



It's in your hands ~ "Build a stronger community – Shop Locally"

**AGENDA  
REGULAR SESSION  
MAYOR AND COUNCIL  
COUNCIL CHAMBERS - 473 S. Main Street, Room #106  
WEDNESDAY, MARCH 21, 2012  
6:30 P.M.**

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Consent Agenda** -- All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
  - a) **Approval of the Minutes:**
    - 1) Regular Session – March 7, 2012
    - 2) Special Session – March 7, 2012
    - 3) Executive Session – March 7, 2012 (recorded)
    - 4) Work Session – March 5, 2012
  - b) **Set Next Meeting, Date and Time:**
    - 1) March 28, 2012 at 6:30 p.m. – Council Hears Planning & Zoning Matters - **CANCELLED**
    - 2) April 4, 2012 at 6:30 p.m. – Regular Session
    - 3) April 18, 2012 at 6:30 p.m. – Regular Session
    - 4) April 25, 2012 at 6:30 p.m. – Council Hears Planning & Zoning Matters
    - 5) Monday, April 30, 2012 at 4:00 p.m. – Budget Work Session
  - c) **Possible approval of a Special Event Liquor License application for the Golden Cobra Center of Fitness, Inc. for a fundraiser to be held at 5980 E. Coury Drive on Saturday, April 28, 2012 from 11:00 a.m. to 12:00 p.m. Staff Resource: Debbie Barber**
5. **Special Announcements & Presentations**
  - **Possible approval of a Proclamation declaring April as *Fair Housing Month*, urging all residents to comply with and show support for the letter and spirit of the Fair Housing Act.**
  - **Welcome to the new businesses:**
    - ❖ **Native Garden Design – Camp Verde**
    - ❖ **Verde River Adventure Center – 45 W. Hollamon St., Camp Verde**
    - ❖ **Mary Kay Gift Baskets – Camp Verde**
    - ❖ **A Cut Above – Camp Verde**
    - ❖ **A special thank you also goes out to the 31 vendors that participated in the Pecan & Wine Festival**
6. **Council Informational Reports.** These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.
7. **Call to the Public for items not on the agenda.**
8. **Possible approval of the lease agreement with GovNET to place a microwave antenna on the Library building roof as part of a new statewide data network that will bring a larger Internet connection to our area. Staff Resource: Gerry Laurito**

9. **Discussion, consideration, and possible direction to staff relative to updates and requested action(s) concerning proposed legislation that affects the Town.** Staff Resource: Russ Martin
10. **Call to the Public for items not on the agenda.**
11. **Manager/Staff Report** Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.
12. **Adjournment**

Posted by:

*D Barber*

Date/Time:

*3/14/12*

*4:30pm*

*Note: Pursuant to A.R.S. §38-431.03.A.2 and A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.*

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.

**DRAFT**  
**MINUTES**  
**REGULAR SESSION**  
**MAYOR AND COUNCIL**  
**COUNCIL CHAMBERS**  
**WEDNESDAY, MARCH 7, 2012**  
**6:30 P.M.**

Minutes are a summary of the actions taken. They are not verbatim.  
Public input is placed after Council motions to facilitate future research.  
Public input, where appropriate, is heard prior to the motion

**1. Call to Order**

The meeting was called to order at 6:30 p.m.

**2. Roll Call**

Mayor Burnside, Vice Mayor Kovacovich, Councilors George, Buchanan and German were present; Councilors Whatley and Baker were absent.

**Also Present:** Public Works Director Ron Long, Town Magistrate Harry Cipriano, Town Marshal Nancy Gardner, Finance Director Mike Showers, Town Clerk Debbie Barber, and Recording Secretary Margaret Harper.

**3. Pledge of Allegiance**

The Pledge was led by Town Marshal Gardner.

**4. Consent Agenda – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.**

**a) Approval of the Minutes:**

- 1) Council Hears Planning & Zoning Matters – February 22, 2012
- 2) Regular Session – February 15, 2012
- 3) Special Session – February 15, 2012
- 4) Work Session – January 25, 2012

**b) Set Next Meeting, Date and Time:**

- 1) March 21, 2012 at 6:30 p.m. – Regular Session
- 2) March 28, 2012 at 6:30 p.m. – Council Hears Planning & Zoning Matters
- 3) April 4, 2012 at 6:30 p.m. – Regular Session
- 4) April 18, 2012 at 6:30 p.m. – Regular Session
- 5) April 25, 2012 at 6:30 p.m. – Council Hears Planning & Zoning Matters
- 6) Monday, April 30, 2012 at 4:00 p.m. – Budget Work Session

**c) Possible re-appointment of E. Eugene Neil, Esq. as an Assistant Magistrate for the Municipal Court for a 2-year term, effective March 8, 2012 and setting the hourly rate at \$38.00 per hour with a 3-hour minimum. Staff Resource: Magistrate Harry Cipriano**

On a motion by Kovacovich, seconded by German, the Consent Agenda was unanimously approved as presented, with the changes made to the Minutes of February 22, 2012.

Kovacovich requested a correction to the Minutes of February 22, 2012: On the first page, Council Informational Reports, the report made by George should reflect the "Sustainable Economic Development Initiative," and the acronyms used by Kovacovich and German should be "SEDI."

**5. Special Announcements & Presentations.**

There were no special announcements or presentations.

**6. Council Informational Reports.**

George said he had attended the Verde View Senior Apartments luncheon; the Mayor and Councilor German were also there, as well as Chip Davis.

**German** reported on her attendance last Wednesday at the Sedona Chamber of Commerce meeting that was sponsored by Arizona Public Service; an Arizona Office of Tourism representative gave a very informative presentation. On Friday evening German attended the Cancer Relay for Life fund-raiser that was held at the Red Barn; it was a very enjoyable evening with good attendance. German also shared details of the 50-year celebration of the Retirement Housing Foundation yesterday, represented by top officials of that organization, held at the Camp Verde Senior Apartments on Highway 260.

**Buchanan** said he had also attended the Sedona Chamber of Commerce meeting, a good, informative event. Buchanan said that today he had attended the Verde Valley Homeless Coalition meeting in Cottonwood that had also been attended by numerous organizations, an unbelievably informative session; Buchanan has requested that the Coalition make presentations to the Town on what they do since they need more support. Buchanan also reported on the Verde Valley Intergovernmental meeting on February 23<sup>rd</sup>.

**Burnside** said he had attended a GAMA meeting Monday in Phoenix with Town Manager Martin, the Greater Arizona Mayors Association, with the League of Cities and Towns discussing some of the House bills. The League is opposing bills that the Town is also opposing, including the Consolidated Election Dates; Regulatory Tax Credit; Rulemaking. Also the bills to stop all Photo Radar, the bill re Local Liberty Chapters, and a bill to stop the raiding of the HURF funds, water resources, and others. Burnside said that the aim is to get the message to the Legislators to tell the State to leave the cities and towns alone to govern themselves. Burnside also reported on attending the Verde View Apartments anniversary event; Baker filled in for Burnside at NACOG. Today he attended another Intergovernmental meeting in Cottonwood, the Managers and Mayors. Burnside reminded everyone of the Roast & Toast event to be held to honor Kathy Davis in connection with her retirement; on Saturday there will be an Open House to tour the Jail, the Museum and the Hance House.

7. **Call to the Public for items not on the agenda.**

(Comments from the following individual are summarized.)

**Howard Parrish** reviewed the participation of the Cavalry in the Sedona St. Patrick's Day Parade held on March 3<sup>rd</sup>; the Cavalry won the Best Equestrian Group award, and were treated like royalty at that event.

There was no further public input.

Councilor Buchanan requested Item #8:

8. **Presentation by Gayle Durkin, Executive Director of the Verde Valley Habitat for Humanity followed by possible discussion.**

There was no action taken.

Councilor Buchanan explained that he had been contacted recently by Gayle Durkin, Executive Director of the Verde Valley Habitat for Humanity, who asked if the Town of Camp Verde might be interested in possibly getting some work done here through her organization. Buchanan said he immediately requested this opportunity for Ms. Durkin to make a presentation to the Council in that regard.

Following her introduction, Ms. Durkin reviewed the beginning of the Verde Valley Habitat for Humanity in 1995, noting that there is currently a real surge in families applying for homes throughout the entire Verde Valley. Ms. Durkin said that she has visited Camp Verde and feels that there is a lot of property here that could be utilized for the affordable housing, which is the purpose of the Habitat for Humanity. She explained their mission of building decent, affordable housing for qualified families, and the requirements to be met in order to qualify, including a commitment by the family to spend approximately 400 hours of "sweat equity" or some type of volunteer work to build their home. The group is looking to Camp Verde at this time for property to either purchase or be fortunate enough to acquire property through donation to build homes on.

In response to some Council questions following her presentation, Ms. Durkin confirmed that they are also interested in purchasing and refurbishing foreclosed homes; they have a volunteer coordinator who would welcome those wishing to volunteer or donate construction services; their phone number is 928-649-6788.

9. **Discussion, consideration, and possible approval of an agreement re-appointing Magistrate Harry Cipriano as Town Magistrate for a 2-year term beginning 3-17-2012 through 3-17-2014. The new agreement may include an increase in compensation and increase in work hours.** Staff Resource: Magistrate Cipriano

On a motion by Buchanan, seconded by George, the Council unanimously approved the agreement appointing Magistrate Harry Cipriano as Town Magistrate for a 2-year term, as extended, beginning 3-17-12 through 6-30-2014.

Town Magistrate Cipriano briefly commented that he would appreciate approval of the agreement that he had discussed previously with the Council. The members confirmed that the discussion had included extending the contract through June of 2014, and would not change the monthly salary, but would simply extend it for an extra two months, until the time the next contract would start in order to keep it in the budget cycle.

10. **Discussion, consideration, and possible award of bid for Project #12-095 Finnie Flat/Cliffs Parkway Drainage Improvement Project to low bidder Eagle Mountain Construction, Inc. in the amount of \$1,048,104.18 and authorization for the Mayor to execute the Contract Documents.** Staff Resource: Ron Long

On a motion by German, seconded by Kovacovich, the Council unanimously authorized the Mayor to execute the Agreement between the Town of Camp Verde and the apparent low bidder, Eagle Mountain Construction Inc., for Project No. 12-095, Finnie Flat/Cliffs Parkway Drainage Channel Improvement Project, in the amount of \$1,048,104.18, with the corrections to the contract as discussed.

Public Works Director Ron Long said that putting this project together has been a long process. Long expressed appreciation for the County Flood Control District; they have contributed a significant amount toward the design effort to get to this point, plus another \$750,000 into this phase of the project. The work is ready to start upon approval and award of the bid.

Burnside reviewed the earlier discussion he had with Long, requesting changes to the proposed Agreement based on his concerns. Long confirmed that he would be working with the contractor to implement those changes discussed. For the benefit of the members, Burnside pointed out and explained in detail the purpose of the following changes agreed upon: Page 6, Payment; revised with verbiage to reflect that the monthly progress payment will be submitted on the 25<sup>th</sup> of the month and projected to the end of the month. A one-year Warranty time frame is to be written in. Page 8, Liquidated Damages, the scope of the work will be completed, as defined, in 155 calendar days; include verbiage in agreements with the general contractor regarding the timing for inspections. Burnside also noted a typographical error on Page 7.

