00 01 04 13 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, products-completed operations, personal and advertising injury, and liability assumed under an insured contract [(including the tort liability of another assumed in a business contract)].

13.20.6 City and County of Carson City, Nevada, its officers, employees and immune contractors shall be included as an insured under the CGL, using ISO additional insured endorsement CG 20 10 or CG 20 26, or a substitute providing equivalent coverage, and under the commercial umbrella, if any.

13.20.7 This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to City. There shall be no endorsement or modification of the CGL to make it excess over other available insurance; alternatively, if the CGL states that it is excess or pro rata, the policy shall be endorsed to be primary with respect to the additional insured.

13.20.8 There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability assumed under a contract.

13.20.9 Contractor waives all rights against City and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the commercial general liability or commercial umbrella liability insurance maintained pursuant to this Contract. Insurer shall endorse CGL policy as required to waive subrogation against City with respect to any loss paid under the policy.

#### 13.21 BUSINESS AUTOMOBILE LIABILITY INSURANCE:

13.21.1 *Minimum Limit required:*

13.21.2 Contractor shall maintain automobile liability and, if necessary, commercial umbrella liability insurance with a limit of not less than \$1,000,000 each accident for bodily injury and property damage.

## INDEPENDENT CONTRACTOR AGREEMENT

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- 13.21.3 Such insurance shall cover liability arising out of owned, hired, and non-owned autos (as applicable). Coverage as required above shall be written on ISO form CA 00 01, CA 00 05, CA 00 25, or a substitute form providing equivalent liability coverage.
- 13.21.4 Contractor waives all rights against City and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the automobile liability or other liability insurance obtained by **CONTRACTOR** pursuant this Contract.
- 13.22 **PROFESSIONAL LIABILITY INSURANCE**
- 13.22.1 *Minimum Limit required:*
- 13.22.2 **CONTRACTOR** shall maintain professional liability insurance applying to all activities performed under this Contract with limits not less than One Million Dollars (\$1,000,000.00) and Two Million Dollars (\$2,000,000) in the aggregate.
- 13.22.3 Retroactive date: Prior to commencement of the performance of this Contract.
- 13.22.4 **CONTRACTOR** will maintain professional liability insurance during the term of this Contract and for a period of three (3) years after termination of this Contract unless waived by the City. In the event of non-renewal or other lapse in coverage during the term of this Contract or the three (3) year period described above, **CONTRACTOR** shall purchase Extended Reporting Period coverage for claims arising out of **CONTRACTOR's** negligence acts, errors and omissions committed during the term of the Professional Liability Policy. The Extended Reporting Period shall continue through a minimum of three (3) years after termination date of this Contract.
- 13.22.5 A certified copy of this policy may be required.
- 13.23 **WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE:**
- 13.23.1 **CONTRACTOR** shall provide workers' compensation insurance as required by NRS Chapters 616A through 616D inclusive and Employer's Liability insurance with a minimum limit not less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease.
- 13.23.2 **CONTRACTOR** may, in lieu of furnishing a certificate of an insurer, provide an affidavit indicating that **CONTRACTOR** is a sole proprietor; that **CONTRACTOR** will not use the services of any employees in the performance of this Contract; that **CONTRACTOR** has elected to not be included in the terms, conditions, and provisions of NRS Chapters 616A-616D, inclusive; and that **CONTRACTOR** is otherwise in compliance with the terms, conditions, and provisions of NRS Chapters 616A-616D, inclusive.
- 13.23.3 **CONTRACTOR** waives all rights against City and its agents, officers, directors, and employees for recovery of damages to the extent these damages are covered by the workers' compensation and employer's liability or commercial umbrella liability insurance obtained by Contractor pursuant to this Contract. Contractor shall obtain an endorsement equivalent to WC 00 03 13 to affect this waiver.

**INDEPENDENT CONTRACTOR AGREEMENT**  
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**14. BUSINESS LICENSE:**

14.1 **CONTRACTOR** shall not commence work before **CONTRACTOR** has provided a copy of his Carson City business license to Carson City Purchasing and Contracts.

14.2 The Carson City business license shall continue in force until the later of: (1) final acceptance by **CITY** of the completion of this Contract; or (2) such time as the Carson City business license is no longer required by **CITY** under the terms of this Contract.

**15. COMPLIANCE WITH LEGAL OBLIGATIONS:**

**CONTRACTOR** shall procure and maintain for the duration of this Contract any state, county, city, or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by **CONTRACTOR** to provide the goods or **SERVICES** or any services of this Contract.

**CONTRACTOR** will be responsible to pay all government obligations, including, but not limited to, all taxes, assessments, fees, fines, judgments, premiums, permits, and licenses required or imposed by law or a court. Real property and personal property taxes are the responsibility of **CONTRACTOR** in accordance with NRS Chapter 361 generally and NRS 361.157 and 361.159, specifically regarding for profit activity. **CONTRACTOR** agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract. **CITY** may set-off against consideration due any delinquent government obligation.

**16. WAIVER OF BREACH:**

Failure to declare a breach or the actual waiver of any particular breach of this Contract 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.

**17. SEVERABILITY:**

If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the nonenforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

**18. ASSIGNMENT / DELEGATION:**

To the extent that any assignment of any right under this Contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Contract, attempts to operate as a novation, or includes a waiver or abrogation of any defense to payment by **CITY**, such offending portion of the assignment shall be void, and shall be a breach of this Contract. **CONTRACTOR** shall neither assign, transfer nor delegate any rights, obligations or duties under this Contract without the prior written approval of **CITY**. The parties do not intend to benefit any third party beneficiary regarding their respective performance under this Contract.

**19. CITY OWNERSHIP OF PROPRIETARY INFORMATION:**

Any files, reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer programs, computer codes, and computer records (which are intended to be consideration under this Contract), or any other documents or drawings, prepared or in the course of preparation by **CONTRACTOR** (or its subcontractors) in performance of its obligations under this Contract shall be the exclusive property of **CITY** and all such materials shall be delivered into **CITY** possession by **CONTRACTOR** upon completion, termination, or cancellation of this Contract. **CONTRACTOR** shall not use, willingly allow, or cause to have such materials used for any purpose other than performance of **CONTRACTOR'S** obligations under this Contract without the prior written consent of **CITY**. Notwithstanding the foregoing, **CITY** shall have no proprietary interest in any materials licensed for use by **CITY** that are subject to patent, trademark or copyright protection.



**INDEPENDENT CONTRACTOR AGREEMENT**  
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**20. PUBLIC RECORDS:**

Pursuant to NRS 239.010, Information or documents received from **CONTRACTOR** may be open to public inspection and copying. **CITY** will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests. **CONTRACTOR** may clearly label specific parts of an individual document as a "trade secret" or "confidential" in accordance with NRS 332.061, provided that **CONTRACTOR** thereby agrees to indemnify and defend **CITY** for honoring such a designation. The failure to so label any document that is released by **CITY** shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

**21. CONFIDENTIALITY:**

**CONTRACTOR** shall keep confidential all information, in whatever form, produced, prepared, observed or received by **CONTRACTOR** to the extent that such information is confidential by law or otherwise required by this Contract.

