

A G E N D A

REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF COTTONWOOD, ARIZONA, TO BE HELD MARCH 6, 2012 AT 6:00 P.M., AT THE CITY COUNCIL CHAMBERS BUILDING, 826 NORTH MAIN STREET, COTTONWOOD, ARIZONA.

- I. CALL TO ORDER
- II. ROLL CALL
- III. PLEDGE OF ALLEGIANCE
- IV. BRIEF SUMMARY OF CURRENT EVENTS BY MAYOR, CITY COUNCIL AND/OR CITY MANAGER—THE PUBLIC BODY DOES NOT PROPOSE, DISCUSS, DELIBERATE OR TAKE LEGAL ACTION ON ANY MATTER BROUGHT UP DURING THIS SUMMARY UNLESS THE SPECIFIC MATTER IS PROPERLY NOTICED FOR LEGAL ACTION.
- V. CALL TO THE PUBLIC—This portion of the agenda is set aside for the public to address the Council regarding an item that is not listed on the agenda for discussion. However, the Council cannot engage in discussion regarding any item that is not officially listed on the agenda for discussion and/or action (A.R.S. §38-431.02.H.) Comments are limited to a 5 minute time period.
- VI. PRESENTATION BY MARJORIE MCKINNON REGARDING THE BLUE RIBBON CAMPAIGN.
- VII. PROCLAMATION—CHILD ABUSE PREVENTION MONTH.
- VIII. PRESENTATION OF THE 2011 COMMUNITY CITIZENSHIP FIRE AND LIFE SAFETY AWARD—VERDE VALLEY KIDS AGAINST HUNGER, KIM GOULD & KAREN FREEMAN.
- IX. PRESENTATION OF THE 2011 COMMERCIAL OCCUPANCY FIRE AND LIFE SAFETY AWARD—WAL-MART, MANAGEMENT TEAM.
- X. APPROVAL OF MINUTES—Regular Meeting of 2/21/12.

Comments regarding agenda items are limited to a 5 minute time period per speaker.
- XI. OLD BUSINESS—None.
- XII. CONSENT AGENDA— The following items are considered to be routine and non-controversial by the Council and will be approved by one motion. There will be no separate discussion of these items unless a Council Member or a citizen so requests, in which case the item will be removed from the Consent Agenda and considered in its normal sequence on the Agenda.

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1. CONTRACT EXTENSION WITH TRAFFIC SAFETY INC. FOR CITY STREET STRIPING SERVICES.
- XIII. NEW BUSINESS—The following items are for Council discussion, consideration, and possible legal action.
1. APPROVAL OF A SHORT TERM HANGAR LEASE AGREEMENT FORM AND AUTHORIZATION TO ALLOW CITY STAFF TO LEASE HANGAR B AT THE COTTONWOOD AIRPORT FOR SHORT TERM USES.
- XIV. CLAIMS & ADJUSTMENTS
- XV. ADJOURNMENT

Pursuant to A.R.S. § 38-431.03.(A) the Council may vote to go into executive session on any agenda item pursuant to A.R.S. § 38-431.03.(A)(3) Discussion or consultation for legal advice with the attorney or attorneys of the public body.

The Cottonwood Council Chambers is accessible to the disabled in accordance with Federal “504” and “ADA” laws. Those with needs for special typeface print or hearing devices may request these from the City Clerk (TDD 634-5526.) All requests must be made 24 hours prior to the meeting.

Members of the City Council will attend either in person or by telephone conference call.

Notice is hereby given that pursuant to A.R.S. §1-602.A.9 , subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recording. Parents in order to exercise their rights may either file written consent with the City Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 have been waived.

PROCLAMATION

*Mayor Diane Joens
City of Cottonwood, AZ*

WHEREAS, President Ronald Reagan, in the year 1982, declared by Presidential Proclamation that April is Child Abuse Prevention Month; and

WHEREAS, in the spring of 1989, a Virginia grandmother, named Bonnie, began the Blue Ribbon campaign as a tribute to her grandson who died at the hands of his mother's abusive boyfriend; and

WHEREAS, since that time, concerned citizens all over the country have worn the Blue Ribbon as a symbol of the need to prevent child abuse and neglect; and

WHEREAS, the Lamplighter Movement, in conjunction with the City of Cottonwood, seeks to have every citizen in every business, every church, every school, every hospital, every home in Cottonwood...everywhere the eye can see, wear a Blue Ribbon and to have all businesses have a basket of Blue Ribbons available; and

WHEREAS, the blue ribbon serves as a constant reminder to fight for protection for our children, our most precious gift of all; and

WHEREAS, there is still so much work to do to address this most serious problem; we can all do our small part by wearing a Blue Ribbon, putting one on our car, giving one to our friends and telling them what the Blue Ribbon means to you.

NOW THEREFORE, I, DIANE JOENS, MAYOR OF THE CITY OF COTTONWOOD, do hereby proclaim the month of April as

“Child Abuse Prevention Month”

in the city of Cottonwood in order to draw public attention to this issue and to commend this solemn observance to all people of goodwill in this City.

Diane Joens, Mayor

City of Cottonwood, Arizona City Council Agenda Communication



 Print

Meeting Date:	March 6, 2012
Subject:	Street Striping Contract Renewal
Department:	Development Services
From:	Morgan Scott, Development Services Operations Manager

REQUESTED ACTION

Consider approval of the renewal of the contract with Traffic Safety Inc. to extend the existing contract for an additional year.

SUGGESTED MOTION

If the Council desires to approve this item the recommended motion is:

I move to approve the renewal of the existing contract with Traffic Safety Inc. for a one year extension.