The Council discussed the changes noted; Long responded to some concern about the inspections time line and discussed with the members the difference between this complex type of public engineering project and the usual building projects. Burnside commented that the Town staff is working on substantial verbiage to create a boilerplate process that the Town will use and will be used by all contractors that do work for the Town, and is intended to also protect the Town in case of a lawsuit for liquidated damages. Burnside added his appreciation for Ron and his department for creating one of the best contracts he has presented for the Town.

11. **Discussion, consideration, and possible acceptance of and/or direction to staff relative to the 2<sup>nd</sup> Quarter General Fund report and the January Revenue Drivers.** Staff Resource: Mike Showers  
On a motion by German, seconded by Burnside, the Council unanimously accepted and approved the financial reports that were given.

Finance Director Mike Showers said that his intent is to begin a process that provide relevant information that will help the Council understand what is happening and be able to make good decisions and not get buried in a lot of numbers. Showers reviewed and explained in detail the General Fund Report listing the Revenues, Expenditures, and a Cash Analysis, and then a separate table of the Revenue Drivers.

The Council discussed the reports that Showers had prepared, expressing appreciation for the simplified approach he had taken that will help to show the Town's financial status at a glance. One request was made to change the term regarding cash as "restricted," to "encumbered." In response to a question whether quarterly reports would be supplied to the different department heads, Showers explained that with the new accounting system, each department has daily access to the status of their department budget; he has been giving reports to the Town Manager on a regular basis. Showers added that he could plan to develop a more customized report for each group based on relevance to them in particular. He will be presenting a quarterly report to the Council, possibly at the second Council meeting of the month for that period.

12. **Discussion, consideration, and possible direction to staff relative to updates and requested action(s) concerning proposed legislation that affects the Town.** Staff Resource: Russ Martin  
There was no action taken.

Burnside noted that he had referred to the concerns and documentation on pending legislation in his preceding Informational Report. He added that it was a pleasure to find that they are finally going to look at a bill to see if the Constitutional laws can be changed to allow cities and towns to, in essence, give credit to local businesses in the bidding process.

13. **Call to the Public for items not on the agenda.**  
(Comments from the following individuals are summarized.)

**David White** spoke again regarding the improvements to Rezzonico Park, and the apprehensions of the immediate neighbors based on their negative contacts with the previous Town Manager in connection with improvements to the Park. Mr. White said he had attended a meeting of the ladies last week; one of ladies had commented that the Council had been so accepting of their plans that they could pretty much go ahead and work on it. That is of great concern to the neighborhood; they would love to see short and long-term goals, with line-by-line approvals, with everything done in a way that the immediate neighbors could be a part of the process throughout in a professional manner. He stressed that all of those long-time residents deserve to be considered and kept in the loop.

**Justin Wertz** gave an update on the skateboard project he is working on, together with his associates, and commented on the potential benefit to the Town; he added that he has appeared before the Council over a long period of time, and expressed his appreciation for their attention.

There was no further public input.

14. **Manager/Staff Report**  
There was no Manager/Staff report.

15. **Adjournment**  
On a motion by German, seconded by Kovacovich, the meeting was adjourned at 7:38 p.m.

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Bob Burnside, Mayor

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Margaret Harper, Recording Secretary

**CERTIFICATION**

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Regular Session of the Town Council of Camp Verde, Arizona, held on the 7<sup>th</sup> day of March 2012. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

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Debbie Barber, Town Clerk

**DRAFT MINUTES  
SPECIAL SESSION  
MAYOR and COMMON COUNCIL  
of the TOWN OF CAMP VERDE  
COUNCIL CHAMBERS  
473 S. Main Street, # 106  
WEDNESDAY, MARCH 7, 2012  
5:30 p.m.**

Minutes are a **summary** of the actions taken. They are not verbatim.  
Public input is placed after Council motions to facilitate future research.

**1. Call to Order**

Mayor Burnside called the meeting to order at 5:30 p.m.

**2. Roll Call**

Mayor Burnside, Vice Mayor Kovacovich, Councilors Buchanan, George, and German were present; Councilors Baker and Whatley were absent.

**Also Present:**

Magistrate Harry Cipriano and Town Clerk Deborah Barber

Mayor Burnside explained that the purpose of this meeting is to discuss a proposed contract for Magistrate services. He advised that the Magistrate had requested to discuss this matter in executive session.

On a motion by German, seconded by Kovacovich the Council voted unanimously to adjourn to Executive Session pursuant to ARS §38-431.03 (A)(1) for discussion or consideration of assignment, appointment, and salaries.

The Special Session was recessed at 5:32 p.m. and reconvened at 5:56 p.m.

**3. Discussion with Magistrate Harry Cipriano relative to a proposed contract for Magistrate services for the Camp Verde Magistrate Court.**

Council took no action on this item. The Mayor explained that the contract had been discussed and understood the parameters of the agreement which will be addressed during the Regular Session immediately following this meeting.

**4. Adjournment**

On a motion by Buchanan, seconded by Kovacovich, the meeting was adjourned at 5:56 p.m.

\_\_\_\_\_  
Bob Burnside, Mayor

\_\_\_\_\_  
Deborah Barber, Town Clerk

**CERTIFICATION**

I hereby certify that the foregoing Minutes are a true and accurate accounting of the discussion and direction of the Mayor and Common Council of the Town of Camp Verde during the Work Session of the Town Council of Camp Verde, Arizona, held on the 7<sup>th</sup> day of March 2012. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Debbie Barber, Town Clerk

**DRAFT MINUTES**  
**WORK SESSION**  
**MAYOR and COMMON COUNCIL**  
**of the TOWN OF CAMP VERDE**  
**COUNCIL CHAMBERS - 473 S. Main Street, # 106**  
**MONDAY, MARCH 5, 2012 at 5:30 P.M.**

Minutes are a summary of the actions taken. They are not verbatim.  
Public input is placed after Council motions to facilitate future research.  
Public input, where appropriate, is heard prior to the motion

**1. Call to Order**

Mayor Burnside called the meeting to order at 5:30 p.m.

**2. Roll Call**

**3.** Mayor Burnside, Vice Mayor Kovacovich, Councilors Baker, Buchanan, George, and German were present; Councilor Whatley was excused, as she is in Ethiopia.

**Also Present:** Town Manager Russ Martin, Public Works Director Ron Long, Finance Director Mike Showers, Economic Development Director Mel Preston, Mike Dumas, Steve Burroughs, Lynda Moore, Deborah Ranney, and Town Clerk Deborah Barber

**4. Pledge of Allegiance**

Showers led the pledge.

**5. Discussion and possible direction to staff relative to the development of a Capital Improvements Plan (CIP) to include, but not be limited to the survey results, the CIP process, potential funding and funding sources, prioritizing projects, etc. Staff Resource: Russ Martin**

Martin explained that the purpose of this meeting was to identify 3 to 5 projects from the list in the packet to be included in the first year Capital Improvements Plan. He advised that the library construction and the community park were not included in this discussion, explaining that when the USDA loan offer is extended, no expenses would occur during the upcoming fiscal year. He further advised that staff planned to move forward with the budgeted easement acquisition for the park. After hearing opposing views from Council with regard to the park entrance, Martin advised that staff planned only to move forward with the easement in anticipation of having the opportunity to have an entrance off SR 260.

Long distributed a copy of the 2008 Master Plan for the Community Park, explaining that the plan did not address grading, drainage, or hydrology. He outlined the estimated costs for the easement acquisition from the Forest Service and ADOT requirements.

There was also discussion relative to the importance of having a development plan for Rezzonico Park that has been approved by Council and the neighborhood prior to allocating funds for specific items. Discussion also included ideas such as selling sponsorships to purchase benches and applying for a grant to resurface the tennis court.

Council members (in no particular order) selected the following projects to be included in the first year CIP:

**Buchanan –**

- Butler Park Improvements
- Attic Insulation
- HVAC/Town Hall 100 Building
- Rezzonico Park
- Pool Resurface
- Gym Repair/Refinish

**George –**

- Butler Park Improvements
- HVAC/Town Hall 100 Building
- Pool Resurface

**Kovacovich –**

- Butler Park Improvements
- HVAC/Town Hall 100 Building
- Rezzonico Park
- Pool Resurface

**Baker –**

- Butler Park Improvements (full \$120,000)
- HVAC/Town Hall 100 Building
- Rezzonico Park
- Pool Resurface
- Pool Upgrades

**Burnside –**

- Replace Doors – 300 Building
- Attic Insulation
- HVAC/Town Hall 100 Building (with savings to be set aside for Butler & Rezzonico Parks)
- Visitors Center HVAC
- Pool Resurface
- Pool Upgrades (1/2 the proposed amount)

Martin advised that the projects would be presented with the budget, explaining that Council would have an opportunity in the fall to address the projects to be completed in future years.

**6. Adjournment**

On a motion by Baker, seconded by Buchanan, the meeting was adjourned at 7:27 p.m.

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Bob Burnside, Mayor

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Deborah Barber, Town Clerk

**CERTIFICATION**

I hereby certify that the foregoing Minutes are a true and accurate accounting of the discussion and direction of the Mayor and Common Council of the Town of Camp Verde during the Work Session of the Town Council of Camp Verde, Arizona, held on the 5<sup>th</sup> day of March 2012. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

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Debbie Barber, Town Clerk



Town of Camp Verde

**Agenda Item Submission Form – Section I**

**Meeting Date: March 21, 2012**

- Consent Agenda       Decision Agenda       Executive Session Requested
- Presentation Only       Action/Presentation

**Requesting Department: Clerk's Office**

**Staff Resource/Contact Person: Deborah Barber**

**Agenda Title (be exact: Possible approval of a Special Event Liquor License application for the Golden Cobra Center of Fitness, Inc. Fundraiser to be held at 5980 E Coury Drive on Saturday, April 28, 2012 from 11:00 a.m. to 12:00 p.m.**

**List Attached Documents: – Application for Special Event Liquor License**

**Estimated Presentation Time: 0**

**Estimated Discussion Time: 0**

**Reviews Completed by:**

Department Head: Deborah Barber       Town Attorney Comments: N/A

Finance Department N/A

**Fiscal Impact: None**

**Budget Code: N/A      Amount Remaining: \_\_\_\_\_**

**Comments:**

**Background Information:**

**Recommended Action (Motion): Approve Special Event Liquor License application for the Golden Cobra Center of Fitness, Inc. Fundraiser to be held at 5980 E Coury Drive on Saturday, April 28, 2012 from 11:00 a.m. to 12:00 p.m.**

**Instructions to the Clerk: Section II not required. Process application.**



10. Has the applicant been convicted of a felony in the past five years, or had a liquor license revoked?

YES  NO (attach explanation if yes)

11. This organization has been issued a special event license for 1 days this year, including this event (not to exceed 10 days per year).

12. Is the organization using the services of a promoter or other person to manage the event?  YES  NO  
If yes, attach a copy of the agreement.

13. List all people and organizations who will receive the proceeds. Account for 100% of the proceeds.  
**THE ORGANIZATION APPLYING MUST RECEIVE 25% OF THE GROSS REVENUES OF THE SPECIAL EVENT LIQUOR SALES.**

Name Golden Cobra Center of Fitness INC. 100%  
Percentage

Address PO Box 4583 Camp Verde, AZ 86322

Name \_\_\_\_\_ Percentage \_\_\_\_\_

Address \_\_\_\_\_  
(Attach additional sheet if necessary)

14. Knowledge of Arizona State Liquor Laws Title 4 is important to prevent liquor law violations. If you have any questions regarding the law or this application, please contact the Arizona State Department of Liquor Licenses and Control for assistance.