**22. FEDERAL FUNDING:**

*22.1 In the event federal grant funds are used for payment of all or part of this Contract:*

**22.1.1 CONTRACTOR** certifies, by signing this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

**22.1.2 CONTRACTOR** and its subcontractors shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.

**22.1.3 CONTRACTOR** and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and Executive Order 11478 (July 21, 2014) and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, sexual orientation, gender identity, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions).

**22.1.4** If and when applicable to the particular federal funding and the Scope of Work under this Contract, **CONTRACTOR** and its subcontractors shall comply with: American Iron and Steel (AIS) provisions of P.L. 113- 76, Consolidated Appropriations Act, 2014, Section 1605 – Buy American (100% Domestic Content of iron, steel and manufactured goods); Federal Highway Administration (FHWA) 23 U.S.C. § 313 – Buy America, 23 C.F.R. §635.410 (100% Domestic Content of steel, iron and manufactured products); Federal Transit Administration (FTA) 49 U.S.C. § 5323(j), 49 C.F.R. Part 661 – Buy America Requirements (See 60% Domestic Content for buses and other Rolling Stock).

**INDEPENDENT CONTRACTOR AGREEMENT**  
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**23. LOBBYING:**

23.1 The parties agree, whether expressly prohibited by federal law, or otherwise, that no funding associated with this Contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence for any purpose the following:

23.1.1 Any federal, state, county or local agency, legislature, commission, council or board;

23.1.2 Any federal, state, county or local legislator, commission member, council member, board member, or other elected official; or

23.1.3 Any officer or employee of any federal, state, county or local agency; legislature, commission, council or board.

**24. GENERAL WARRANTY:**

**CONTRACTOR** warrants that it will perform all **SERVICES** required hereunder in accordance with the prevailing standard of care by exercising the skill and care normally required of individuals performing the same or similar **SERVICES**, under the same or similar circumstances, in the State of Nevada.

**25. PROPER AUTHORITY:**

The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract. **CONTRACTOR** acknowledges that this Contract is effective only after approval by the Carson City Board of Supervisors and only for the period of time specified in this Contract. Any **SERVICES** performed by **CONTRACTOR** before this Contract is effective or after it ceases to be effective is performed at the sole risk of **CONTRACTOR**.

**26. GOVERNING LAW / JURISDICTION:**

This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction. **CONTRACTOR** consents and agrees to the jurisdiction of the courts of the State of Nevada located in Carson City, Nevada for enforcement of this Contract.

**27. ENTIRE CONTRACT AND MODIFICATION:**

This Contract and its integrated attachment(s) constitute the entire Contract of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other Contracts that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto and approved by the Carson City Board of Supervisors. Conflicts in language between this Contract and any other agreement between **CITY** and **CONTRACTOR** on this same matter shall be construed consistent with the terms of this Contract. The parties agree that each has had their respective counsel review this Contract which shall be construed as if it was jointly drafted.

**INDEPENDENT CONTRACTOR AGREEMENT**  
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**28. ACKNOWLEDGMENT AND EXECUTION:**

This Contract may be executed in counterparts. The parties hereto have caused this Contract to be signed and intend to be legally bound thereby as follows:

**CITY**

Chief Financial Officer  
Attn: Laura Rader, Purchasing & Contracts Administrator  
Purchasing and Contracts Department  
201 North Carson Street, Suite 2  
Carson City, Nevada 89701  
Telephone: 775-283-7362  
Fax: 775-887-2107  
[Lrader@carson.org](mailto:Lrader@carson.org)

By:   
Jason Link, Chief Financial Officer

Dated 1/17/2018

**CITY'S LEGAL COUNSEL**  
Carson City District Attorney

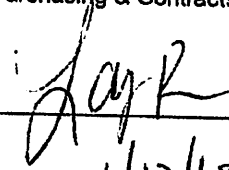
I have reviewed this Contract and approve  
as to its legal form.

By:   
Deputy District Attorney

Dated 1/2/2018

**CONTRACTOR will not be given authorization  
to begin work until this Contract has been  
signed by Purchasing and Contracts**

BY: Laura Rader, CPPB  
Purchasing & Contracts Administrator

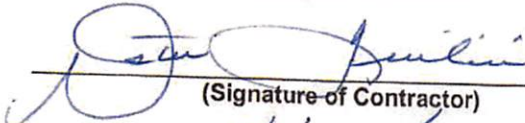
By: 

Dated 1/17/18

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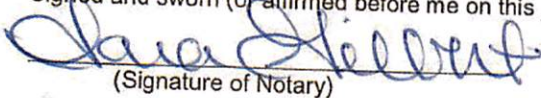
Undersigned deposes and says under penalty of perjury: That he/she is **CONTRACTOR** or authorized agent of **CONTRACTOR**; that he/she has read the foregoing Contract; and that he/she understands the terms, conditions and requirements thereof.

**CONTRACTOR**  
BY: Ester Quilici  
TITLE: Director  
FIRM: Vitality Unlimited  
CARSON CITY BUSINESS LICENSE #: 17-00030295  
Address: 3740 Idaho Street  
City: Elko State: NV Zip Code: 89801  
Telephone: 775-738-8004/FAX: 775-753-5418  
E-mail Address: vc\_coo@frontiernet.net

  
(Signature of Contractor)  
DATED 2/6/2018

STATE OF Nevada )  
County of ELKO ) ss

Signed and sworn (or affirmed before me on this 6 day of February, 2018

  
(Signature of Notary)

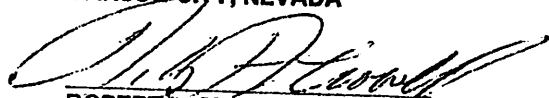


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**CONTRACT ACCEPTANCE AND EXECUTION:**

The Board of Supervisors for Carson City, Nevada at their publicly noticed meeting of December 21, 2017 approved the acceptance of the attached Contract hereinbefore identified as **CONTRACT No. 1718-118**. Further, the Board of Supervisors authorizes the Mayor of Carson City, Nevada to set his hand to this document and record his signature for the execution of this Contract in accordance with the action taken.

**CARSON CITY, NEVADA**

  
**ROBERT L. CROWELL, MAYOR**

DATED this 21st day of December, 2017.

**ATTEST:**

  
**SUSAN MERRIWETHER, CLERK-RECORDER**

DATED this 21st day of December, 2017.