BACKGROUND

On the March 15th 2011 meeting of the Cottonwood City Council the Council awarded a contract to Traffic Safety Inc. out of Prescott Valley, AZ for the bi-annual street striping of all Cottonwood City Streets. The contract also included placing thermoplastic on all City crosswalks and street arrows.

The contract also allowed for a one year renewal if both parties agree and the one year time line will expire March 23rd 2012. At this time the contract is being brought back to council for consideration of a one year renewal.

JUSTIFICATION/BENEFITS/ISSUES

- Renewing the contract will allow City staff to operate under the existing contract without re-advertising and procuring a new contract.
- The existing price is satisfactory to the City.
- The contractor's work has been satisfactory.

COST/FUNDING SOURCE

Highway User Revenue Fund (HURF)

ATTACHMENTS:

Name:	Description:	Type:
2011_Contract_with_Traffic_Safety.pdf	2011 Street Striping Contract	Cover Memo
renewal letter from Traffic Safety, 2-23-12.pdf	Renewal letter from Traffic Safety	Cover Memo

**CITY OF COTTONWOOD
PUBLIC WORKS DEPARTMENT**

CONTRACT FOR SERVICES

THIS AGREEMENT, made and entered into this 23 day of MARCH, 2011, by and between the City of Cottonwood a municipal corporation organized and existing under and by virtue of the laws of the State of Arizona, hereinafter designated the CITY, and TRAFFIC SAFETY INC., organized and existing under and by virtue of the laws of the State of ARIZONA, hereinafter designated the CONTRACTOR.

WITNESSETH: That the said CONTRACTOR, for and in consideration of the sum to be paid him by the said CITY, in the manner and at the time hereinafter provided, and of the other covenants and agreements herein contained, and under the penalties expressed in the Contract Documents provided, hereby agrees, for himself, his heirs, executors, administrators, successors, and assigns as follows:

ARTICLE I -- SCOPE OF WORK

The work involves repainting longitudinal pavement markings on streets with existing pavement markings. A small quantity of new striping may be added. This is a one-year contract with an optional one-year extension requiring a mobilization on average every six months to paint approximately 303,000 LF of stripe per mobilization.

In addition, once a year, the contractor is to apply approximately 2000 lineal feet of thermoplastic cross walk and stop bars.

Included in this contract is reapplying miscellaneous markings such as turn arrows.

ARTICLE II -- CONTRACT TIMES

- A. The Effective Term of this Agreement is one year from date of the last signature with the option to extend for an additional year, subject to the availability of funds for the period beyond the current year and at the sole discretion of the Cottonwood City Council. If the CITY exercises its option to renew the agreement for an additional year, the successful bidder's compensation may be increased by up to three percent (3%) for the new term if successful bidder demonstrates to the CITY's satisfaction that its costs of providing the services contemplated under this request for bids have increased by that amount. In no case, however, shall any increase awarded exceed three percent (3%).
- B. Throughout its term this agreement may be cancelled by either party at the end of thirty (30) days after the receipt of written notice by the other party. There shall be no penalty to the canceling party for such early termination nor shall the other party be entitled to any

damages due to the early cancellation. In the event that the CITY gives notice of cancellation, it shall only be responsible for paying any outstanding charges for work completed, in accordance with this agreement, no later than 5:00 pm, on the day following receipt of notice of cancellation.

ARTICLE III -- INDEMNIFICATION AND INSURANCE

- A. The CONTRACTOR assumes and agrees to hold harmless, indemnify and defend the CITY, its officers, agents and representatives from and against all losses, claims, demands, payments, suits, actions for recovery, judgments and all liability of every kind, nature, and description for injury to persons including wrongful death, or damage to property or both occurring during or in consequence of the performance by the CONTRACTOR where such injury or damage is due to any defect in services delivered hereunder, or to the action or negligence of the CONTRACTOR, its employees, subcontractors, or agents. The CITY assumes no liability, obligation, or responsibility of any nature, whatsoever, in connection with this contract except for payment of price or consideration as stated or referred to herein.
- B. The CONTRACTOR shall provide and maintain, and cause its subcontractors to provide and maintain, the following minimum insurance coverage in accordance with the Certificate of Insurance included in the Bid Package:
 - B.1. Comprehensive general liability insurance with a minimum combined single limit of one million dollars (\$1,000,000) each occurrence. The policy shall include coverage for bodily and personal injury, broad form property damage, blanket contractual, CONTRACTOR'S protective, and products and completed operations.
 - B.2. Comprehensive automobile liability insurance with a combined single limit for bodily injury and property damage of not less than one million dollars (\$1,000,000) each occurrence with respect to CONTRACTOR'S vehicles (whether owned, hired, non-owned), assigned to or utilized in the performance of a Contract.
 - B.3. Worker's Compensation (statutory limits), and Employer's Liability Insurance (\$500,000 each occurrence).
- C. Additional insurance coverage may be required at the CITY'S discretion where the services to be performed are deemed to be hazardous in nature.
- D. The policies required by section B.1. and B.2. shall name the CITY, and its respective agents, officials, and employees as additional insured, and shall specify that the insurance afforded CONTRACTOR shall be primary insurance and that any insurance coverage carried by the CITY or its employees shall be excess coverage and not contributory insurance to that provided by the CONTRACTOR. Said policy shall contain a severability of interests provision.
- E. Failure on the part of the CONTRACTOR to procure and maintain the required liability

insurance and provide proof thereof to the CITY within thirty (30) days following the commencement of a new policy period, shall constitute a material breach of a Contract upon which the CITY may immediately terminate the Contract. Prior to the effective date of the Contract, the CONTRACTOR shall furnish the CITY with copies of the State of Arizona Certificate of Insurance (RM-7200.1), drawn in conformity with the above insurance requirements. The CITY reserves the right to request and receive certified copies of any or all of the above policies and/or endorsements.