**NOTE: ALL ALCOHOLIC BEVERAGE SALES MUST BE FOR CONSUMPTION AT THE EVENT SITE ONLY.  
"NO ALCOHOLIC BEVERAGES SHALL LEAVE SPECIAL EVENT PREMISES."**

15. What security and control measures will you take to prevent violations of state liquor laws at this event?  
(List type and number of security/police personnel and type of fencing or control barriers if applicable)

# Police  Fencing  
 # Security personnel  Barriers

Camp Verde Marshalls & Yavapai County Sheriff office will be notified. There will be personal security on premises & the event area will be controlled by fencing & barriers

16. Is there an existing liquor license at the location where the special event is being held?  YES  NO

If yes, does the existing business agree to suspend their liquor license during the time period, and in the area in which the special event license will be in use?  YES  NO

**(ATTACH COPY OF AGREEMENT)**

\_\_\_\_\_  
Name of Business ( ) Phone Number

17. Your licensed premises is that area in which you are authorized to sell, dispense, or serve spirituous liquors under the provisions of your license. The following page is to be used to prepare a diagram of your special event licensed premises. Please show dimensions, serving areas, fencing, barricades or other control measures and security positions.

**THIS SECTION TO BE COMPLETED ONLY BY AN OFFICER, DIRECTOR OR CHAIRPERSON OF THE ORGANIZATION NAMED IN QUESTION #1**

18. I, Richard Williams declare that I am an Officer/Director/Chairperson appointing the applicant listed in Question 6, to apply on behalf of the foregoing organization for a Special Event Liquor License.

[Signature] (Signature) President/CEO (Title/Position) 3/18/12 (Date) (928) 300 0281 (Phone #)



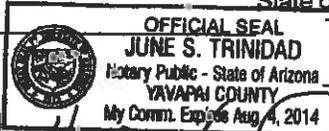
Arizona State of Yavapai County of  
The foregoing instrument was acknowledged before me this 8<sup>th</sup> Day March Month 2012 Year

My Commission expires on: Aug 4, 2014 (Date) [Signature] (Signature of NOTARY PUBLIC)

**THIS SECTION TO BE COMPLETED ONLY BY THE APPLICANT NAMED IN QUESTION #6**

19. I, Richard Williams declare that I am the APPLICANT filing this application as listed in Question 6. I have read the application and the contents and all statements are true, correct and complete.

X [Signature] (Signature) State of Arizona County of Yavapai  
The foregoing instrument was acknowledged before me this 8<sup>th</sup> Day March Month 2012 Year



My commission expires on: Aug 4, 2014 (Date) [Signature] (Signature of NOTARY PUBLIC)

**You must obtain local government approval. City or County MUST recommend event and complete item #20. The local governing body may require additional applications to be completed and submitted 60 days in advance of the event. Additional licensing fees may also be required before approval may be granted.**

**LOCAL GOVERNING BODY APPROVAL SECTION**

20. I, \_\_\_\_\_ (Government Official) \_\_\_\_\_ (Title) hereby recommend this special event application on behalf of \_\_\_\_\_ (City, Town or County) \_\_\_\_\_ (Signature of OFFICIAL) \_\_\_\_\_ (Date)

**FOR DLLC DEPARTMENT USE ONLY**

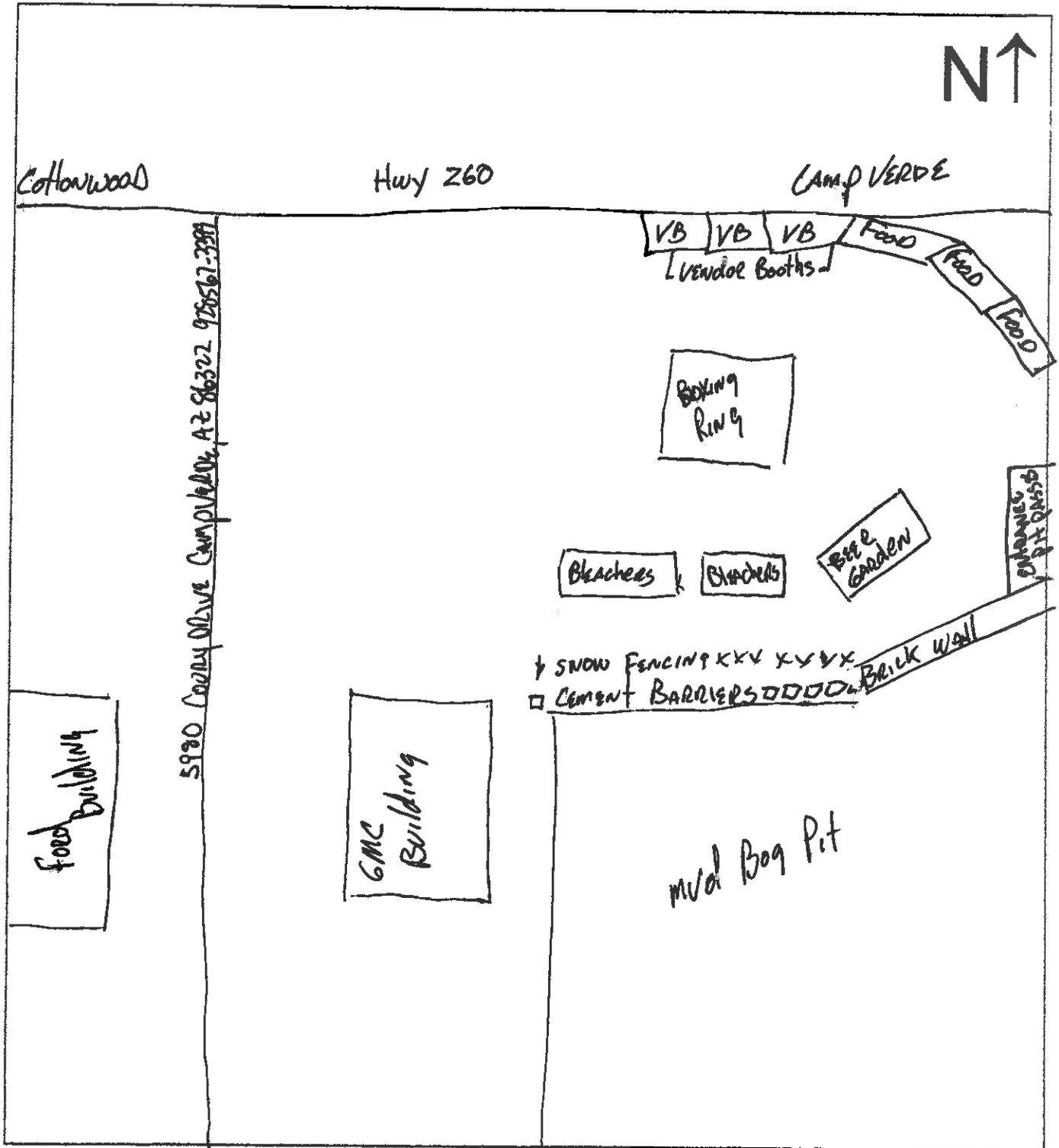
Department Comment Section:

\_\_\_\_\_  
(Employee) \_\_\_\_\_ (Date)

APPROVED  DISAPPROVED BY: \_\_\_\_\_  
\_\_\_\_\_  
(Title) \_\_\_\_\_ (Date)

**SPECIAL EVENT LICENSED PREMISES DIAGRAM**  
**SPECIAL EVENT LICENSED PREMISES DIAGRAM**  
 (This diagram must be completed with this application)

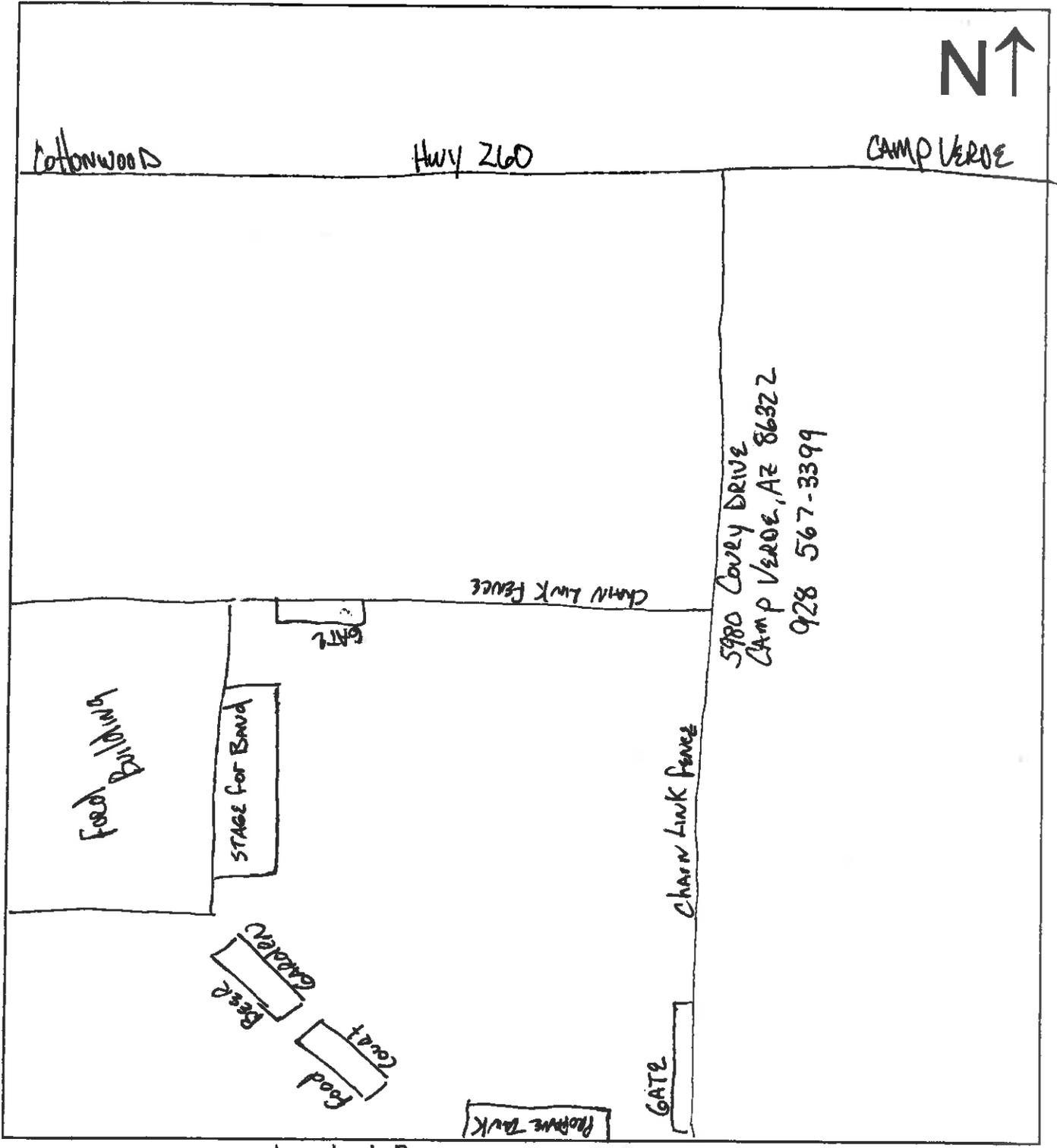
Special Event Diagram: (Show dimensions, serving areas, and label type of enclosure and security positions)  
 NOTE: Show nearest cross streets, highway, or road if location doesn't have an address.



mud Bog - 11am 4pm  
 Kickboxing Championships . 5pm to 8pm

**SPECIAL EVENT LICENSED PREMISES DIAGRAM**  
(This diagram must be completed with this application)

Special Event Diagram: (Show dimensions, serving areas, and label type of enclosure and security positions)  
NOTE: Show nearest cross streets, highway, or road if location doesn't have an address.