**INDEPENDENT CONTRACTOR AGREEMENT**  
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**EXHIBIT A**

**SCOPE OF WORK**

1. **VITALITY UNLIMITED** shall provide and perform the following services for and on behalf of CITY hereinafter referred to as the "SERVICES":
  - 1.1 **VITALITY UNLIMITED** agrees to provide all required professional services as necessary to satisfy the intended purposes of this contract. **VITALITY UNLIMITED** represents that it and/or the persons it may employ possess all skills, training, certification and licenses necessary to perform the SERVICES faithfully, diligently, in a timely and professional manner, to the best of its ability, and in such a manner as it customarily performed by a person who is in the business of providing such services in similar circumstances. **VITALITY UNLIMITED** shall be responsible for the professional quality and technical accuracy of all SERVICES furnished. **VITALITY UNLIMITED** agrees to have a minimum of one fully licensed counselor on the premises at all times. Fully licensed counselor means that the individual must be certified by the State of Nevada as a Certified Alcohol and Drug Abuse Counselor. **VITALITY UNLIMITED** agrees that no interns will be used to satisfy this requirement.
  - 1.2 **VITALITY UNLIMITED** agrees that medically appropriate placement into a detoxification and substance use treatment center is a healthier alternative for clients than jail. Therefore, **VITALITY UNLIMITED** agrees to collaboratively work with the CITY's referral systems to prioritize placement into **VITALITY UNLIMITED's** detoxification treatment, residential treatment and civil protection custody in accordance with medical, safety and statutory/regulatory requirements.
  - 1.3 **VITALITY UNLIMITED** further agrees that civil protection custody will be provided to no less than 48 individuals at no cost to the CITY per year.
  - 1.4 **VITALITY UNLIMITED** additionally agrees that residential treatment that includes detoxification treatment will be provided to no less than 36 individuals referred by the Carson City Justice or Municipal Specialty Courts at no cost to the CITY per year.
  - 1.5 The above does not preclude **VITALITY UNLIMITED** from charging other payer sources, such as, but not limited to; private pay, third party insurance, grants and foundational funding. **VITALITY UNLIMITED** will not be in breach of this agreement or the lease agreement if the numbers in 1.3 & 1.4 are not met due to a lack of referrals by the CITY.
  - 1.6 **VITALITY UNLIMITED** agrees to provide a dedicated contact person for all criminal justice activities within Carson City to ensure there is a consistent message across the organization.
  - 1.7 **VITALITY UNLIMITED** agrees to submit to Carson City Sheriff's Office quarterly CPC utilization reports, in a mutual agreeable format.
  - 1.8 **VITALITY UNLIMITED** agrees to provide the HIPAA compliant Consent for Disclosure of Confidential Substance Abuse Information Release Forms, to CLIENTS (Template - Exhibits 1 & 2). **VITALITY UNLIMITED** will release information in compliance based upon the completed documentation and adherence to the Health Insurance Portability and

**INDEPENDENT CONTRACTOR AGREEMENT**  
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Accountability Act (HIPAA).

- 1.9 VITALITY UNLIMITED** agrees to immediately provide written notice to the Carson City Justice/Municipal Court by fax at (775)887-2297 and to the Department of Alternative Sentencing by e-mail to [DASREPORTS@carson.org](mailto:DASREPORTS@carson.org) or designated staff with respect to any report of good or poor treatment progress for any CLIENTS who were court ordered to receive SERVICES. In the event CLIENTS abscond from the residential treatment facility without permission or fail to complete the program for any reason, a written notice must include a report detailing the reasons for failure to complete the program.
- 1.10 VITALITY UNLIMITED** agrees to immediately notify the related referral agency by the preferred notification methods of each agency and the Department of Alternative Sentencing by e-mail to [DASREPORTS@carson.org](mailto:DASREPORTS@carson.org) or designated staff with respect to any report of good or poor treatment progress for any CLIENTS who were court ordered to receive SERVICES.
- 1.11 VITALITY UNLIMITED** agrees to provide letters of successful completion or termination immediately to Carson City Justice/Municipal Court when CLIENTS complete or are terminated from the SERVICES. The letters must include the first and last names of the CLIENTS and applicable completion or termination dates. **VITALITY UNLIMITED** agrees to fax the appropriate letters to Carson City Justice/Municipal Court by fax at (775)887-2297 and to the Department of Alternative Sentencing by e-mail to [DASREPORTS@carson.org](mailto:DASREPORTS@carson.org) or designated staff.
- 1.12 VITALITY UNLIMITED** agrees to biannually provide a report to the Board of Health on the Carson City facility census to align with the 2016 – 2020 Carson City Strategic Plan, in a mutual agreeable format.
- Reports will include: 1. CPC Admissions, 2. CPC Denied/Medical, 3. CPC No Show, 4. CPC to Residential, 5. Women Residential, 6. Women Detox, 7. Men Residential, 8. Men Detox, 9. Number of Carson City residents treated at the Carson City Facility, 10. Number of Carson City residents treated at the Elko Facility, and 11. Any other statistics requested by the Carson City Board of Health as determined reasonable by both parties.
- 1.13 VITALITY UNLIMITED** agrees to attend Carson City Board of Health meetings at the request of **CARSON CITY** with reasonable notice.
- 1.14 CARSON CITY** agrees to make available relevant data in **CARSON CITY'S** possession that is necessary for the treatment of patients, and is reasonably required by **VITALITY UNLIMITED** relating to the SERVICES.

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**EXHIBIT "1"**

**CONSENT FOR DISCLOSURE OF CONFIDENTIAL SUBSTANCE ABUSE  
INFORMATION: ☐ MISDEMEANOR TREATMENT COURT REFERRAL  
☐ MENTAL HEALTH COURT REFERRAL**

I, \_\_\_\_\_, hereby consent to communication between the Community Counseling Center, the Specialty Court Judges Judge John Tatro and Judge Thomas R. Armstrong or a substitute Specialty Court Judge, The Office of the District Attorney, The Department of Alternative Sentencing, The Sheriff's Office, The Public Defender's Office, Carson Counseling and Supportive Services (for Mental Health Court), Parole and Probation and representatives of the preceding groups.

The purpose of, and need for, this disclosure is to inform the court and all other named parties of my eligibility and/or acceptance into substance abuse treatment services and my treatment attendance, prognosis, compliance and progress in accordance with the Misdemeanor Treatment Court or Mental Health Court program's monitoring criteria.

Disclosure of this confidential information may be made only as necessary for, and pertinent to, hearings and/or reports concerning \_\_\_\_\_.  
(List charges or case number)

I further understand that the Misdemeanor Treatment Court or Mental Health Court meets in open session and that the pertinent information as to my progress in the program will be discussed in open court.

I understand that this consent will remain in effect and cannot be revoked by me until there has been a formal and effective termination of my involvement with the Misdemeanor Treatment Court or Mental Health Court for the above referenced case such as; the discontinuation of all court and/or, where relevant, probation supervision upon my successful completion of the Misdemeanor Treatment Court or Mental Health Court requirements or upon sentencing for violating the terms of my Misdemeanor Treatment Court or Mental Health Court involvement and/or where relevant, probation.

I understand that any disclosure made is bound by Part 2 of Title 42 of the Code of Federal Regulation, which governs that confidentiality of substance abuse client records and is also bound by the Health Insurance Portability and Accountability Act of 1996 (HIPPA), 45 C.F.R. parts 160 & 164 and that recipients of this information may redisclose it only in connection with their official duties.