ARTICLE IV -- CANCELLATION OF AGREEMENT

Pursuant to A.R.S. Section 38-511, the provisions of which are incorporated herein by reference, all parties are hereby put on notice that this Contract is subject to cancellation if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract on behalf of one of the parties at any time while the Contract or any extension of the Contract is in effect, becomes an employee or agent of any other party to the Contract in any capacity, or a Consultant to any other party of the Contract with respect to the subject matter of the Contract.

ARTICLE V -- NON-DISCRIMINATION

The CONTRACTOR shall comply with Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 1975, and Federal Executive Order No. 11246, State Executive Order No. 94-4, and A.R.S. Section 41-1461 et. Seq., which mandates that all persons, regardless of race, color, religion, sex, age, national origin, or political affiliation, shall have access to employment opportunities. The CONTRACTOR shall comply with Section 503 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination in the employment or advancement in employment of qualified persons because of physical or mental handicap. The CONTRACTOR shall comply with Title VI of the Civil Rights Act of 1964, as amended, which prohibits the denial of benefits or participation in contract services on the basis of race, color, or national origin. The CONTRACTOR shall comply with the requirements of Section 504 of the Rehabilitation Act of 1973, as amended, and with the Americans with Disabilities Act of 1990, which prohibits discrimination on the basis of handicap in delivering contract services.

ARTICLE VI -- NOTICE

Any notice given in connection with this Contract shall be given in writing and shall be delivered either by hand to the party or by certified mail, return receipt requested, to the party at the party's address stated below. Any party may change its address stated herein by giving notice of the change in accordance with this paragraph.

Contractor
c/o Russel Hardy
8901 Laredo Dr
Prescott Valley AZ, 86314

City of Cottonwood
c/o 827 N. MAIN ST
COTTONWOOD AZ 86326

ARTICLE VII -- CHOICE OF LAW AND VENUE

Any dispute under this Contract or related to this Contract shall be decided in accordance with the laws of the State of Arizona and filed with the Arizona Superior Court of Yavapai County.

ARTICLE VIII -- SEVERABILITY

If any part of this Contract shall be held unenforceable, the rest of the Contract will nevertheless remain in full force and effect.

ARTICLE IX -- PAYMENT

The CONTRACTOR agrees that this Contract, as awarded, is for the stated work, and understands that payment for the total work will be made on the basis of the indicated amount(s), as bid in the Bid. The Bid is attached hereto as Exhibit A. Payment for services shall be made by the CITY within thirty (30) days after receipt of a proper invoice. The CONTRACTOR will normally be utilized a minimum of two times annually and on an as needed basis with no guarantee regarding the amount of pavement markings to be completed.

ARTICLE X -- VERIFICATION OF EMPLOYMENT ELIGIBILITY

As required by Arizona Revised Statutes Section 41-4401 (Government procurement; E-verify requirement; definitions) the Contractor warrants that it complies with all federal immigration laws and regulations, that it shall verify, through the U.S. Department of Homeland Security's E-Verify program, the employment eligibility of each employee who provides services or labor in Arizona for wages or other remuneration, and that it shall require its subcontractors and sub-subcontractors to provide the same warranties to the Contractor. The Contractor acknowledges that a breach of this

warranty by Contractor or by any subcontractor or sub-subcontractor under this Contract shall be deemed a material breach of this Contract, and is grounds for penalties, including termination of this Contract, by the City. The City retains the legal right to inspect the papers of any Contractor, subcontractor and sub-subcontractor employee who performs work under this Contract, and to conduct random verification of the employment records of the Contractor and each subcontractor and sub-subcontractor who works on this Contract, to ensure that the Contractor and each subcontractor and sub-subcontractor is complying with the warranties set forth above.

ARTICLE XI – PROHIBITION OF DOING BUSINESS WITH SUDAN AND IRAN

Pursuant to A.R.S. §§35-391.06 and 35-393-06, each Party hereby certifies to the other Party that the certifying Party does not have "scrutinized" business operations, as defined in A.R.S. §§35-391 and 35-393, in either Sudan or Iran. The certifying Party acknowledges that, in the event either of the certifications contained in this paragraph is determined by the other Party to be false, that Party may terminate this agreement and exercise other remedies as provided by law, in accordance with A.R.S. §§35-391.06 and 35-393-06.

ARTICLE XII – SPECIFICATIONS

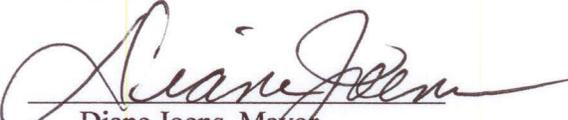
1. The paint used shall be water-based paint for street striping. All work and materials shall conform in its entirety to Section 708 of the Standard Specifications for Road and Bridge Construction, ADOT Highways Division, latest edition.
2. The glass beads will be mechanically applied at the rate of 6-8 lbs./gallon of paint. (Hand spreading will not be allowed.)
3. The paint shall be applied at the rate of 250 to 300 feet per gallon.
4. The yellow stripes shall be 4" in width and white stripes 6" in width. Where skip dash is applied, the dash will be 10' long with a 30' skip.
5. Once a mobilization for striping work is started, it shall be completed at that time.
6. The City forces will pre-sweep the areas to be striped prior to the application of the paint.
7. Temporary traffic control shall be per the latest edition of the Manual of Uniform Traffic Control Devices (MUTCD) Part 6 for short duration and mobile work. The paint truck and shadow vehicles shall have amber warning beacons or strobes and warning signs. Warning signs and/or cone placement shall be appropriate to advise drivers to stay-off the wet paint. Claims of paint damage to vehicles will be the responsibility of the Contractor per Article III of the contract.
8. The work areas are the following streets:

S 6 th Street	Camino Real	Rio Mesa Trail
N 10 th Street	E Cottonwood St	Rocking Chair Rd
S 12 th Street	Cove Parkway	Rodeo Dr
Old Hwy 279	Fir Street	Silverado Dr
E Aspen St	Main St (non-ADOT segment)	Thousand Trails Rd
Bill Gray Rd	Mingus Ave	Villa Drive
Black Hills Dr	Monte Tesoro	Willard St

9. Where lines are wider than 6", such as turn lanes, they shall be paid for using the 6" wide stripe unit cost adjusted for greater width. Example: 9" wide lines will be paid at 1.5 times the cost of a 6" wide line.
10. Crosswalks and stop bars are to be 18" wide thermoplastic material and shall conform to Section 708 of the Standard Specifications for Road and Bridge Construction, ADOT Highways Division, latest edition.
11. The latest edition of the Manual of Uniform Traffic Control Devices (MUTCD) shall be the reference for the geometrics of new pavement markings. The contractor is advised that the city is converting some existing, white edge stripe to official bike lanes.

The CONTRACTOR shall secure and pay for all applicable Federal, State, County, or local permits and licenses, including a CITY BUSINESS LICENSE, and comply with all applicable Federal, State, County, or local laws, codes, ordinances, regulations, and safety standards.

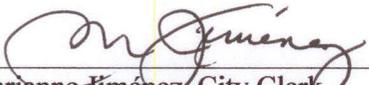
City of Cottonwood

By: 
Diane Joens, Mayor

3-23-11

Date of Signing

Attest:


Marianne Jiménez, City Clerk

Approved as to form:

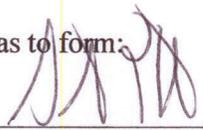
By: 
Steve Horton, Esq., City Attorney

EXHIBIT A

BID

The quantities in the schedule below are the approximate length of stripe to be painted per outing. The low bid will be determined based on the "total cost" for the one-year contract.

Item	Approximate Frequency	No. of Mobilizations	Quantity/ Mobilization	Quantity for 1 yr. period	Unit Cost	Annual Cost
Painted 6" stripe - White	6 mo.	2	80,500 LF	161,000 LF	\$.08	\$12,880.00
Painted 4" stripe - Yellow	6 mo.	2	222,500 LF	445,000 LF	\$.058	\$25,810.00
Thermoplastic cross walks 18"	12 mo	1	2000 LF	2000 LF	\$1.68	\$3,360.00
Arrow Thermoplastic	12 mo	1	64 EA	64 EA	\$68.00	\$4,352.00
TOTAL COST						\$46,402.00

Bids shall include sales tax and all other applicable taxes and fees. No compensation for work performed "out of the field" will be allowed unless Contractor receives written approval from the CITY before conducting work "out of the field". No additional charges for lodging, per diem, shipping, mailing or other costs incurred by the Contractor will be allowed.

The undersigned bidder certifies that this bid is made in good faith, without collusion or connection with any other person or persons bidding on the work.

Respectfully Submitted:

Bidder: Traffic Safety Inc (Company Name)

Address: 8901 E Laredo Dr
Prescott Valley AZ 86314

Phone: 928-775-0813

Representative: Russel Hardy
(Print Name)

Signature: 
CITY OF COTTONWOOD



Traffic Safety, Inc.

8901 Laredo Drive • Prescott Valley, AZ • 86314
Office: (928) 775-0813 Fax: (928) 772-8570

February 22, 2012

City of Cottonwood
Public Works Department

Re: City of Cottonwood Annual Striping Contract.

Dear Mr. Scott:

In accordance with the contract specifications and extension clause, Traffic Safety Inc. wishes to renew the contract for the 2012 season.

We are willing to renew the contract at the current pricing.

Sincerely,

Russel Hardy
President
Traffic Safety Inc.

City of Cottonwood, Arizona City Council Agenda Communication



 Print

Meeting Date:	March 6, 2012
Subject:	Airport Hangar B Lease Agreement
Department:	Development Services
From:	Morgan Scott, Development Services Operations Manager

REQUESTED ACTION

Consider approval of the short term lease agreement form to allow City staff to lease Hangar B for short term uses.

SUGGESTED MOTION

If the Council desires to approve this item the recommended motion is:

I move to approve the short term lease agreement form and allow City staff to lease Hangar B for short term uses.

BACKGROUND

The airports Fixed Based Operator (FBO) left the Cottonwood airport last year and since then the airport has been without a mechanic or a facility to perform routine maintenance which are federally mandated on all aircraft. A short term lease agreement on the City owned Hangar B would allow local pilots to rent out the hangar for a short time to have annual maintenance performed on their aircraft. City staff would like to have Hangar B Leased out to a mechanic by the end of the calendar year, but a short term lease would fulfill many of the local pilot needs until a mechanic can be contracted with.

JUSTIFICATION/BENEFITS/ISSUES

- There is no cost associated with renting Hangar B for the Short term
- A short term lease will allow the City to generate some revenue off of the currently vacant Hangar B.
- The ability to lease the hangar will allow local pilots to have annual maintenance performed on their aircraft without having to leave the area.

COST/FUNDING SOURCE

There is no cost associated with this item.

ATTACHMENTS:

Name:	Description:	Type:
📄 Airport - Hangar B Short- Term Lease Agreement.doc	Lease Agreement	Backup Material

SHORT TERM LEASE AGREEMENT

SECTION I. PARTIES

This Lease is made and entered into by and between the CITY OF COTTONWOOD, an Arizona municipality (“LANDLORD”), and _____, an _____ (“TENANT”). This lease shall be effective as of _____, 20__ (“Commencement Date”). TENANT covenants as a material part of the consideration for this lease to keep and perform each and all of these terms, covenants, and conditions. Conditioned on this performance, LANDLORD leases to TENANT, and TENANT leases from LANDLORD the property for the Term (as hereinafter defined).