CHAIN LINK FENCE

MEXICAN DANCE  
9pm to 12pm

**SERIES:            15 SPECIAL EVENT LICENSE (Temporary)**

**Non-transferable  
On-sale retail privileges**

**PURPOSE:**

**Allows a charitable, civic, fraternal, political or religious organization to sell and serve spirituous liquor for consumption only on the premises where the spirituous liquor is sold, and only for the period authorized on the license. This is a temporary license.**

**ADDITIONAL RIGHTS AND RESPONSIBILITIES:**

**The applicant for a special event license must request a special event application from the Department and file the application with the governing body of the city or town, or Board of Supervisors of an unincorporated area of a county (where the special event is to take place) for approval or disapproval. Some local governing bodies may require approximately 60 days prior notice.**

**If the application is approved by the local authority, and the event meets the requirements for granting the license, the Director will issue a special event license to the qualifying organization.**

**Qualifying organizations will be granted a special event license for no more than ten (10) days in a calendar year. Events must be held on consecutive days and at the same location or additional licenses will be required. The license is automatically terminated upon closing of the last day of the event or the expiration of the license, whichever occurs first.**

**The qualified organization must receive at least twenty-five percent (25 %) of the gross revenues of the special event liquor sales.**

**A person selling spirituous liquor under a special event license must purchase the spirituous liquor from the holder of a license authorized to sell off-sale; *except that*, in the case of a non-profit organization which has obtained a special event license for the purpose of charitable fund raising activities, a person may receive the spirituous liquor from a wholesaler as a donation.**

**AVERAGE APPROVAL TIME: One (1) to seven (7) days.**

**PERIOD OF ISSUANCE:**

**Issued for no more than a cumulative total of ten (10) days in a calendar year. A special event may be held for more than one (1) day, but it must be held on consecutive days and at the same location or additional licenses will be required.**

**FEES:    \$25.00 per day.**

**ARIZONA STATUTES AND REGULATIONS:**

**ARS 4-203.02, 4-244, 4-261; Rule R19-1-228, R19-1-235, R19-1-309.**

**Disabled individuals requiring special accommodations please call (602) 542-9027**

**Town of Camp Verde  
Camp Verde, Arizona**

**PROCLAMATION**

**Declaring April as:**

**Fair Housing Month**

- Whereas,** the Civil Rights Act of 1968, commonly known as the Federal Fair Housing Act and the Fair Housing Amendments Act of 1988 prohibit discrimination in the sale, rental, leasing and financing of housing or land to be used for the construction of housing or in the provision of brokerage services on the basis of race, color, religion, sex, disability, familial status or national origin; and
- Whereas,** the 1986 and 1988 federal *Fair Housing Acts* declare that it is a national policy to ensure equal opportunities in housing; and
- Whereas,** April has traditionally been designated as *Fair Housing Month* in the United States,

**NOW THEREFORE,** the Mayor and Common Council of the Town of Camp Verde, Camp Verde, Arizona, do hereby Proclaim April as:

**Fair Housing Month**

In the Town of Camp Verde, and do hereby urge all residents of this community to comply with, and show their support for the letter and spirit of the *Fair Housing Acts*.

Issued this 21st day of March 2012.

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Bob Burnside, Mayor

ATTEST:

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Deborah Barber, Town Clerk

ID	CODE	NAME	MAILING ADDRESS	PROPERTY ADDRESS
171	SERV	NATIVE GARDEN DESIGN LLC	DALE UBIL 1295 E QUARTERHORSE LANE CAMP VERDE, AZ 86322	
172	SERV	VERDE RIVER ADVENTURE CENTER	45 W HOLLAMON STREET SEDONA, AZ 86340	
173	SERV	MARY KAY GIFT BASKETS	PO BOX 365 CAMP VERDE, AZ 86322	
174	RET	A CUT ABOVE	CAROL A WILSON PO BOX 811 RIMROCK, AZ 00000	
181	RET	DISTRICT 2 YAVAPAI COUNTY SUP	THOMAS C THURMAN PO BOX 327 DEWEY, AZ 86327	
182	SPEC-V	DOC KENDRICK SPICE COMPANY	JOSEPH GARNETT 10366 E JAROD JAMES PLACE TUCSON, AZ 85747	395 S MAIN ST
183	SPEC-V	AVERY UNLIMITED LLC	7955 HUNTINGHIRD LANE FLAGSTAFF, AZ 86004	395 S MAIN
184	SPEC-V	ALL A GLOW JEWELRY	2710 W ST RT 89A SUITE B SEDONA, AZ 86336	395 S MAIN
185	SPEC-V	STRAWBERRY SILVER CO	HCI BOX 1561 STRAWBERRY, AZ 85544	395 S MAIN
186	SPEC-V	BRENT COX PHOTO IMAGING	3915 E SABINO TRL COTTONWOOD, AZ 86326	395 S MAIN
187	SPEC-V	CRAZY GOAT LADY LOTTON CO	5705 N HENTLEY DRIVE RIMROCK, AZ 86335	395 S MAIN ST
188	SPEC-V	FIRST INVESTORS CORPORATION	1702 E HIGHLAND AVENUE PHOENIX, AZ 85016	395 S MAIN
189	SPEC-V	DEVON STAR CO LLC	1220 JACKS CANYON RD SEDONA, AZ 86351	395 S MAIN
190	SPEC-V	VIVIAN'S MAGNETIC BRACELETS	455 TANGLEWOOD TRL SEDONA, AZ 86351	395 S MAIN
191	SPEC-V	SARAH ELLIOTT JEWELRY	128 W CALLE CASCARA SAHUARITA, AZ 85629	395 S MAIN
192	SPEC-V	MOUNTAIN TIME CHAIRS	PO BOX 1330 CRESTED BUTTE, CO 81224	395 S MAIN

ID	CODE	NAME	MAILING ADDRESS	PROPERTY ADDRESS
193	SPEC-V	VERDE VALLEY OLIVE OIL TRADER	5085 E BOULDER CANYON DR CORNVILLE, AZ 86325	395 S MAIN
	COMMENTS:	BL060 - [REDACTED]		
	SPEC-V	CREPES & MORE LLC	4521 W BUTLER DR CHANDLER, AZ 85226	395 S MAIN
194	SPEC-V	VINTAGES GRILLE	5155 N DAVE WINGFIELD RD RIMROCK, AZ 86335	395 S MAIN
	COMMENTS:	BL060 - [REDACTED]		
195	SPEC-V	ATZIN AND ATZIN	2453 W MANDALAY LN PHOENIX, AZ 85023	395 S MAIN
	COMMENTS:	BL060 - [REDACTED]		
196	SPEC-V	R B DESIGNS	16 WEILL ROAD SEDONA, AZ 86351	395 S MAIN
	COMMENTS:	BL060 - [REDACTED]		
197	SPEC-V	CORK CREATIONS AND MORE LLC	PO BOX 181 RIMROCK, AZ 86335	395 S MAIN
	COMMENTS:	BL060 - [REDACTED]		
198	SPEC-V	POOF ITZA GIFT	129 E LAS ARBOLES DRIVE TEMPE, AZ 85284	395 S MAIN
	COMMENTS:	BL060 - [REDACTED]		
199	SPEC-V	C G'S TREASURES	15614 N LAKE FOREST DRIVE SUN CITY, AZ, AZ 86351	395 S MAIN
	COMMENTS:	BL060 - [REDACTED]		
100	SPEC-V	CANDY'S CREEKSIDE COTTAGE	PO BOX 5493 LAKE MONTEZUMA, AZ 86342	395 S MAIN
	COMMENTS:	BL060 - [REDACTED]		
101	SPEC-V	DOUBLE D ANTIQUES	PO BOX 73 YARNVELL, AZ 85362	395 S MAIN
	COMMENTS:	BL060 - [REDACTED]		
102	SPEC-V	MONTANA MARLEN	10 BONNY LANE GLASGOW, MT 59230	395 S MAIN
	COMMENTS:	BL060 - [REDACTED]		
103	SPEC-V	KARL'S CREATIONS	405 S LIBBY LANE CORNVILLE, AZ 86325	395 S MAIN
	COMMENTS:	BL060 - [REDACTED]		
104	SPEC-V	RICHARD BARRY	770 PORCUPINE PASS CHINO VALLEY, AZ 86323	395 S MAIN
	COMMENTS:	BL060 - [REDACTED]		
105	SPEC-V	TREASURES II THREE SISTERS	1156 HWY 179 #17 SEDONA, AZ 86336	395 S MAIN
	COMMENTS:	BL060 - [REDACTED]		
106	SPEC-V	MARLA FAYE	7600 E MESA CORNVILLE, AZ 86325	395 S MAIN
	COMMENTS:	BL060 - [REDACTED]		
107	SPEC-V	ANGEL DOVE NATIVE TREASURERS	283 E STOLEN BLVD CAMP VERDE, AZ 86322	395 S MAIN
	COMMENTS:	BL060 - [REDACTED]		

1/05/2012 9:35 AM  
LICENSES: 0002 THRU ZZZZZZZZZZ  
LIC STATUS: ALL  
LIC CODES: ALL

B U S I N E S S L I C E N S E L I S T  
SORTED BY: LICENSE NUMBER

PAGE: 2/29/  
ORIGINATION DATES: 2/01/2012 TO 2/29/  
EFFECTIVE DATES: 0/00/0000 TO 99/99/  
EXPIRATION DATES: 0/00/0000 TO 99/99/

ID	CODE	NAME	MAILING ADDRESS	PROPERTY ADDRESS
09	SPEC-V	RENA HAITALA	1352 SIERRY PEAKS PRESCOTT, AZ 85305	395 S MAIN
10	SPEC-V	COMMENTS: BL060 - [REDACTED] VINOCOPIA BARREL	14795 N NORTHSIGHT BLVD SCOTTSDALE, AZ 85260	395 S MAIN
13	CONT	COMMENTS: BL060 - [REDACTED] ELEMENTS REMODELING LLC	1217 N WOODBURN DR CHANDLER, AZ 85224	

TOTAL LICENSES: 35



**Agenda Item Submission Form -- Section I**

**Meeting Date:**

- Consent Agenda       Decision Agenda       Executive Session Requested
- Presentation Only       Action/Presentation       Special Session

**Requesting Department:** Library

**Staff Resource/Contact Person:** Gerry Laurito

**Agenda Title (be exact):** GovNET Lease

**List Attached Documents:** Lease Agreement

**Estimated Presentation Time:** N/A

**Estimated Discussion Time:** N/A

**Reviews Completed by:**

- Department Head:                       Town Attorney Comments:

The Attorney corrected typos, added Immigration Law language, and recommended changes to Exhibit B, Security Portal Services Agreement, Section B.6 Use of Service. All Attorney recommendations/changes are incorporated into the document.