Date \_\_\_\_\_

Name \_\_\_\_\_

Signature \_\_\_\_\_  
Witness

Signature \_\_\_\_\_

Signature \_\_\_\_\_  
Parent or Guardian (where applicable)

Signature \_\_\_\_\_  
Interpreter (where applicable)



# INDEPENDENT CONTRACTOR AGREEMENT

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## EXHIBIT "2"

### FOR THE RECIPIENT OF THE INFORMATION

If any of the requested records contain information regarding alcohol or drug treatment, the information is protected by Federal confidentiality rules (42 CFR part 2). The Federal rules prohibit you from making any further disclosure of this information unless further use or disclosure is expressly permitted by the written consent of the person to whom it pertains or as otherwise permitted by 42 CFR Part 2. A general authorization for the use or release of medical or other information is NOT sufficient for this purpose. The Federal rules restrict any use of the information to criminally investigate or prosecute any alcohol or drug abuse patient.

I hereby authorize:  
(check all that apply)

☐ Department of Alternative Sentencing  
885 E. Musser Street Ste 2080  
Carson City, NV 89701  
(775) 887-2528  
Fax: (775) 887-2302

☐ Community Counseling Center  
205 S. Pratt Avenue  
Carson City, NV 89701  
(775) 885-1544  
Fax: (775) 882-6126

☐ Carson Counseling & Supportive Services  
1665 Old Hot Springs Road Ste 150  
Carson City, NV 89706  
(775) 687-4195  
Fax: (775) 687-5103

To use, share, or release health information and records obtained during the course of treatment of:

Patient Name: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_

Patient's Phone: \_\_\_\_\_

Social Security No.: \_\_\_\_\_

Date of Death: \_\_\_\_\_

1. The information is to be shared with, used by, or disclosed to the following person or organization: The Carson City Justice Court Specialty Courts and its affiliates or the following:

Person/Entity Name: \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number(s): \_\_\_\_\_

2. Purpose: The purpose of this use or disclosure is:

☐ At the request of the patient and/or parent/guardian.

☐ Other: \_\_\_\_\_

3. Information to be used or disclosed:

The information to be used, shared, or disclosed includes only those items checked below, with respect to services provided on or around (insert dates of service): \_\_\_\_\_. If this line is left blank, the treatment dates covered by this authorization are from preadmission to discharge and claims resolution. I understand that this authorization extends to all or any part of the records/information designated below which may include treatment for physical and mental illness, alcohol/drug abuse, HIV/AIDS test results or diagnoses. The information to be used or disclosed includes:

- ☐ Demographics/Face Sheet
- ☐ Discharge Planning Sheet
- ☐ Discharge Summary
- ☐ History and Physical Exam
- ☐ Psychiatric Assessment
- ☐ Psychological Testing
- ☐ Psychosocial Assessment
- ☐ Educational Assessment
- ☐ Consultation Reports
- ☐ Billing/Financial Records

- ☐ Physician's Orders
- ☐ Laboratory Data
- ☐ EKG Data
- ☐ Treatment Plans
- ☐ Progress Notes
- ☐ Medication Records
- ☐ Other: \_\_\_\_\_
- ☐ Verbal Communication with:  
Name: \_\_\_\_\_  
Relationship: \_\_\_\_\_

# INDEPENDENT CONTRACTOR AGREEMENT

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## EXHIBIT "2" Continued

Patient's Name: \_\_\_\_\_

This authorization is limited to only the information that I have requested on page one to be used by, shared with, or disclosed to the persons/facilities named herein.

I hereby release:

- ☐ Misdemeanor Treatment Court   ☐ Mental Health Court   ☐ Community Counseling Center  
☐ Carson Counseling and Supportive Services   ☐ Department of Alternative Sentencing

from all legal responsibilities of liability that may arise from the use or disclosure of medical records and other health information to the Misdemeanor Treatment Court or Mental Health Court Programs and its affiliates in reliance on this authorization.

If the patient is a minor, relevant state law should be followed with respect to the required signatures. Misdemeanor Treatment Court, Mental Health Court, Community Counseling Center, Carson Counseling and Supportive Service and the Department of Alternative Sentencing will that unless I revoke the authorization earlier, this authorization will automatically not condition treatment, payment, or eligibility for benefits on whether this authorization is signed.

Expiration:

I understand that unless I revoke the authorization earlier, this authorization will automatically expire in 180 days, or according to the relevant state law, from the date that this authorization is signed.

1. Re-disclosure:

I understand that information used or disclosed in accordance with this authorization may no longer be protected by Federal law, and could be used or re-disclosed by the receiving party.

2. Refusal to Sign:

I understand that I may refuse to sign this authorization and that Misdemeanor Treatment Court, Community Counseling Center, Carson Mental Health Center and Department of Alternative Sentencing will not condition treatment on whether I sign this authorization.

3. Certification:

I certify that I am (check applicable box)

☐ The patient and the identification that I have provided is true and correct.

☐ The patient's authorized representative, and that the identification and proof of authority that I have provided is true and correct. My relationship to the patient is that of:

4. Revocation:

I have the right to stop the use or disclosure of information at any time, although I understand that I cannot do anything about information already used or disclosed under this authorization.

5. Copy:

I understand that I will receive a copy of this completed form.

Patient's Signature \_\_\_\_\_

Date \_\_\_\_\_

Parent/Guardian Signature \_\_\_\_\_

Date \_\_\_\_\_

Staff Member/Witness Signature \_\_\_\_\_

Date \_\_\_\_\_

### Internal Use Only

I have received \_\_\_\_\_ as documentation that verifies the relationship with the patient and the authority to receive health information of the patient.

Employee Signature \_\_\_\_\_

Print Name of Employee \_\_\_\_\_

Date \_\_\_\_\_

**EXHIBIT B**

(Original - Fully Executed)

APN's: 002-121-19

Property Address: 900 East Long Street

AFTER RECORDING RETURN TO:  
CARSON CITY PUBLIC WORKS  
ATTN: STEPHANIE HICKS  
REAL PROPERTY MANAGER  
3505 BUTTI WAY  
CARSON CITY, NV 89701

**LEASE AGREEMENT**

This LEASE AGREEMENT ("LEASE" or "Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between VITALITY UNLIMITED, a non-profit Nevada corporation ("LESSEE"), and CARSON CITY, NEVADA, a consolidated municipality and political subdivision of the State of Nevada ("CITY"), hereinafter individually referred to as "Party" or collectively as "Parties."

**WITNESSETH:**

WHEREAS, the Carson City Board of Supervisors has determined that the real property ("premises") more particularly described herein below is not currently needed for public purposes of the CITY; and

WHEREAS, LESSEE is a non-profit charitable or civic organization which is recognized as exempt under the section 501(c)(3) of the Internal Revenue Code; and

WHEREAS, LESSEE desires to use the premises for a charitable or civic purpose, and more specifically for the provision of a detoxification and substance abuse treatment center; and

WHEREAS, NRS 244.284 authorizes the Carson City Board of Supervisors to lease

any real property of the City for a term not exceeding 99 years if the real property is not needed for the public purposes of the county, is leased to a "corporation for public benefit" as that term is defined by NRS 82.021, and the property is actually used for a charitable or civic purpose; and

WHEREAS, the Carson City Board of Supervisors hereby determines that the purpose of this LEASE meets the statutory requirements established by NRS 244.284; and

WHEREAS, as a condition precedent to the LESSEE's occupancy of the premises under the terms and conditions of this LEASE, the LESSEE agrees it must apply for and obtain any and all necessary special use permits or variances, as applicable, that may be required pursuant to the City's zoning regulations set forth in the Carson City Municipal Code, and any other licenses or permits required under local, state or federal laws or regulations; and

NOW, THEREFORE, IN CONSIDERATION of the mutual promises contained herein and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto covenant and agree as follows:

CITY does hereby lease to LESSEE, and LESSEE does hereby lease from CITY, the following premises, generally described as:

**900 E. Long Street, Carson City, Nevada 89701**

**(6,998 square feet of commercial space; floor plan attached hereto as Exhibit A)**

**1. TERM:**

A. LEASE: The term of this LEASE is for a period of three (3) years, beginning on the 21st day of December, 2017 and terminating at midnight on the 31st day of December, 2020, unless sooner terminated by mutual agreement of the Parties or for violation of any term or condition of this LEASE.