SECTION II. PROPERTY

- A) **Property.** LANDLORD hereby leases to TENANT, and TENANT hereby leases from LANDLORD, for the Term, at the Lease Rate (as hereinafter defined), and in accordance with the provisions set forth herein, the “Property,” which is commonly known as Hangar B located at 1001 W. Mingus Avenue, together with all and whatever improvements which are now existing or hereafter placed thereon and any and all appurtenances thereto.
- B) **Condition.** TENANT has examined the physical condition of the Property, is familiar with it and takes it “as is.” Except as otherwise expressly set forth herein, LANDLORD makes no express or implied warranties as to the physical condition of the Property.

SECTION III. TERM

The term of this lease shall begin on the date specified above and shall end on _____, 20___. Should the tenant need to extend the lease beyond this date the Tenant must request an extension in writing from the Landlord prior to the termination date above. The Landlord reserves the right to deny an extension or to terminate the lease after the termination date above.

SECTION IV. LEASE RATE

Lease Rate. The lease rate (the “Lease Rate”) for the premises is \$50.00 per day or \$250.00 per week. The following utilities shall be included in the rent: water, sewer and electric. All other utilities are the responsibility of the TENANT.

- A) **Due Date.** The Lease Rate shall be due and paid by the TENANT to the LANDLORD in advance, due on, or prior to, the 1st day of the lease. Payments on extensions of the contract shall be paid on, or prior to, the first day of the extension.

All payments shall be made to the City of Cottonwood and received at 816 N. Main Street, Cottonwood, AZ 86326.

- B) Grace Period If LANDLORD has not received the Lease Payment by the 1st day of the lease; the hangar will not be made available to the Tenant.
- C) Interest. There shall be an additional late charge of 10% for any payment received by the LANDLORD after the 1st day of the extension period when such payment falls due. Each subsequent late payment shall be assessed the late charge described herein.
- D) Termination. If TENANT fails to pay the Lease Payment when due as provided herein and fails to cure such default within three (3) days after the receipt of notice of default from LANDLORD, then this Lease shall automatically terminate without further notice and all TENANT's rights to use or occupy the Property shall, thereafter, be entirely foreclosed.
- E) Key Deposit. TENANT shall deposit \$100 for the lease of the premises key(s). The deposit shall be returned to the TENANT after the premises key(s) have been returned to the LANDLORD.

SECTION V. TAXES AND ASSESSMENTS

LANDLORD is responsible for and must pay and discharge when due, all real and personal property taxes, state, municipal, and local taxes, general and special assessments, and other charges of every description levied on or assessed against the Property and improvements located on or in the Property ("taxes"), to the full extent of installments due during the term of this lease, whether chargeable against LANDLORD.

SECTION VI. USE OF THE PROPERTY AND PREMISES

- A) Uses. TENANT shall occupy and use the property solely for the purpose of A) Storing an aircraft B) performing mechanical work on an aircraft or C) other work/activity deemed appropriate by the LANDLORD said activities being limited to airport related uses. All uses of the Property not permitted by this lease are prohibited unless specifically consented to by LANDLORD in writing.
- B) Zoning. TENANT agrees to abide by the applicable City of Cottonwood zoning ordinances.
- C) Nuisance. TENANT shall not conduct or permit to be conducted any public or private nuisance on the Premises, nor commit or permit to be committed any waste thereon. TENANT shall report to LANDLORD and appropriate law

enforcement authorities any material trespass or waste committed on the Property of which the TENANT has actual knowledge.

- D) Conformity to Law. TENANT shall maintain the Property in a clean and safe condition. TENANT shall not use or permit the Premises to be used in any manner that is not in conformity with all applicable federal, state, county, and municipal laws, statutes, ordinances and regulations.
- E) Minerals. LANDLORD excepts and reserves out of the Property all oils, gases, geothermal resources, coal, ores, limestone, minerals, fossils, and fertilizers of every name and description that may be found on the Property.
- F) Surrender. TENANT shall surrender peaceable possession of the Property upon the termination, expiration or cancellation of this lease or any LANDLORD authorized renewals or extension.

SECTION VII. MAINTENANCE; REPAIRS

TENANT shall, throughout the Term, at TENANT'S sole cost and expense, maintain the premises and all improvements in clean and safe condition of maintenance and repair, in conformity with the requirements of any applicable law or regulation. LANDLORD shall be under no obligation to maintain, repair, rebuild or replace any improvements on the Premises.

SECTION VIII. LIEN

- A) Payment; Indemnity. TENANT shall be responsible for payment of all costs and charges for any work done by or for it on the Property or in connection with TENANT's occupancy thereof. TENANT shall keep the Property free and clear of all mechanic's liens and other liens and encumbrances on account of work done for or authorized by TENANT or persons or entities claiming under it. In no event shall any such lien attach to fee title to the Property. TENANT expressly agrees to and shall indemnify and hold LANDLORD harmless against liability, damages, costs, attorneys' fees and all other expenses or loss on account of claims of lien or other encumbrances of laborers or materialmen or others for work performed or materials or supplies furnished for or authorized by TENANT or persons or entities claiming under it. Further, any contracts between TENANT and any contractors or subcontractors shall expressly hold LANDLORD harmless against any liability arising from such contracts, as described above.
- B) Notice. Should any claims of lien or other encumbrances be filed against fee title to the Property or any action purporting to affect fee title to the Property be commenced, the party receiving notice of such lien or action shall immediately give the other party written notice thereof.