**Finance Review:**  Budgeted     Unbudgeted     N/A

**Finance Director Comments/Fund:**

**Fiscal Impact:**

**Budget Code:** \_\_\_\_\_ **Amount Remaining:** \_\_\_\_\_

**Comments:**

**Background Information:** This lease agreement will allow GovNET (a private company with a federal grant to expand and enhance broadband Internet access to rural areas of Arizona like ours) to place a microwave antenna on the Library roof as part of a new state wide data network that will bring a larger and sturdier Internet connection to our area. The Maintenance Dept assures me that our roof can handle the load.

**Recommended Action (Motion):** Approve and sign this lease agreement between the Town of Camp Verde and GovNET to place a microwave antenna on the roof of the town's library in return for \$1.00 and 3 Mbps of broadband service for security and emergency use.

**Instructions to the Clerk:** Process the agreement.

## LEASE AGREEMENT

This Lease Agreement ("Lease") made this \_\_\_\_ day of \_\_\_\_\_, 201\_\_ ("Lease Date"), by and between \_\_\_\_\_ ("Landlord") and GovNET Inc., an Arizona corporation ("Tenant"). The Landlord and Tenant are sometimes each referred to as a "Party" and collectively referred to herein as the "Parties."

### RECITALS

A. Tenant is an FCC Part 101 Common Carrier in the business of providing leased microwave bandwidth for the transmittal of voice, video, and data for rural broadband expansion, the delivery of distance learning programs, administrative services, digital telephone service, and emergency communications throughout the State of Arizona (the "Services").

B. Landlord is a political subdivision of the State of Arizona and desires to provide Tenant a lease for a 'Community Interconnection Point' to be installed at Landlord's public library ("Library") in order to facilitate improved public safety communications and broadband access to Landlord, the local community, other government entities, businesses and other local carriers to serve end consumers. Landlord is authorized to contract for such space requirements, and in consideration of this Lease may contract with Tenant for certain Services by separate agreement (the "Service Contract").

C. To enable Tenant to provide the Services to interested local community entities, for which individual subscription is at discretion of the Landlord, the Parties desire to enter into this Lease under the following terms and conditions.

### AGREEMENTS

NOW, THEREFORE, in consideration of the terms and mutual promises herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Grant.** Landlord leases to Tenant that certain real property (the "Property") described in the attached Exhibit A, including all necessary easements for access and utilities as described in Exhibit A, to be used for the housing, installation and operation of licensed communications equipment, communications monopole, antenna structure or rooftop facility and for any other Permitted Use (defined herein) (the portion of the Property with the above-described easements, collectively referred to herein as the "Site"). Landlord acknowledges that Tenant will install on the Site structures and equipment, including without limitation, monopole or other antenna structure support structures, associated antennas, equipment shelters or cabinets, utilities, fencing and items necessary for the successful and secure use of the Site with Landlord's prior approval, such approval not to be unreasonably withheld, delayed, or conditioned, including the use of a fixed, remote security camera (collectively referred to herein as the "Equipment"). All Equipment shall be and remain Tenant's personal property and Landlord hereby acknowledges and agrees it will have no statutory landlord's lien or security interest therein.

2. **Term.**

(a) **Initial Term; Renewal Term.** Initial The term of this Lease is four (4) years and eleven (11) months, commencing on the Commencement Date (as defined in Section 6) and ending on the last day of the calendar month of the fourth year and eleventh month from the Commencement Date occurs (the "Initial Term"). This Lease shall automatically renew, on the same terms and conditions, for one additional four (4) year and eleven (11) month term ("Renewal Term"), unless either party notifies the other party, in writing, of the non-renewing party's intention to not renew the Lease at least ninety (90) days prior to the expiration of the Initial Term.

(b) **Early Termination.** Notwithstanding anything to the contrary set forth in Section 2(a), this Lease may terminate early in any of the following events:

(i) If after Tenant's completion of its initial construction on the Site and its installation of Equipment, Tenant ceases to use the Site for a period of ninety (90) consecutive days for any of the Permitted Uses (defined below), the Lease may be terminated upon Tenant's failure within ninety (90) days after Landlord's notice to Tenant of such non-use, unless Tenant recommences use of the Site for any of the Permitted Uses during such period.

(ii) Upon Tenant's default, as further provided in Section 19 of this Lease.

(iii) If Landlord gives notice to Tenant that permanent closure of the Library or the Site will occur and as a result, Landlord will (x) sell of Property; (y) lease the Property for a term in excess of one year; or (z) otherwise transfer the Property in such a manner to cause Tenant to lose authority over the Site; in any of such events the Lease may be terminated after the later of ninety (90) days of such notice or upon the closing of the sale, lease or other transfer of the Property.

(iv) By the appropriate Party, in accordance with Sections 4(b)(1)(B), 13, 20 or 25(b) or Exhibit A to this Lease.

3. **Rent** The rent shall be comprised of the following (collectively, the "Rent"):

(a) One Dollar (\$1.00), payable as of the Lease Date, by Tenant to Landlord during the Initial Term and any applicable Renewal Term; and

(b) Upon completion of its construction on the Site, through the remainder of the Initial Term and any Renewal Term, Tenant will provide Landlord at no additional cost, 3 Mbps of bandwidth for a secure 'security portal', to be operational 24 hours per day/7 days per week for the purpose of supporting a video surveillance camera system on Landlord's adjoining property, which may be connected to local law enforcement and/or a video monitoring company located on the network. A further description of services and Tenant's obligations to provide them is set forth in greater detail in the Service Contract, set forth in the attached Exhibit B. The term of this Lease shall not commence unless the Service Contract is entered into.

4. **Valuation of Service Contract**

(a) **Gift Clause**. Landlord acknowledges that it has evaluated this Lease, with reference to Article 9, Section 7 of the Arizona Constitution (commonly known as the "Gift Clause") and the recent seminal case, Turken v. Gordon, 223 Ariz. 342, 224 P.3d 158 (2010) (commonly known as the "City North Case") in evaluating the adequacy of the Lease and, in particular, the Rent to be charged under this Lease. In particular, Landlord acknowledges it has undertaken the following evaluation:

(i) Landlord acknowledges that Tenant serves a "public purpose" as that term is described in the City North Case, as a result, among other things, through the facilitation of the operation of a Community Interconnection Point to facilitate improved public safety communication and broadband access for the benefit to the local community for the public good and general welfare of the community;

(ii) The objective fair market value of the direct consideration to Landlord paid as Rent and other consideration pursuant to this Lease, including (without limitation) the Service Contract, has been bargained for, is reasonable and equitable; and does not exceed the value of the consideration received by Tenant under this Lease; and

(iii) The leasehold grant of the Site for the purpose of facilitating Tenant's operation of a Community Interconnection Point does not amount to a subsidy to Tenant as the Rent and the public benefits received from the Community Interconnection Point are greater than or equal to the grant of a leasehold interest pursuant to this Lease.

Should a court of competent jurisdiction determine in a final non-appealable judgment, after giving significant deference to the judgment of public officials, that this Lease violates the Gift Clause, then in such event, the Parties intend, except for the calculation of the Rent as currently set forth herein, for this Lease to remain in full force and effect. Upon the entry of such final, non-appealable judgment, the Parties will cause the Rent to be valued at the "objective fair market value rental rate" to be determined as of the effective date of the court's determination. If the Parties are unable to agree regarding the objective fair market value rental rate, then upon Tenant's further election to be bound a third-party's determination of the objective fair market value rental rate as determined below, the Rent shall be determined by two real estate brokers (one selected by Landlord and one selected by Tenant). If such brokers are unable to reach an agreed upon value for the Rent, such brokers shall mutually select a third broker who shall determine the Rent. Provided, however, in the event the court's non-appealable judgment mandates a different manner in which the objective fair market value rental rate shall be calculated, the court's mandate shall replace the manner of calculation set forth in this Section 4. Notwithstanding anything to the contrary contained in this Section 4, should calculation of the Rent be applied retroactively, Tenant shall be provided an offset against the Rent calculation, up to, but not exceeding, the amount of the recalculated Rent, in the amount of the fair market value of the services previously provided to Landlord.

5. **Notices.** All notices, consents and approvals pursuant to this Lease shall be in writing, sent by: (a) a reputable messenger or courier service; (b) a reputable private carrier of overnight mail; (c) postage prepaid, certified mail, return receipt requested; or (d) electronic confirmation of delivery and receipt facsimile or email provided. Such notice shall be effective on the earlier to occur of delivery to the stated address (or upon refusal to accept delivery), or when mailed by certified mail to Landlord or Tenant in each case addressed to Landlord or Tenant at the address designated below, upon the date of receipt or refusal. Any notice to Tenant under this Lease shall be given concurrently to the National Telecommunications and Information Administration (NTIA) in the manner provided above. Notices to the applicable parties shall be provided to the addresses provided below, or such other address as provided by one party to the others in conformity with this Section 5:

If to Landlord: \_\_\_\_\_  
 \_\_\_\_\_  
**Attn:** \_\_\_\_\_  
**Fax:** \_\_\_\_\_  
**Email:** \_\_\_\_\_

If to Tenant: GovNET Inc.  
 10105 East Via Linda, Suite 386  
 Scottsdale, Arizona 85258  
 Attn: Karen McCoy / Leasing Dept.  
 Fax: (866) 302-2220  
 Email: [karen.m@govnet.net](mailto:karen.m@govnet.net)

and to NTIA  
 (defined below) U.S. Department of Commerce  
 National Telecommunications & Information Administration  
 1401 Constitution Ave. NW, Room 4878  
 Washington, DC 20230  
 Attn: Lance Johnson, Program Officer  
 Fax: \_\_\_\_\_  
 Email: \_\_\_\_\_

6. **Construction and Commencement.** Tenant shall notify Landlord at least five (5) days prior to the date upon which Tenant intends to commence any construction or installation at the Site. Such notice shall include a construction schedule, so as to provide Landlord and its representatives with an opportunity to be present during any such installation or construction. In addition to the foregoing, Tenant shall notify Landlord of the actual date of Tenant's commencement of its initial installation or construction at the Site (the "Commencement Date") no more than five (5) days following such commencement, by providing Landlord a completed Commencement

Date Memorandum attached hereto as Exhibit C, which Commencement Date Memorandum will reflect the Commencement Date of the Lease. Prior to the Commencement Date, Landlord agrees to cooperate with Tenant, at Tenant's expense, in obtaining: (a) all licenses and permits or authorizations required for Tenant's use at the Site from all applicable government and/or regulatory entities (including, without limitation, zoning and land use authorities, and the Federal Communications Commission ("FCC")); and (b) a title report, zoning approvals and variances, and land use permits, each limited solely to the purposes of this Lease. Further, Landlord expressly grants Tenant the right of access to the Site commencing on and after the Lease Date, to perform any surveys, soil tests, and other engineering procedures or environmental investigations on the Site deemed necessary and appropriate by Tenant to evaluate the suitability of the Site for the Permitted Uses. Tenant's consummation of this Lease is conditioned on Tenant's satisfaction as to the outcome of such testing, surveying and title review.