B. OPTION TO RENEW OR EXTEND LEASE: Upon the expiration of the initial term of this LEASE, LESSEE may request to renew this LEASE in accordance with this paragraph B of Section 1, so long as LESSEE has fully and faithfully performed all of the covenants, terms and conditions of this LEASE. To request a renewal or extension of this LEASE without

modification to the terms and conditions set forth herein, LESSEE must provide to the CITY notice of its desire to remain on the premises for an additional term not less than sixty (60) calendar days before the date of expiration of the initial term of this LEASE. The notice must be made in writing and state the proposed renewal or extension term and, if applicable, any proposed changes or modifications to the existing terms and conditions of this LEASE. Renewal or extension of this LEASE is at the sole discretion of the Carson City Board of Supervisors. LESSEE hereby expressly acknowledges and agrees that LESSEE has no right or reasonable expectation that a request for renewal or extension of this LEASE will be granted, and further acknowledges and agrees that the Carson City Board of Supervisors may base its decision whether to renew or extend this LEASE on a number of factors including, without limitation, a need by the CITY to use the premises for a different purpose and the performance of the LESSEE under the terms of this LEASE.

**2. RENTAL:**

In exchange and as consideration for the provision of certain services by LESSEE in accordance with Contract # 1718-118 by and between VITALITY UNLIMITED and Carson City, dated December 21, 2017, CITY waives its right to collect any monetary rent. Except as otherwise expressly provided in this Agreement, LESSEE is responsible for all costs of LESSEE's operation, renovation of the premises and charges or expenses of any nature whatsoever, including, without limitation, any lien that is imposed that arises from or is related to LESSEE's operation of and within the premises.

**3. THE USE OF PREMISES:**

A. The premises are leased to LESSEE for exclusively the following purpose:

Detoxification, residential treatment, civil protective custody, and transitional living.

B. LESSEE agrees that although it may prepare foods in a manner consistent with the use of the premises and in accordance with all applicable local, state and federal laws and regulations concerning food safety, LESSEE shall ensure that no oils, grease or similar byproducts of food preparation will be deposited into any drain in such a manner as to cause any harm to the plumbing or drainage system.

C. Any change in the use of the premises is strictly prohibited and in breach of this LEASE unless: (1) the change is lawful and consistent with LESSEE's charitable or civic

purposes; and (2) LESSEE first obtains the written consent of CITY. LESSEE shall not use the premises for any purpose that is unlawful with local, state or federal laws and regulations, or for any purpose not expressly authorized by this LEASE or agreed to in writing by the CITY.

**4. REPAIRS AND MAINTENANCE:**

A. Except as otherwise provided herein, CITY is responsible, at its sole expense and in accordance with any applicable local, state or federal law, regulation or code relating to structural integrity, for the proper and reasonable maintenance and repair of the building and grounds at all times during the term of this LEASE. Such proper and reasonable maintenance and repair of the building and grounds is limited to the roof, including periodic gutter cleaning as necessary; foundation; exterior and interior walls; flooring replacement within the premises, as may be necessitated by normal wear and tear; plumbing; jointly-used electrical panels; and the HVAC (heating, ventilation and air conditioning) system. To facilitate access to the premises by CITY staff, LESSEE agrees that except for purposes of temporary loading and unloading of items into vehicles, LESSEE and its employees, agents and invitees are prohibited from parking any vehicle in any area of the parking lot adjacent to the premises, generally known as the south parking lot, that is specifically designated as a space which is restricted or reserved for CITY.

B. Except as otherwise provided herein, LESSEE is responsible, at its sole expense and in accordance with any applicable local, state or federal law, regulation or code relating to structural integrity, for the proper and reasonable maintenance and repair of the premises at all times during the term of this LEASE Agreement to prevent the premises from entering into a state of disrepair. Except for ordinary maintenance or repair that is common to the normal, daily upkeep of the premises and which does not affect the structure, egress, fire protection system, fire ratings, energy conservation or plumbing, sanitary, gas, electrical or other utilities, such proper and reasonable maintenance and repair of the premises must be performed by a person who is licensed in the State of Nevada to perform the maintenance or repair. The maintenance and repair required to be performed within the premises by LESSEE pursuant to this paragraph B of Section 4 includes:

(1) Maintenance of the flooring, but only in such a manner that is consistent with the use of techniques and products approved by the CITY Facilities Maintenance Manager or his or her designee in advance of the commencement of any work; paint; electrical outlets, switches and fixtures; equipment that is used for fire protection or suppression,

including, without limitation, any existing fire, smoke or gas detectors and fire extinguishers previously installed within the premises, but excluding general maintenance or repair of any building-wide fire protection or suppression system; and the interior of the premises in general, including, without limitation, maintenance to remediate water leaks, plugged or leaking toilets, non-functioning bulbs, non-functioning lighting ballasts and damage to walls.

(2) Repair of any damage that is directly or proximately caused, whether intentionally or negligently, by the LESSEE, its employees, agents, volunteers, contractors or invitees.

C. Notwithstanding any other provision of this LEASE, LESSEE is responsible, at its sole expense and in accordance with any applicable local, state or federal law, regulation or code relating to structural integrity, for the proper and reasonable repair of any damage to the building and grounds that is directly or proximately caused, whether intentionally or negligently, by the LESSEE, its employees, agents, volunteers, contractors or invitees.

D. For the purposes of this Agreement, the term "grounds" shall be deemed to include, as applicable, the parking lot, landscaping and sidewalks appurtenant to the premises.

**5. ALTERATIONS, LIENS, ENCUMBRANCES, AND REPAIRS:**

A. LESSEE shall not make any permanent alterations, additions, improvements or repairs to the premises without first obtaining in writing the consent and approval of CITY. This provision does not apply to any alteration, addition, improvement or repair that is merely cosmetic in nature.

B. LESSEE agrees that any alteration, addition, improvement or repair that is made to the premises is at the sole expense of the LESSEE and, upon termination of this LEASE, becomes the exclusive property of CITY of which LESSEE shall have no claim of title or interest. This provision does not apply to any movable trade fixtures.

C. LESSEE shall, upon termination of this LEASE, surrender to CITY the premises and any permanent fixtures in good condition, order and repair, excluding any condition that is attributable solely to normal wear and tear.