SECTION IX. OWNERSHIP OF IMPROVEMENTS

- A) During Term of Lease. All improvements constructed on the premises by the TENANT as permitted by this lease shall be owned by the TENANT until expiration of the term or earlier termination of this lease, unless earlier dedicated to LANDLORD.

- B) Expiration of Lease. All improvements on the Premises at the final expiration of the term, other than trade fixtures, shall, without compensation to TENANT, automatically transfer to the LANDLORD, and become LANDLORD's property free and clear of all claims to or against them by TENANT or third person. At the final expiration of the term and any authorized renewals or extension, the Premises shall be free and clear of all mortgages and liens.

SECTION X. INDEMNIFICATION

- A) Losses. TENANT shall hold harmless and indemnify LANDLORD from all liability, fees, costs, damages and penalties, including attorneys' fees, court costs and other legal expenses arising out of or relating to TENANT's occupation and use of Premises. TENANT agrees to indemnify LANDLORD for any such losses except such matters caused by or directly resulting from misconduct, misfeasance, or gross negligence of LANDLORD or its agents, employees or contractors.

- B) Defense. In case an action or proceeding is brought against LANDLORD by reason of any such occurrence, TENANT, upon LANDLORD's request and at TENANT's expense, will resist and defend such action or proceedings, or cause the same to be resisted and defended either by legal counsel designated by TENANT or, where such occurrence is covered by liability insurance, by legal counsel designated by the insurer if so required by such insurer.

- C) Environmental Damage. TENANT shall indemnify and hold LANDLORD harmless from and against any and all liability, obligations, losses, damages, penalties, claims, environmental response and cleanup costs, fines and actions, suits, costs, taxes, charges, expenses and disbursements, including legal fees and expenses of whatsoever kind or nature (collectively, "claims" or "damages") imposed on, incurred by, or reserved against the LANDLORD in any way relating to or arising out of a release of any "Regulated Substance," on, under or from the Property occurring after the effective date of this lease ("Commencement Date") due to the occupation and use of the property by the TENANT. For purposes of this Section, "cleanup costs" include any claims or damages in any way related to or arising out of removal, treatment, storage, disposition, mitigation, cleanup or remedying of the Regulated Substances on, under or upon the Property. TENANT shall not indemnify LANDLORD for any claims or damages resulting from any Regulated Substances present on, under or upon the Property before the "Commencement Date."

For the purposes of this lease, the term “Regulated Substances” shall include but not be limited to substances defined as “regulated substances,” “hazardous wastes,” “hazardous materials,” “toxic substances,” “pollutants,” “toxic pollutants,” “herbicides,” “fungicides,” “rodenticides,” “insecticides,” “contaminant,” or “pesticides” in the Resource Conservation and Recovery Act, as amended by the Hazardous and Solid Waste Amendments of 1984; the Comprehensive Environmental Response, Compensation and Liability Act; the Hazardous Materials Transportation Act; the Toxic Substance Control Act; the Federal Insecticide, Fungicide and Rodenticide Act; the Clean Water Act; the Safe Drinking Water Act; the Arizona Environmental Quality Act; the Arizona Hazardous Waste Management Act and the Arizona Underground Storage Tanks Regulations Act; and any other relevant federal, local or state environmental or pollution laws, and the regulations, rules and ordinances adopted or promulgated pursuant thereto.

This indemnification shall include, without limitation, claims or damages arising out of any violations of applicable local, state, or federal environmental laws, regulations or ordinances, or provisions thereof, regardless of any real or alleged fault, negligence, willful misconduct, gross negligence, breach of warranty or strict liability on the part of any of the indemnities. This environmental indemnification shall survive the expiration or termination of this lease and/or any transfer of all or any portion of the Property by the City.

In the event any such action or claim is brought or asserted against LANDLORD, LANDLORD shall give immediate notice thereof to TENANT, provide TENANT with such reports, tests, studies, analysis, or other information the LANDLORD may have with respect thereto and the TENANT shall have the right: (i) to participate in the conduct of any further required cleanup, removal or remedial actions and/or negotiation and defense of any claim indemnifiable under this environmental indemnity provision, having reasonable regard to the continuing conduct of the operations / businesses located on the Property; and (ii) to participate in negotiating and finalizing any agreement or settlement with respect to any such claim or cleanup.

SECTION XI. INSURANCE

The Tenant and mechanic(s) shall provide and maintain, and cause its subcontractor(s) or mechanic(s) to provide and maintain, the following minimum insurance coverage:

Comprehensive general liability insurance with a minimum combined single limit of one million dollars (\$1,000,000) for each occurrence. The policy shall include coverage for bodily and personal injury, broad form property damage, blanket contractual, TENANT’S protective, and products and completed operations.

Comprehensive automobile liability insurance with a combined single limit for bodily injury and property damage of not less than one million dollars (\$1,000,000) for each occurrence with respect to TENANT'S vehicles (whether owned, hired, non-owned), assigned to or utilized in the performance of the work to be completed in the premises.

Worker's Compensation (statutory limits), and Employer's Liability Insurance (\$500,000 each occurrence) shall be provided if the TENANT, or TENANT'S contractor, subcontractor or mechanic maintain any employees.

Additional insurance coverage may be required at the LANDLORD'S discretion where the services to be performed are deemed to be hazardous in nature.

The policies required shall name the LANDLORD, and its respective agents, officials, and employees as additional insured, and shall specify that the insurance afforded TENANT shall be primary insurance and that any insurance coverage carried by the LANDLORD or its employees shall be excess coverage and not contributory insurance to that provided by the TENANT. Said policy shall contain a severability of interests provision.