7. **Access.** If a monopole installation, Tenant shall have the right of access to the equipment on Site, twenty-four (24) hours per day, seven (7) days per week, including one set of keys and/or codes to obtain such access if necessary. If a rooftop antenna installation, Tenant will work with each Landlord to establish access procedures. Tenant shall be responsible for ensuring that: (a) Landlord has at all times, a complete and accurate written list of all employees and agents of Tenant who have been provided access to the Site; and (b) for each person granted access, Tenant completed a fingerprint and criminal background check and issued a numbered credential to be worn at all times while such person is on the Site. Should Landlord identify to Tenant any person under Tenant's control that should be removed from the Site for reasons of safety or protection of persons or property at or about the Site, Tenant shall upon such notice from Landlord, immediately cause such person's removal and take reasonable steps to prevent such person's subsequent access to the Site. In the event that any keys to property of the Landlord are issued to Tenant or any of its employees, contractors or agents, if such keys are lost, Tenant shall be responsible for and shall pay the cost of re-keying Landlord's locks which could be opened by the lost keys.

8. **Permitted Use.** Tenant may use the Site as follows: (a) upon the full execution and delivery of the Lease, Tenant and its contractors, subcontractors, and agents, with Landlord's coordination, may undertake entitlement activities (testing, permitting, and title review) in anticipation of the construction and installation of communications equipment, communications tower, antenna structure, or rooftop facility; (b) on and after the Lease Date, Tenant and its employees, agents, contractors and subcontractors will be entitled to undertake such installation, construction; (c) on and after the Commencement Date, Tenant and its employees, agents, contractors and subcontractors will be entitled to undertake the maintenance, operation, repair, replacement and upgrade of the Equipment, including the addition to, modification of and/or replacement of any part of the Equipment as it deems to be reasonably necessary, and in particular, to be in compliance with any current or future federal, state or local mandated application, including, but not limited to, emergency 911 communication services, at no additional cost to Landlord; and (d) on and after the Commencement Date and in accordance with the State Rural Broadband Initiative, provide for a Community Access Point or otherwise, in order to allow Tenant, or any subtenants to handle network traffic unrelated to that of Landlord, at no additional charge by Landlord (collectively, the "Permitted Use").

9. **Ancillary Installations; Modifications.** Tenant and its subtenants shall have the right to install and operate transmission cables from the equipment shelter or cabinet to the antennas, electric lines from the main feed to the equipment shelter or cabinet and communication lines from the main entry point to the equipment shelter or cabinet, over, across or under Landlord's adjacent property. Tenant and its subtenants shall also have the right to make Site improvements, alterations, upgrades or additions appropriate for Tenant's, or subtenants' use ("Tenant Changes"). Tenant Changes includes the right to undertake such appropriate means to secure the Site conducted with Landlord's approval, such approval not to be unreasonably withheld, delayed, or conditioned. Tenant agrees to comply with all applicable governmental laws, rules, statutes and regulations, relating to its use of the Site. Tenant, and its subtenants, shall have the right to modify, supplement, replace, upgrade, expand the Equipment, increase the number of antennas or relocate the Equipment within the Site at any time during the term of this Lease if approved by Landlord. Tenant, and its subtenants, will be allowed to make such alterations to the Site in order to accomplish Tenant's Changes or to ensure that Tenant's and its subtenants' Equipment complies with all applicable federal, state or local laws, rules or regulations. Tenant and its subcontractors shall, keep and maintain, at their expense, the Site and its Equipment in a commercially reasonable condition and repair during the Initial Term and any Renewal Term in a manner which will not disturb Landlord's reasonable use of the adjacent premises. All improvements, ancillary installations and modifications described in this Section 9 shall be subject to Landlord's prior approval, such approval not to be unreasonably withheld, delayed, or conditioned, Tenant shall obtain at its expense all

necessary building permits and such other authorizations for any improvements, ancillary installations and modifications it installs at the Site.

10. **Removal of Equipment.** Upon expiration or termination of the Lease, or upon cessation of use and maintenance of the Site by Landlord such that use of the Site is no longer compatible with the terms of this Lease, whichever is sooner, Tenant shall: (a) remove the Equipment, including any antenna, tower or dish antenna and Tenant's personal property from the Site, at Tenant's sole risk, cost, and expense; (b) deliver the Site in substantially the same condition as received (ordinary wear and tear excepted); and (c) repair any damage caused by such removal.

11. **Maintenance of Facilities and Utilities.** Tenant shall be responsible for the maintenance, repair and replacement of and damage to any Equipment, fences, gates, and the tower structure located on the Site, at Tenant's sole cost. Landlord shall be responsible for the maintenance, repair and replacement of Landlord's facilities adjacent to the Site, at Landlord's sole cost, and without reimbursement by Tenant, including those areas shared in common with Tenant. Notwithstanding the foregoing, the cost and expenses associated with any damage which is directly attributable to the acts or omissions of a Party or that Party's subtenants, employees, contractors or invitees shall be borne solely by that Party, provided that neither Party shall be responsible to the other Party for damage, if any, inflicted by users of the Library, except in the event that such damage is due to the negligence of that Party. Tenant will obtain, whenever possible, separate electrical metering for electricity to the Site. Should such metering not be reasonably available to Tenant, Tenant will reimburse Landlord for its pro-rata share of all common utility expenses. In the event Landlord owns a generator or back-up power supply, Landlord shall give Tenant the right to connect to it. If Tenant is connected to a generator or back-up power supply owned by the Landlord, Tenant shall also reimburse Landlord for its pro-rata share of all expenses incurred for the operation, maintenance, repair and replacement associated with such generator, including, without limitation, fuel expenses and replacement. For the purposes of this Section 11, a "pro-rata share" of costs and expenses shall be determined based on the square footage of the Site over the square footage of Landlord's buildings that are subject to HVAC. Tenant shall reimburse Landlord for the common expenses set forth in this Section within thirty (30) days following receipt of an invoice from Landlord.

12. **RF Interference.** In no event shall Tenant's use of the Site or operation of any of its Equipment thereon be conducted in a manner that interferes with Landlord's use of existing radio frequencies, the lighting system located on any Landlord's buildings, or, with equipment normally used by Landlord as disclosed to Tenant. Notwithstanding anything to the contrary herein, Tenant shall not illegally transmit on any frequency or operate at variance from the specifications in its FCC license or the FCC's rules governing Tenant's operation of its Equipment.

13. **Casualty and Condemnation.** In the event that the Site is wholly condemned, whether by eminent domain or otherwise, this Lease shall terminate without further liability to either Party except for payment of any amounts due under this Lease up to the time of such condemnation. If the Site is wholly or partially destroyed or partially condemned, then within one hundred and twenty (120) days (which shall be extended for any delays directly caused by governmental action or inaction) Landlord shall repair (or relocate, if wholly destroyed) the Site except for Tenant's Equipment, including any tower. In the event that the repair or reconstruction has not commenced within one hundred eighty (180) days following such casualty, as Tenant's sole remedy in the event of Landlord's election not to repair or relocate the Site, Tenant may terminate this Lease upon written notice to Landlord prior to the commencement of any such repair or reconstruction of the Site. If, however, any such partial destruction or condemnation occurs within six (6) months prior to termination of the last Renewal Term of this Lease, then either Party may terminate this Lease without further liability except for payment of the amounts due up to the time of such destruction or condemnation. Any amounts prepaid by Tenant shall be returned as part of the operation of this Section 13. In the event of condemnation, whether partial or total, Tenant shall be entitled to seek and obtain an award from the condemning authority for its loss, independent from that of Landlord.

14. **Compliance with Laws.** Tenant is responsible for ensuring that the Equipment, including any antenna or tower structure at the Site is operated in compliance with all governmental lighting and marking requirements. Tenant shall indemnify and defend Landlord from and against any loss, cost, or expense sustained or incurred by Landlord as a result of Tenant's failure to comply with duly issued governmental regulations relating to tower lighting and marking. Tenant shall at all times comply with all applicable laws, ordinances, rules and

regulations of municipal, state and federal governmental authorities relating to the installation, maintenance, location, use, operation, and removal of the Equipment and other alterations or improvements authorized pursuant to the provisions of this Lease.

15. **Indemnification and Insurance.** To the fullest extent permitted by law, each Party shall indemnify, defend and hold harmless the other Party, its respective Affiliates (defined below), and their respective directors, managers, employees, officers, shareholders, members, successors and assigns against all claims, losses, costs, expenses, damages, and liabilities (except as otherwise provided in these terms and conditions) arising from: (a) the negligence, willful misconduct or strict liability of such Party, its agents, employees, representatives and contractors; (b) any material breach by such Party of any provision of this Lease; or (c) existence of, migration to or release of any Hazardous Substances into the environment that relate to or arise from the indemnitor's activities on the Site or from the adjoining property. In addition to the foregoing, Tenant shall indemnify Landlord for all costs and expenses associated with actions taken by Landlord to resolve any interference caused by Tenant or Tenant's Equipment. Neither Party shall be responsible nor liable to the other for any damage arising from any claim to the extent attributable to any acts or omissions of other parties located at the Site. Without limiting the foregoing in any way, Tenant, at its sole cost and expense, agrees to maintain commercial general liability and casualty insurance of no less than One Million Dollars (\$1,000,000.00) for each occurrence and Two Million Dollars (\$2,000,000.00) in aggregate with respect to its property and obligations hereunder. Such insurance policies shall contain a provision that such policy shall not be canceled or amended without thirty (30) days notice to the Landlord. Upon the execution of this Lease, Tenant shall deliver to Landlord a certificate evidencing such insurance coverage, on which Landlord shall be named as an additional insured with respect to the Site. Further, Tenant shall deliver to Landlord a certificate evidencing such insurance coverage within thirty (30) days of each renewal of such policy. Landlord reserves the right, from time to time, to increase the required liability limits described above in accordance with then-current customary insurance requirements in the tower industry nationally.

16. **WAIVER OF CERTAIN DAMAGES.** NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS LEASE (EXCEPT FOR THE PROVISION OF ATTORNEYS FEES), EACH PARTY HEREBY WAIVES THE RIGHT TO RECOVER INCIDENTAL, CONSEQUENTIAL (INCLUDING LOST PROFITS), PUNITIVE, EXEMPLARY AND SIMILAR DAMAGES AND THE MULTIPLIED PORTION OF ANY DAMAGES EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR IF SUCH POSSIBILITY WAS REASONABLY FORESEEABLE.

17. **Assignment and Subleasing.** Tenant may assign this Lease as a whole with Landlord's prior written consent, which consent will not be unreasonably withheld, delayed or conditioned; provided, however, that Landlord's consent will not be required for an assignment to any person or entity which is controlled by, controlling or under common control with Tenant ("Affiliates"). For these purposes, "control" means ownership, directly or indirectly, of 50% or more of the voting stock, equity or beneficial interest or a general partner of any partnership. Tenant may sublet, sublease, or permit the use of the Site by any other party, upon written notice to Landlord. Tenant may duplex or combine signals or grant any shared use rights for itself or others without notice to Landlord. In the event of a permitted assignment hereunder, Tenant shall be relieved of any of its obligations under this Lease arising on or after the effective date of such permitted assignment. Any permitted assignee shall expressly assume, and become bound by, all of Tenant's obligations under this Lease. Landlord may freely assign, transfer, or sublease this Lease and, in such event, Landlord shall be relieved of all of its obligations under this Lease from and after the date of such assignment, transfer, or sublease.