D. LESSEE shall comply or, if employing the services of another in altering, adding, improving or repairing the premises, ensure the compliance with, any applicable local, state or federal law, regulation or code relating to such work. LESSEE agrees to release and hold harmless CITY from any and all liability for damages or injury arising from or relating to any

such work that is performed by any person, including circumstances involving any condition of the premises, building or grounds that is known or reasonably should have been known to CITY. LESSEE further agrees to indemnify CITY from any and all claims, demands, causes of action, suits, procedures, costs, damages and liabilities, including, without limitation, attorney's fees, arising from or relating to the conduct of LESSEE or its employees, agents, volunteers, contractors or invitees, and to provide CITY reimbursement as necessary and appropriate.

E. LESSEE shall ensure at all times that the premises are kept free and clear of any liens or encumbrances that may be caused by any act or omission of LESSEE or its employees, agents, volunteers, contractors or invitees.

6. **USE OF EXTERIOR GROUNDS:** LESSEE shall not conduct any business activity outside the premises. LESSEE shall not, without the express written permission of the CITY, store any vehicle or any other personal property or perform any service on any sidewalk, parking lot or other public area of the CITY. CITY agrees that it will not unreasonably withhold permission if a proposed use is for a temporary activity which relates directly to the authorized use of the premises described in this Agreement.

7. **ENTRY AND INSPECTION:** LESSEE shall permit CITY and its employees or agents to enter the premises during normal business hours for any reasonable purpose, including, without limitation, for inspections, to show the premises to prospective buyers or other lessees, to post notices of non-responsibility for alterations, additions, repairs or utility installations, or to place upon the premises any ordinary signage indicating that the premises are "for sale" or "for lease."

8. **ASSIGNMENT AND SUBLEASING:** LESSEE may only assign this LEASE or sublet the premises, in whole or in part, upon express written consent of CITY which may be granted or withheld by CITY solely at CITY's discretion. Notwithstanding any other provision and even in the event of CITY's written consent, no assignment or sublease is effective until such time LESSEE delivers a copy of the assignment or sublease agreement to CITY and the assignee or sublessee agrees in writing to assume all of the obligations of LESSEE under this LEASE. LESSEE hereby acknowledges and expressly agrees that an assignment or sublease does not release LESSEE from any obligation under this LEASE and that CITY's consent to any assignment or sublease shall not be deemed to be an express or implied waiver of CITY's right under this LEASE to prohibit any future assignment or sublease without the written



consent of CITY.

**9. INDEMNIFICATION:** Unless as a result of the sole negligence of CITY or CITY's failure to abide by the terms of this LEASE, LESSEE hereby indemnifies and agrees to hold CITY harmless from and against all claims, which either arise from or in relation to the possession, use, occupancy, management, repair, maintenance or control of the premises or any portion thereof, or as a result of any default, breach, violation or non-performance of this LEASE or any provision of the LEASE by LESSEE. LESSEE will defend, notwithstanding the CITY's right to participate, any claims against CITY with respect to the foregoing. LESSEE will pay, satisfy, and discharge any judgments, orders and decrees which are recovered against CITY in connection with the foregoing. CITY hereby indemnifies and agrees to hold LESSEE harmless and to defend any claims against LESSEE in any action where CITY was solely negligent or failed to abide by the terms of this LEASE.

**10. LIABILITY INSURANCE:** CITY will not be liable to LESSEE, or to any other person, for any damage caused by an act or omission of any person occupying any space adjacent to or adjoining the premises unless the CITY or its agents caused the loss or damage. Except for loss or damage caused by CITY's sole negligence, CITY will not be responsible or liable to LESSEE for any loss or damage incurred by LESSEE or affecting LESSEE's property from, but not limited to, any natural or manmade disaster or water, gas or steam, or the bursting, stoppage or leakage of pipes. LESSEE agrees to indemnify and hold the CITY harmless from and defend the CITY against any and all such claims or liability for any injury or damage to any person or property whatsoever, occurring in or on the premises or occurring as a result of the use of any of the facilities or appliances anywhere on the premises. LESSEE further agrees to provide and pay for a general liability insurance policy with a minimum limit of One Million and no/100 Dollars (\$1,000,000.00) per occurrence and Two Million and no/100 Dollars (\$2,000,000.00) aggregate for bodily injury or death resulting therefrom, or for damage to the premises and shall name CITY as an additional insured by endorsement. A certificate of said insurance must be presented to CITY prior to occupancy of the premises. The policy of insurance must not be suspended, voided, canceled or reduced in coverage without the prior written consent of CITY and must contain a provision that written notice of cancellation or of any material change in said policy by the insurer shall be delivered to CITY not less than THIRTY (30) days in advance of the effective date thereof. This policy of insurance must be primary coverage for all claims and losses arising from the use, occupancy, and operation of

the premises under this Agreement.

**11. DEFAULT:**

**A. Each of the following individual events constitutes a default of this LEASE**

- (1) Insolvency, including an assignment for the benefit of creditors or the filing or acquiescence to a petition in any court in any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceeding.
- (2) Assignment by operation of law.
- (3) Vacating of the premises for a period of thirty (30) consecutive days after occupancy.
- (4) Refusal to take possession of the premises or any conduct of allowing the premises to remain unoccupied and unattended.
- (5) Failure to pay any installment of rent, if applicable, or any other charge required to be paid by LESSEE under this LEASE when due and payable and said failure remains uncorrected ten (10) days after the date on which written notice from the CITY is received.
- (6) Failure to perform any other duty or obligation required to be performed by LESSEE under this LEASE and the failure remains uncorrected fifteen (15) days after the date on which written notice from the CITY is received.
- (7) Failure to perform any other duty or obligation required to be performed by LESSEE as "Contractor" under the terms and conditions relating to the provision of services as set forth in Contract # 1718-118 by and between VITALITY UNLIMITED and Carson City, dated December 21, 2017.
- (8) Loss of non-profit status.
- (9) Failure to continuously use the leased premises for the purposes described herein.

**B. EFFECT OF DEFAULT:** In the event of default by LESSEE for breach of any term or condition of this LEASE, CITY may by written notice advise LESSEE of CITY's intention to cancel or terminate this LEASE upon the expiration of thirty (30) days after the date on which the notice from the CITY is received. A written notice provided under this paragraph B of this Section 11 must specify the breach. If, at the expiration of the notice period, the LESSEE has not cured the default, the term of this LEASE automatically terminates. Upon such automatic termination, LESSEE must immediately quit and surrender the premises to CITY. LESSEE's

liability under all of the provisions of this LEASE will continue notwithstanding any such automatic termination and surrender, or reentry, repossession or other disposition pursuant to the following paragraph with a setoff to LESSEE for any new rents collected by the CITY from any new tenant during the term of this LEASE.

Upon the expiration or early termination of this LEASE, CITY or its agents or employees may immediately, or anytime thereafter, enter the premises and remove LESSEE, LESSEE's agents, any subtenants, licensees, concessionaires or invitees and any of their property from the premises. Reentry and removal may be effectuated by summary dispossession proceedings or by a suitable action or proceeding at law, by force or by any other lawful means for repossession and enjoyment by CITY of the premises. CITY is entitled to the benefits of all provisions of law concerning the speedy recovery of lands and tenements held over by CITY or proceedings in forcible entry and detainer. LESSEE's liability, subject to any setoff, will survive CITY's reentry, the institution of summary proceeding and the issuance of any warrants with respect thereto.