Failure on the part of the TENANT to procure and maintain the required liability insurance and provide proof thereof to the LANDLORD at least ten (10) calendar days prior to termination, cancellation or reduction in coverage in any policy shall constitute a material breach of this Lease upon which the LANDLORD may immediately terminate this Lease. Prior to the effective date of this Lease, the TENANT shall furnish the LANDLORD with copies of the Certificate of Insurance and endorsements, naming the LANDLORD as additionally insured, drawn in conformity with the above insurance requirements. The LANDLORD reserves the right to request and receive certified copies of any or all of the above policies and/or endorsements.

SECTION XII. DAMAGE

If the Property or any portion thereof are damaged or destroyed during the term of this Lease, TENANT may (but shall be under no obligation to) arrange, at its expense, for the repair, restoration and construction of the same substantially to its former condition. In any event, such damage or destruction shall not terminate this lease or relieve TENANT from its duties and liabilities hereunder.

SECTION XIII. TRADE FIXTURES AND PERSONAL PROPERTY

Except as otherwise expressly provided in this lease or as provided in separate agreements, any moveable trade fixtures, signs, equipment and other personal property installed in or on the Premises by TENANT, so long as their removal will not result in structural damage, are and shall remain the property of TENANT. TENANT shall have the right, provided they are not then in

Default (as hereinafter defined) at any time to remove or permit removal of any and all of the same. TENANT shall be considered to have abandoned same if not removed with three (3) days of the termination of this Lease.

SECTION XIV. ASSIGNMENTS AND SUBLEASES

- A) Assignments and Subleases. TENANT may not assign this lease or sublet any or all of the Property.
- B) Financing. TENANT shall not have the right to assign or otherwise encumber by way of mortgages, deeds of trust or other documents or instruments, all or any part of its right, title and interest in and to this Lease to any person or entity.

SECTION XV. NOTICE OF DEFAULT

- A) Default. Failure to perform or comply with the terms of this lease may be declared by LANDLORD to be a default by TENANT and a breach of this lease (“Default”). LANDLORD shall notify TENANT in writing of any default by TENANT of this lease. Failure of TENANT to correct the Default within four (4) days (or such additional time as may be necessary to effect a cure in the exercise of reasonable diligence) after TENANT’s receipt of written notice of such Default shall be cause for termination of this lease.
- B) Right to Perform. LANDLORD may, but without being obligated to do so, cure such Default by making such payment or performing such act for the account of and at the expense of TENANT. LANDLORD shall, thereby, be entitled to reimbursement for such payment or the cost of performing such act, together with all costs and expenses, including attorneys’ fees, incurred by reason of such Default. Any amounts therefore shall be added to the lease rate and be immediately due and owing. No such payment or performance by LANDLORD shall operate to release or discharge TENANT from any obligation hereunder.

SECTION XVI. DEFAULT; REMEDIES

- A) Events. Default shall be deemed to have occurred in the following situations:
 - 1. If TENANT fails to perform or comply with any material term of this lease and such failure continues for four (4) days after the receipt of notice of Default from LANDLORD; provided, however, that with respect to any such failure which is of such nature that although curable, it cannot, with due diligence and adequate resources, be cured within four (4) days, a Default shall not be deemed to exist if TENANT commences curing such failure within a forty-five day period and thereafter proceeds with reasonable diligence and action to complete curing such failure.

2. To the extent then allowed by law, if TENANT files a voluntary petition in bankruptcy which is not dismissed within ninety (90) days after the filing thereof; is adjudicated bankrupt or insolvent; files any petitions or answers seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state or other statute, law or regulation; seeks, consents to, or acquiesces in the appointment of any trustee, receiver, or liquidator of TENANT or of all or any substantial part of its respective property or of the pertinent portion of the Premises; makes any general assignments for the benefit of creditors; or admits in writing its inability to pay its debts generally as they become due.
 3. To the extent then allowed by law, if a petition is filed against the TENANT seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other similar relief under any present or future, federal, state or other statute, law or regulation, which remains undismissed or unstayed for an aggregate of ninety (90) days (whether or not consecutive), or if a trustee, receiver, or liquidator of TENANT, or of all or any substantial part of the Property is appointed without the consent or acquiescence of LANDLORD and such appointment remains unvacated or unstayed for an aggregate of ninety (90) days (whether or not consecutive).
- B) Remedies. Subject to the notice and cure provisions set forth herein, if Default exists, LANDLORD may exercise, in addition to its rights at law or in equity, any of those remedies set forth below:
1. LANDLORD may terminate this lease and declare all rights of TENANT ended.
 2. LANDLORD may enter upon the Property as the agent of TENANT by force or otherwise, without being liable in any way therefore, and sublease or assign portions of the Premises as the agent of the TENANT at such price, upon such terms and for the duration of time as LANDLORD may determine, and receive the lease payments or payments thereunder, in which event LANDLORD agrees to use its best efforts to sublease or rent the pertinent portions of the Property.
- C) Waiver. No waiver or breach of any term of this lease shall be construed as a waiver of any succeeding breach of the same or any other term.

SECTION XVII. INSPECTION

TENANT acknowledges and agrees that LANDLORD and its authorized representatives shall have the right to enter the Property and any portion thereof at all reasonable times following reasonable notice to inspect for compliance with the terms of this lease, and may take all such

action as may be necessary or appropriate for such purposes. The reasonability of entry and/or notice shall be determined in light of the particular circumstances, as to then known by the LANDLORD. Furthermore, TENANT acknowledges and agrees that, at any time during the Term and upon reasonable notice, LANDLORD may enter the Property or any portion thereof for the purpose of showing the same to prospective tenants, purchasers or mortgagees and, with the prior approval of TENANT, may display on the Property advertisements for sale or lease. No entry pursuant to this Section shall constitute an eviction.