18. **Quiet Enjoyment.** Landlord covenants and agrees that, upon Tenant's paying any amounts due and observing and performing all of the terms, covenants and conditions to be observed and performed by Tenant under this Lease, Tenant shall be entitled to quiet enjoyment of the Site during the term of this Lease.

19. **Default.** Except as otherwise specifically provided in this Lease, either Party shall have twenty (20) days after written notice from the other Party to cure any monetary default and thirty (30) days after written notice from the other Party to cure any non-monetary default. So long as the Party charged with the default diligently pursues a cure during the prescribed time period, that Party shall be given additional time reasonably necessary to cure the default. If subsequent to the foregoing requisite periods of time, there continues to be an event of default, the non-defaulting Party may terminate this Lease, pursue such claim for damages or injunctive relief as it determines to be available in its sole discretion, upon written notice to the defaulting Party as provided herein. For

any default to be effective as against Tenant, Landlord shall give concurrent notice to NTIA (defined below) and NTIA or its designee, shall have the right to cure or render such other performance directly to Landlord, on behalf of Tenant.

20. **Governmental Approvals and Permits.** In the event that any governmental permit, approval or authorization required for Tenant's use of, operation of, or right to lease space from Landlord at the Site is challenged, terminated or withdrawn by any governmental authority or third party as part of any governmental, regulatory, or legal proceeding, Landlord may terminate this Lease, but only after notice to Tenant of such governmental challenge, termination or withdrawal, and in such event, only after affording Tenant an opportunity to appeal or contest the same, such termination being effective only after Tenant has exhausted such remedies as may be available. During the Tenant's exercise of such rights in the preceding sentence or in event that Landlord does not choose to terminate this Lease, Tenant may elect to install or continue to operate its equipment at its sole cost and risk. Tenant understands and agrees that, in the event of a governmental or legal order requiring the removal of Tenant's Equipment from the Site or removal of the tower structure or any structural modification required to accommodate Tenant's Equipment, Tenant shall do so promptly at its sole cost and expense. Landlord shall cooperate with Tenant in Tenant's efforts to contest or appeal any such adverse governmental action and obtain any permits or other approvals that may be necessary for Tenant's installation and operation of the Equipment; provided, however such cooperation shall be subject to the foregoing: (a) Landlord shall not be required to expend any funds or undertake any liability or obligation in connection with such cooperation; (b) Landlord reserves the right to obtain such required approvals or permits on Tenant's behalf, at Tenant's sole cost and expense; and (c) in no event may Tenant encourage, suggest, participate in or permit the imposition of any restrictions or additional obligations whatsoever on the Site as part of or in exchange for obtaining any such approval or permit. In the event that Tenant's shelter or cabinets are installed above a third party or Landlord-owned shelter or building, Tenant shall be solely responsible for obtaining any required consents or permits in connection with such shelter or cabinet installation.

21. **Warranties and Covenants.**

(a) **Landlord's Warranties to Tenant.** Landlord warrants and represents, as follows:

(i) Landlord is duly organized, validly existing and in good standing and has the right, power and authority to enter into this Lease and bind itself hereto through the Party set forth as signatory for the Party below;

(ii) Landlord solely owns the Site in fee simple, or controls the Site by lease which extends beyond the Initial Term and each Renewal Terms;

(iii) Except as otherwise disclosed in writing by Landlord as of the Lease Date, the Site is not encumbered by any liens, restrictions, mortgages, covenants, conditions, easements, leases, or any other agreements of record or not of record, which would adversely affect Tenant's Permitted Use and enjoyment of the Site under this Lease;

(iv) Landlord's execution and performance of this Lease will not violate any laws, ordinances, covenants or the provisions of any mortgage, lease or other agreement binding on the Landlord;

(v) If the Site is or becomes encumbered by a deed to secure a debt, mortgage or other security interest, Landlord will use best efforts to provide promptly to Tenant a mutually agreeable Subordination, Non-Disturbance and Attornment Agreement; and

(vi) To the best of Landlord's knowledge, the Site is free of hazardous substances as of the date of this Agreement and the Site has never been subject to any contamination or hazardous conditions resulting in any environmental investigation, inquiry or remediation.

(b) **Tenant's Warranties to Landlord.** Tenant warrants and represents, as follows:

(i) Tenant is duly organized, validly existing and in good standing and has the right, power and authority to enter into this Lease and bind itself hereto through the Party set forth as signatory for the Party below; and

(ii) Tenant's execution and performance of this Lease will not violate any laws, ordinances, covenants or the provisions of any mortgage, lease or other agreement binding on the Tenant.

(c) **Environmental Covenant.** Landlord and Tenant agree that each will be responsible for its compliance with any and all environmental and industrial hygiene laws, including any regulations, guidelines, standards, or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene condition or other matters as may now or at any time hereafter be in effect, that are now or were related to that Party's activity conducted in or on the Site.

22. **Governing Law.** This Lease shall be governed by the internal laws of Arizona, with the exception of its choice of law provisions. If any provision of this Lease is found invalid or unenforceable under judicial decree or decision, the remaining provisions of this Lease shall remain in full force and effect.

23. **Attorneys' Fees.** In the event of any judicial or other adversarial proceeding between the Parties concerning this Lease, to the extent permitted by law, the prevailing party shall be entitled to recover all of its reasonable attorneys' fees and other costs in addition to any other relief to which it may be entitled.

24. **Excusable Delays.** If either Party is unable due to causes beyond its reasonable control to carry out its obligations under this Lease in whole or in part and if such Party gives written notice and full details of an excusable delay (including, without limitation, a force majeure event) to the other as soon as practicable after the occurrence of the event, then the obligations of the affected Party will be suspended to the extent reasonably required as a result of such event. Excusable Delay means an event that is not within the reasonable control of the affected Party, including, without limitation, war, riots, civil insurrection or acts of a common enemy, fire, flood, strikes or other labor difficulty, and acts of civil or military authority, including governmental laws, orders, actions, inactions, regulations or embargo.

25. **State-Mandated Provisions.**

(a) **Nondiscrimination and Immigration Compliance.** Tenant shall not discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, religion, national origin, age, or sex, either directly, indirectly or through contractual or other arrangements. To the extent this Lease is subject to Arizona Executive Orders 2009-09 (prohibiting discrimination in employment) and 2005-30 (regarding compliance with Federal immigration laws), or A.R.S. § 41-4401, the terms of which are hereby incorporated into this Agreement as though fully set forth by this reference, with the obligations of the "Contractor" or "State Contractor" as set forth therein respectively applying to Tenant. To the extent Arizona Executive Order 2005-30, or A.R.S. § 41-4401(A)(3) are applicable to this Lease, the Landlord shall have the right to inspect the papers of any U.S. employee of the Tenant or their subsidiaries or subcontractors to ensure compliance with all warranties required by the Executive Order and statute.

(b) **No Business in Sudan or Iran or with Violators of the Export Administration Act.** In accordance with A.R.S. § 35-391, *et seq.*, and A.R.S. § 35-393, *et seq.* Tenant represents, warrants and certifies it does not have any "scrutinized business operations" in the countries of Sudan or Iran. In accordance with the foregoing sentence, Tenant acknowledges that any false certification as to business operations in the Sudan or in Iran may cause this Agreement to be terminated at Landlord's election and may also cause Tenant to be excluded from contracting with any public employer in the State of Arizona. In accordance with A.R.S. § 35-392, *et seq.*, Tenant shall not invest in any company that is in violation of § 6(j) of the United States Export Administration Act.

(c) Records. Pursuant to A.R.S. §§ 35-214 and 35-215, Tenant shall retain all books, accounts, reports, files and other records relating to the acquisitions and performance of this Lease for a period of five (5) years after the completion of the contract. All such documents shall be subject to inspection and audit at reasonable times. Upon request, a legible copy of any or all such documents shall be produced at the offices of the Landlord.

(d) Cancellation for Conflict of Interest. In accordance with A.R.S. § 38-511(F), notice is hereby given that this Lease may be canceled by Landlord for conflict of interest in accordance with A.R.S. §38-511, within three (3) years after its execution, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Lease on behalf of Landlord is, at any time while the Initial Term or any Renewal Term is in effect, an employee or agent of Tenant in any capacity or a consultant to Tenant with respect to the subject matter of this Lease.

(e) Immigration Law.

(i) Under the provisions of A.R.S. § 41-4401, each Party hereby warrants to the other that the each Party and all of its subcontractors used in connection with this Lease (if any) will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulation that relate to their employees and A.R.S. § 23-214 (A) (hereinafter "Contractor Immigration Warranty").

(ii) A Breach of the Contractor Immigration Warranty shall constitute a material breach of this Lease and shall subject the breaching Party to penalties up to and including termination of this Lease at the sole discretion of the non-breaching Party.

(iii) Each Party retains the legal right to inspect the papers of any contractor or subcontractor employee of the other Party who has access to the Site under this Lease to ensure that the contractor or subcontractor is complying with the Contractor Immigration Warranty. Each Party agrees to assist the other Party in regard to any such inspections.

(iv) Each Party may, at its sole discretion, conduct random verification of the employment records of the other Party and any of its subcontractors used in connection with this Lease to ensure compliance with Contractor's Immigration Warranty. Each Party agrees to assist the other Party in regard to any random verifications performed.

(v) A Party will not be considered in material breach of this Lease or the Contractor Immigration Warranty if the Party establishes that it has complied with the employment verification provision prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214, Subsection A.

(vi) The foregoing provisions of subparagraphs (i)-(v) of this article must be included in any contract that a Party enters into with any and all its subcontractors who provide service under this Lease or any subcontract.

## 26. Miscellaneous.

(a) Time. Time is of the essence in the performance of all obligations set forth in this Lease.

(b) Severability. If any term or condition of this Lease is found unenforceable, the remaining terms and conditions will remain binding upon the Parties as though said unenforceable provision were not contained herein.

(c) Recording. Upon the request of Tenant, Landlord shall execute, acknowledge and deliver to the Tenant a short form memorandum of this Lease for recording purposes, which Tenant may record at its discretion and expense.

(d) Amendment and Waiver. This Lease cannot be amended, modified or revised unless done in writing and signed by an authorized agent of the Landlord and an authorized agent of the Tenant. No provision may be waived except in a writing signed by both Parties.

(e) Runs with the Land. The terms and conditions contained in this Lease will run with the Site and bind and inure to the benefit of the Parties, their respective heirs, executors, administrators, successors and assigns. This Lease shall be binding upon the successors and permitted assigns of both Parties. Tenant may obtain an estoppel certificate, non-disturbance agreement, subordination agreement or other similar agreement from Landlord within twenty (20) days of Tenant's written request.

(f) Counterparts. This Lease may be executed in any number of counterparts, all such counterparts shall be deemed to constitute one and the same instrument, and each of the executed counterparts shall be deemed an original hereof. Such counterparts may be exchanged via facsimile transmission, provided that immediately following such transmission, each Party shall forward an executed original copy of the counterpart to the other Party by personal delivery or overnight courier.