C. DEFICIENCY: If this LEASE is terminated pursuant to paragraph B of this Section 11, LESSEE will remain liable to the extent legally permissible and in addition to accrued liabilities for any rent and all other applicable charges LESSEE would have been required to pay until such date this LEASE would have terminated in accordance with the initial term of this LEASE had earlier termination not occurred. LESSEE's liability for any rent and all other applicable charges will continue notwithstanding reentry or repossession of the premises by CITY subject to a setoff pursuant to paragraph B of this Section 11.

D. ATTORNEY'S FEES AND COSTS: The prevailing Party in any action or proceeding to enforce the terms of this Agreement has the right to collect from the other Party its reasonable costs and necessary disbursements and attorney's fees in initiating or defending the action or proceeding, as applicable.

E. WAIVER OF REDEMPTION: Except for any setoff expressly set forth hereinabove, LESSEE hereby waives to the fullest extent legally permissible, for itself and for all other persons who claim by, through or under LESSEE, any right of redemption or for the restoration of this LEASE in the event LESSEE is dispossessed for any cause or in the event CITY obtains possession of the premises in accordance with this LEASE.

F. CITY MAY CURE LESSEE'S DEFAULT: If LESSEE is in default of this LEASE, CITY may, at its sole discretion and without incurring any ongoing duty or obligation, cure the

default at any time for LESSEE. If CITY cures a default for LESSEE, LESSEE must reimburse CITY for any amount expended by CITY in connection to the cure. CITY is also entitled to interest at the maximum legal rate on any amount advanced by CITY to cure a default of LESSEE, calculated from the date the expense is incurred to the date of reimbursement.

G. **RIGHTS AND REMEDIES:** The rights and remedies of CITY set forth herein are in addition to any other rights and remedies now or hereinafter provided by law. All rights and remedies of CITY are cumulative and not exclusive of each other. No delay or omission by CITY in exercising a right or remedy shall be construed to exhaust or impair the same or constitute a waiver of, or acquiescence to, a default. No waiver of a default shall be construed to extend to or affect any other default or impair any right or remedy of CITY with respect thereto. A voluntary waiver by CITY of any default of LESSEE is not valid or binding unless it is in made in writing.

12. **CHOICE OF LAW AND FORUM:** The Parties hereby agree that the laws of the State of Nevada govern the validity, construction, interpretation and effect of this LEASE. The Parties further agree that any dispute or legal proceeding arising from or relating to this LEASE is subject to the sole jurisdiction of the state courts in the State of Nevada and must be filed in the First Judicial District Court located in Carson City.

13. **DESTRUCTION OF PREMISES:** LESSEE shall maintain a policy of insurance to cover events of complete or partial destruction of the premises without fault, negligence or carelessness on the part of LESSEE, its agents, employees, volunteers or those holding possession of the premises under it.

14. **HOLDING OVER:** If, notwithstanding any other provision of this LEASE and only by express written consent of CITY, LESSEE continues to remain in the premises for an unspecified duration beyond the initial term of this LEASE, tenancy of the premises will be from month to month only and shall not constitute a renewal or extension of this LEASE. In the event of such a holdover, LESSEE hereby agrees to pay any rent and other applicable charges as provided herein and to comply with all covenants, conditions, provisions and obligations of this LEASE for the period of time that LESEE holds over. During such holdover, LESSEE is entitled to possession of premises until such time CITY provides LESSEE written notice of termination not less than ten (10) days before the end of the month.

15. **SALE OF PREMISES:** In the event of a sale or conveyance by CITY of the premises, the sale or conveyance may be subject to the terms and conditions of this LEASE. CITY may,

however, elect at its sole discretion to terminate this LEASE in the event of a sale or conveyance. If CITY terminates this LEASE pursuant to this section 15, CITY must provide to LESSEE written notification of the termination not less than thirty (30) days before the date on which this LEASE is to terminate as a result of the sale or conveyance. If this LEASE is terminated pursuant to this Section, the Parties hereby agree that LESSEE is not entitled to any consideration or compensation for the termination and that LESSEE will vacate the premises on or before the date of sale or conveyance. If CITY elects not to terminate this LEASE upon the sale or conveyance of the premises and instead elects for the sale or conveyance to be subject to the terms and conditions of this LEASE, LESSEE agrees to look solely to the successor in interest of CITY to satisfy the terms of this LEASE and to release CITY from any liabilities or obligations arising from or relating to this LEASE. CITY may transfer any security deposits held from LESSEE to its successor in interest and thereupon CITY is discharged from any further liability related thereto.

**16. CONDEMNATION:** If the entirety of the premises is taken by eminent domain, condemnation, or purchase under threat thereof, except for a taking for temporary use, this LEASE is automatically canceled as of the date of taking. If only a portion of the premises is taken, CITY may terminate this LEASE at its sole discretion. The option to terminate pursuant to this provision may be exercised by CITY not more than six (6) months after the date of taking by providing to LESSEE written notice that the option has been exercised.

If there is a taking of the premises for temporary use, this LEASE shall continue in full force and effect, and LESSEE must continue to comply with LESSEE's obligations under this LEASE except to the extent compliance is rendered impossible or impracticable by reason of the taking. All compensation awarded upon the condemnation or taking belongs to CITY and LESSEE shall have no claim thereto in law or equity. LESSEE hereby expressly waives any interest in a condemnation proceeding or litigation.

**17. SUBORDINATION:** LESSEE agrees that this LEASE is and shall be subordinate to any mortgage, deed of trust or other instrument of security, existing on the land and building of which the premises are a part. Such subordination is hereby made effective without any further act by LESSEE. LESSEE agrees at any time, upon request by CITY, to execute and deliver any instrument, release or other document that may be required in connection with subjecting and subordinating this LEASE to any lien or mortgage, deed of trust or other instrument of security.

This provision is of no legal effect unless and until the holder of the mortgage, deed of trust or other instrument of security in question delivers to LESSEE a written agreement providing in effect that so long as LESSEE is not in default in the performance of its obligations under this LEASE, LESSEE shall not be disrupted in its possession of the premises hereunder.

**18. SIGNS:** LESSEE shall not place or permit to be placed any sign, marquee, awning, decoration or other attachment on or to the roof, exterior windows, doors or exterior walls of the premises without first obtaining any applicable City permit and the written consent of CITY as Party to this Agreement. LESSEE agrees that CITY has an interest in ensuring an aesthetically tasteful uniformity in the building of which the premises are a part and further agrees that in furtherance of this interest CITY may, without prior permission or liability, enter onto the premises and remove any such sign, marquee, awning, decoration or attachment affixed in violation of this Section. LESSEE further agrees to pay the cost of any removal thereof.