SECTION XVIII. HOLDING OVER

TENANT is not entitled, upon the expiration, termination or cancellation of this lease, to hold over for any reason.

SECTION XIX. DISPUTE RESOLUTION

- A) No legal proceedings shall be commenced hereunder by any claimant other than in the Arizona Superior Court for Yavapai County.
- B) Nothing in this Contract shall be construed to waive the requirements of Arizona Revised Statutes Sections 12-820 et seq. Without limitation, the TENANT shall file any notice of claim under this Contract in the manner specified in Arizona Revised Statutes Section 12-821.01, but also within the time limits set forth in Section 4.4.7 above.
- C) Nothing in this Paragraph Section XIX shall prohibit the parties from agreeing to submit any dispute between them to an alternative form of binding or non-binding dispute resolution, including mediation and/or arbitration.

SECTION XX. MISCELLANEOUS

- A) Grant. This lease grants TENANT only those rights expressly granted herein. TENANT shall also be entitled to all rights available to it under any applicable laws, ordinances or rules.
- B) Successors. Each provision of this lease shall extend to, be binding on and inure to the benefit of LANDLORD and TENANT only, and not to their respective successors in interest and permitted assigns.
- C) Transfer of Ownership. After the expiration or termination of this lease, TENANT shall execute, acknowledge and deliver to LANDLORD, within five (5) days after written demand from LANDLORD to TENANT, any document reasonably requested by LANDLORD transferring the ownership, right, title or interest in the leasehold and to the improvements to LANDLORD or other document required by any reputable title company to resolve the cloud of this lease from the Premises.

- D) Severability If any provision of this lease or any application thereof shall be invalid or unenforceable, the lease shall remain in full force and effect if such provision was not a material inducement to the benefitted party and the remaining provisions permit the parties to achieve the practical benefits of the arrangements contemplated hereby.
- E) Amendments. LANDLORD and TENANT expressly agree that this lease may be amended from time to time, but only by mutual consent in writing.
- F) Construction. The parties acknowledge that they have both had the benefit of legal counsel in negotiating and drafting this lease. They therefore agree that, notwithstanding anything contained herein to the contrary, this lease and all of its terms, provisions and conditions shall be construed fairly and not against either the LANDLORD or the TENANT.
- G) Notices. Any notice, application, request, demand, approval, or consent which may be given or is required to be given under this Lease, or any other document to be delivered by one party to the other shall be in writing sent by Federal Express or its equivalent, or sent by Unites States Mail, postage prepaid, certified or registered mail, return receipt requested, and addressed as follows:

To LANDLORD: City Manager
 City of Cottonwood
 827 N Main Street
 Cottonwood, AZ 86326

To TENANT:

or to such other addresses as any party may from time to time designate in writing and deliver in a like manner to the other party.

- H) Attorneys Fees. If either party resorts to legal action to enforce any Lease term or to recover damages for the breach thereof, the prevailing party is entitled to recover reasonable attorneys' fees in addition to the amount of judgment, costs and other expenses as determined by the court and not a jury. In the event LANDLORD is represented by a salaried City Attorney, LANDLORD's reasonable attorneys' fees shall be calculated based upon a rate equal to the reasonable hourly rate for comparable work and attorney experience in the private sector in Yavapai County, Arizona.
- I) Future Sale. TENANT acknowledges that it has not been induced to enter into this lease by any promise from LANDLORD or any of its agents, servants or employees that the Property will be offered for sale at any time.
- J) Fee Interest. No provision of this lease shall create any right in TENANT to a fee interest in the Property.

- K) Governing Law. This lease shall be governed by, construed and enforced in accordance with the laws of the State of Arizona. The parties have agreed that any legal proceeding arising out of this Lease shall be brought in the Superior Court of Arizona, Yavapai County, and the parties consent to the jurisdiction and venue thereof.
- L) Headings. The titles and any subtitles to the Sections and paragraphs of this lease are not a part of this lease and shall have no effect upon the construction or interpretation of any part of the Lease.
- M) Integration. This lease, together with the any exhibits appended hereto, embodies the whole agreement of the parties. There are no other agreements or terms, oral or written. This document supersedes all previous communications, representations and agreements, oral or written, between the parties.
- N) The individual executing this lease agreement on behalf of TENANT swears/affirms under penalty of perjury that she/he is authorized to take such action.

DATED this _____ day of _____, 20_____.

LANDLORD: City of Cottonwood

By: _____
Morgan Scott, Airport Manager

By: _____
Iris Dobler, Risk Management Manager

By: _____
Rudy Rodriguez, Finance Director

TENANT: _____

By: _____

Title: _____

CLAIMS REPORT OF March 6, 2012			
FUND	VENDOR NAME	DESCRIPTION	TOTAL
TOTAL			\$0.00
CLAIMS EXCEPTIONS REPORT OF March 6, 2012			
FUND	VENDOR NAME	DESCRIPTION	TOTAL
All	City of Cottonwood	Payroll 03/02/12	\$409,333.81
Utilities	APS	Utilities	\$12,086.96
All	Arizona Public Employers Health Pool	Insurance Premiums Feb 2012	\$140,908.98
Gen	AZ State Treasurer	Court Fees January 2012	\$14,071.56
Utilities	D&K Farming	Sludge Removal PO 19045	\$9,912.24
Utilities	US Postmaster	Postage	\$5,350.00
All	United Fuel	Fuel	\$9,334.00
Utilities	Tiffany Construction	Emergency water main repair	\$7,100.87
Gen	Mobile Concepts Tech	Comsulting PO 19020	\$11,850.00
CDBG	NACOG	Administrative Fees Grant 10th Street	\$12,500.00
Gen	Richardsons	Custodial City wide and Rec Center	\$19,037.59
TOTAL			\$651,486.01