**19. SURRENDER OF LEASE:** No act or conduct of CITY, whether consisting of the acceptance of the keys to the premises or otherwise, shall be deemed to constitute an acceptance of the surrender of the premises by LESSEE prior to the expiration of the term hereof. Acceptance by CITY of surrender of the premises by LESSEE must be evidenced by a written acknowledgement of acceptance of surrender by CITY. The voluntary or other surrender of this LEASE by LESSEE, or a mutual cancellation thereof, shall not constitute a merger, and CITY may terminate all or any existing subleases, subtenancies or concessions, or may, at its sole option and discretion, accept any and all such subleases, subtenancies or concessions as being legally binding and enforceable.

**20. NOTICES:** All written notices or demand of any kind which either Party hereto may be required or may desire to serve on the other in connection with this LEASE must be delivered by personal service, by registered or certified mail, recognized overnight courier service or facsimile transmission, addressed to the respective Parties at the addresses or facsimile numbers set forth:

CITY: CARSON CITY MANAGER  
CARSON CITY  
201 N. CARSON STREET  
CARSON CITY, NV 89701  
FAX: (775) 887-2286

LESSEE: ESTER QUILICI, DIRECTOR  
VITALITY UNLIMITED

3740 IDAHO STREET  
ELKO, NV 89801  
775-738-8004/FAX: 775-753-5418  
(VC\_COO@FRONTIERNET.NET)

Service of any such notice or demand so made by personal delivery, registered or certified mail, recognized overnight courier or facsimile transmission shall be deemed complete on the date of actual delivery as shown by the addressee's registry or certification receipt or, as to facsimile transmissions, by transmission confirmation, as applicable, or at the expiration of the third (3rd) business day after the dispatch, whichever is earlier in time. Either Party hereto may from time to time, by notice in writing served upon the other as aforesaid, designate a different mailing address or facsimile number to which all such notices or demands are thereafter to be addressed.

**21. NO ORAL CHANGES:** This LEASE may not be amended or terminated orally.

**22. SUCCESSOR AND ASSIGNS:** Except as otherwise provided, this LEASE shall bind and inure to the benefit of the Parties and their respective successors, representatives, heirs, and assigns.

**23. UTILITIES:** LESSEE shall obtain, maintain and pay \$2,563.00 monthly for electric, power, gas, water, sewer, and garbage serving the premise.

**24. QUIET ENJOYMENT:** CITY agrees that so long as LESSEE is in full compliance with the provisions of this LEASE, LESSEE is entitled to quietly enjoy the premises for the full term of this LEASE. No use shall be made or permitted to be made of the premises or any part thereof and no acts will be done therein which may disturb the quiet enjoyment of any other tenant in the building of which the premises are a part.

**25. SNOW REMOVAL:** Snow and ice removal from the grounds shall be the responsibility of CITY and in accordance with the appropriate maintenance level described in the *Carson City Parks and Recreation Master Plan*, as may be amended.

**26. SMOKING/VAPING:** LESSEE agrees to abide by Carson City's Smoking Areas policy and not allow smoking within 25 feet of any door or window.

**27. COMPLIANCE WITH THE LAW:** LESSEE shall promptly execute this LEASE and comply with all applicable local, state and federal laws and regulations, including, without limitation, rules, orders, building codes, ordinances, policies, the Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101 et seq.), the Nevada Occupational Safety and Health Act, federal

occupational safety and health standards which the Secretary of Labor promulgates or amends, and any other requirements. Nothing herein contained shall be construed to restrict LESSEE from contesting the validity of any such local, state or federal provisions, but only if LESSEE indemnifies CITY to CITY's reasonable satisfaction against the consequences of noncompliance during any period of dispute.

**28. ENTIRE AGREEMENT:** This instrument, along with any exhibits and attachments hereto, constitutes the entire agreement between the Parties. This Agreement may only be altered, amended, or revoked by an instrument in writing signed by both Parties. It is understood that there are no oral agreements between the Parties hereto and that all previous negotiations, discussions and previous leases between the Parties affecting this LEASE are expressly superseded by this LEASE.

**29. ATTORNEY'S FEES:** In the event any action or proceeding is brought for an unlawful detainer of the premises, for the recovery of any rent other applicable charges due under the provisions of this LEASE or for LESSEE's breach of any other condition contained herein, LESSEE shall pay to CITY reasonable attorney's fees, which shall be deemed to have accrued on the commencement of the action and must be paid upon the successful completion of the action by CITY. LESSEE is entitled to attorney's fees in the same manner if judgment is rendered in favor of LESSEE.

**30. WAIVER:** The failure of CITY or LESSEE to insist upon strict performance of any of the covenants, terms or provisions contained in this LEASE or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver or relinquishment of any said covenants, terms or provisions, but the same shall remain in full force and effect.

**31. REMEDIES:** The remedies given to CITY and LESSEE are cumulative, and the exercising of any one remedy is not to the exclusion of any other remedy.

**32. EARLY TERMINATION:** This LEASE may be terminated before the end of the term set forth hereinabove or before the expiration of any renewal or extension period, if applicable, if notice of at least 90 days is provided to the other Party:

A. By CITY, if CITY determines that there is a need to use the premises for a different public purpose.

B. By CITY, if CITY determines that insufficient public money has been appropriated to perform some or all of CITY's obligations in accordance with this LEASE, without any such termination for non-appropriation or insufficient appropriation being defined or construed as a



breach or default on the part of either Party.

C. By LESSEE, if LESSEE determines that securing the use of different premises would be more advantageous for LESSEE and CITY agrees there is no detriment to CITY. For purposes of this provision only, termination of this LEASE alone shall not be construed as a detriment to the CITY.

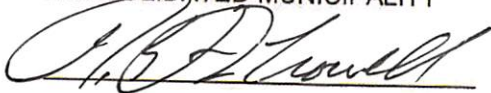
D. By CITY or LESSEE, if either CITY or LESSEE determines that the purpose of this LEASE is substantially impaired or obstructed by any unforeseen event, occurrence or circumstance outside the control of CITY or LESSEE, without prejudice or penalty to either Party hereto and without such event, occurrence or circumstance being defined or construed as a breach or default on the part of either Party.

**33. FORCE MAJEURE:** Any delay or stoppage of business due to acts of God, enemy or hostile action, fire or other casualty, shall excuse the performance by either Party to this LEASE for a period equal to any such delay or stoppage.

IN WITNESS WHEREOF, the Parties have executed this LEASE on the day and year first above written.

CITY:

CARSON CITY, NEVADA, A  
CONSOLIDATED MUNICIPALITY



Mayor – Robert L. Crowell

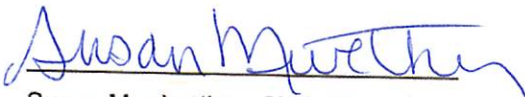
LESSEE:

VITALITY UNLIMITED



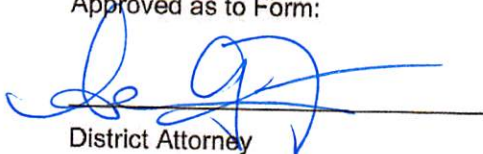
Ester M. Qullici – Director

Attest:



Susan Merriwether, Clerk-Recorder

Approved as to Form:



District Attorney