(g) Entire Agreement. The Lease, with these Terms and Conditions and the Exhibits attached hereto all being a part hereof, constitute the entire agreement of the Parties hereto with respect to the Site and will supersede all prior offers, negotiations and agreements with respect to the subject matter of this Lease.

(h) Interpretation. Unless otherwise specified, the following rules of construction and interpretation apply: (i) captions are for convenience and reference only and in no way define or limit the construction of the terms and conditions hereof; (ii) use of the term "including" will be interpreted to mean "including but not limited to"; (iii) whenever a Party's consent is required under this Agreement, except as otherwise stated in the Agreement or as same may be duplicative, such consent will not be unreasonably withheld, conditioned or delayed; (iv) where applicable, the term "and" includes the conjunctive and the disjunctive, the singular includes the plural (and vice versa) and the masculine includes the feminine, or the neuter use of the terms; and (v) reference to a default will take into consideration any applicable notice, grace and cure periods.

(i) Broadband Technology Opportunities Program (BTOP) Recipient Requirements. Tenant has disclosed to Landlord that Tenant is the beneficiary of a BTOP grant administered by Department of Commerce's National Telecommunications and Information Administration ("NTIA"). As a recipient, Tenant is obligated to comply with various rules and regulations in order to obtain and maintain grant funding. Landlord hereby agrees to use its best efforts to cooperate with Tenant in its compliance with such rules and regulations. Certain interests in real property and equipment, such as evidenced by this Lease, are held in trust by the Tenant for the benefit as trustee for the beneficiaries of the project or program. Landlord acknowledges and agrees that Tenant may be required to grant security interests and record liens or other appropriate notices of record against its interest in this Lease in favor of the Department of Commerce, to reflect that personal or real property has been acquired or improved with federal funds. Further, notwithstanding anything to the contrary contained in Section 17 of this Lease, on NTIA's request Tenant may, upon notice to Landlord and without requiring its consent, cause this Lease to be assigned to NTIA or to a third party, designated by NTIA.

(j) Recitals and Exhibits. The above-stated Recitals and the attached Exhibits are incorporated herein by this reference. The Parties understand and acknowledge that Exhibit A may be attached to this Lease in preliminary form. Accordingly, the Parties hereby agree that Tenant shall have the right to replace such preliminary Exhibit A with a more complete exhibit without further amendment; provided that such replaced Exhibit A is sent to Landlord in accordance with the Notice provisions herein within five (5) business days of such replacement.

(k) Claims and Controversies. All claims and controversies under this Lease shall be resolved in accordance with A.A.C. R7-2-1155, *et seq.*

IN WITNESS WHEREOF, the Parties, each in consideration of the mutual covenants contained herein, and for other good and valuable consideration, intending to be legally bound, have caused this Lease to be executed by their duly authorized representatives as of the Lease Date.

**Landlord:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Its:** \_\_\_\_\_

**Tenant: GovNET Inc., an Arizona corporation**

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Its:** \_\_\_\_\_

STATE OF ARIZONA                    )  
  ) ss.  
County of \_\_\_\_\_                )

On this \_\_\_\_ day of \_\_\_\_\_, 201\_, before me, appeared \_\_\_\_\_ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the Lease Agreement and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

STATE OF ARIZONA                    )  
  ) ss.  
County of \_\_\_\_\_                )

On this \_\_\_\_ day of \_\_\_\_\_, 201\_, before me, appeared \_\_\_\_\_ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the Lease Agreement and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

\_\_\_\_\_  
My Commission Expires

\_\_\_\_\_  
Notary Public

## **Exhibit A**

### **Location of Site and Equipment**

**Real Property Information:** A Site to be determined by the Parties as provided below to be located on the Property (as defined in Section 1 of the Lease), which is identified as follows:

**Property Address:**

**Property Legal Description (including any easements, including access over under or across the Property to and from the Site):**

**Site Selection:** The Parties acknowledge that proper site selection will involve a significant degree of planning, coordination and feasibility and other studies, which will be undertaken by Tenant in combination with such efforts at other sites. Accordingly, Tenant's proposals for the location of potential sites may not be forthcoming for a significant time after execution of this Lease and potentially, could change from time to time, until a final site selection has been made, as the process for such selection will involve ongoing coordination with other sites.

Landlord and Tenant will use good faith efforts to jointly select an appropriate site, once Tenant has proposed sites that will meet its criteria. Once the site is selected, Landlord and Tenant agree to memorialize their selection below. If an agreement cannot be reached after good faith negotiation by each party within one hundred twenty (120) days of Tenant's proposal of sites, then either Party may give written notice of its termination of the Lease, which will terminate upon receipt of such notice by the other Party.

**The Site and Equipment Location:**

The location and description of the leased Site and Equipment within the Property (together with access and utilities) is as follows:

**Exhibit B**

**Service Contract**

**SECURITY PORTAL SERVICES AGREEMENT**

THIS SECURITY PORTAL SERVICES AGREEMENT ("Agreement") is made this \_\_\_ day of \_\_\_\_\_, 201\_\_, by and between GovNET Inc. ("Vendor") and \_\_\_\_\_ ("Subscriber"), each of which may be referred to as a "Party" or collectively, as the "Parties" herein.

**RECITALS**

A. The Subscriber is the Landlord and the Vendor is the Tenant under that certain Lease Agreement (the "Lease"), made and entered into concurrently with this Agreement, for certain real property defined therein (the "Real Property"), for use as a 'community interconnection point.'

B. Subscriber desires to utilize certain Security Portal Services (defined below) and Vendor is willing to provide such Security Portal Services to Subscriber under the terms and conditions contained in this Agreement.

**AGREEMENTS**

In exchange for the mutual covenants and conditions contained herein and for good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

1. **Services and Equipment.** During the Term (defined below) of this Agreement, Vendor will provide Subscriber, upon Subscriber's request, the following services and equipment (collectively, "Security Portal Services"):

(a) Wireless access with a capacity of at least 3 megabits per second to a secure portal, providing a continuous direct encrypted network connection to a security service provider (e.g., local law enforcement or private security surveillance company) for the purpose of live or tape-delayed video surveillance agreed to by the Parties (the "Designated Security Service Provider").

(b) The non-exclusive use of Vendor's equipment for the services provided in Section 1(a), which may consist of roof top antenna or monopole, and outdoor equipment cabinet or shelter on property that will suffice to provide the Security Portal Services. (See Exhibit A for further detail on final installation.) Vendor is responsible for all utility cost, maintenance and repair of said equipment.

Vendor will make available the Security Portal Services to Subscriber and connect the same to the Designated Security Service Provider. Subscriber will provide any equipment it requires that is not identified in Section 1(b) and pay for any charges from the Designated Security Service Provider.

2. **Price.** The Parties acknowledge and agree that the current equivalent fair market value for the Security Portal Services is \$690.00 per month, which Security Portal Services will be provided during the Term of this Agreement without monetary payment, in lieu of Rent as provided in Section 3(b) of the Lease.

3. **Term and Termination.** This Agreement commences upon Vendor's completion of installation on and activation of the Site, and remains in effect so long as Vendor (or its authorized assignee) is Tenant during the Initial Term and any Renewal Term (as such terms are defined in the Lease) under the Lease.

4. **Indemnification.** To the extent permitted by law, Subscriber shall indemnify, defend and hold harmless, the Vendor, its agents and employees for, from and against any loss, cost, claim, liability, damage or expense (including reasonable attorneys' fees) to third parties, relating to or arising from the use of the Security Portal Services by Subscriber, any of its personnel or other users (collectively, "Users"), whether or not Subscriber has knowledge of or has authorized such access or use, including, without limitation, claims for libel, slander, an invasion of privacy, infringement of copyright, patent infringement (where Subscriber has used, connected or

combined the service with the products or services of others), negligence, breach of security or tortuous behavior. To the extent permitted by law, Subscriber agrees to indemnify and hold harmless the Vendor, from any claims resulting from the use of the service by Subscriber or its Users that damage another party or that violate the law.

5. **Limitation of Liability.** VENDOR SHALL NOT BE LIABLE FOR INTERRUPTIONS CAUSED BY FAILURE OF EQUIPMENT OR SERVICES, FAILURE OF COMMUNICATIONS, POWER OUTAGES OR OTHER INTERRUPTION NOT WITHIN THE COMPLETE CONTROL OF VENDOR, NOR SHALL VENDOR BE LIABLE FOR PERFORMANCE DEFICIENCIES CAUSED OR CREATED BY SUBSCRIBER'S OR ITS USERS' EQUIPMENT. VENDOR'S PERFORMANCE UNDER THIS AGREEMENT SHALL BE EXCUSED IN CASE OF LABOR DIFFICULTIES, GOVERNMENTAL ORDERS, CIVIL COMMOTIONS, ACTS OF GOD OR OTHER CONDITIONS OR CIRCUMSTANCES BEYOND ITS REASONABLE CONTROL. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, LOSS OF BUSINESS OR BUSINESS OPPORTUNITY, LOSS OF USE, ETC.

6. **Use of Service.**

(a) Subscriber's rights herein granted, cannot be transferred, assigned, shared, sold or used by anyone other than the Subscriber without the written consent of Vendor, except that Subscriber may transfer or assign this Agreement to an affiliated entity or to a successor in interest upon notice to Vendor.

7. **BTOP Recipient; Requirements.** Vendor has disclosed to Subscriber that Vendor is the beneficiary of a Broadband Technology Opportunity grant administered by Department of Commerce's National Telecommunications and Information Administration ("NTIA"). As a recipient, Vendor is obligated to comply with various rules and regulations in order to obtain and maintain grant funding. Subscriber hereby agrees to use its best efforts to cooperate with Vendor in its compliance with such rules and regulations. Certain interests in property and equipment, evidenced by this Agreement, are held in trust by the Vendor for the benefit as trustee for the beneficiaries of the project or program. Subscriber acknowledges and agrees that Vendor may be required to grant security interests and record liens or other appropriate notices of record against its interest in this Agreement or the equipment, in favor of the Department of Commerce, to reflect that such property has been acquired or improved with federal funds. Further, notwithstanding anything to the contrary contained in Section 11 of this Agreement, on NTIA's request Vendor may, upon notice to Subscriber and without requiring its consent, cause this Agreement to be assigned to NTIA or to a third party, designated by NTIA.

8. **Disputes.** If either Party is required to engage the services of an attorney because of a breach by the other Party of any of the terms herein contained or in any other manner, the breaching Party shall pay all of the non-breaching Party's reasonable attorney's fees and court costs. In the event of litigation both Parties agree that the internal laws of Arizona shall apply without application of conflicts of law provisions and both Parties consent to the exclusive jurisdiction of the courts of Maricopa County, Arizona. THE PARTIES EXPRESSLY WAIVE A JURY TRIAL.

9. **Content.** Vendor shall have the sole right to decide what information (Web Page content, etc.) can or cannot be uploaded onto or reside upon, the Vendor's system and the Vendor has the right to delete all such information data or files that it decides cannot reside on the Vendor's hardware.

10. **Amendments.** This Agreement cannot be amended, modified or revised unless done in writing and signed by an authorized agent of the Vendor and an authorized agent of the Subscriber. No provision may be waived except in a writing signed by both Parties.

11. **Assignment.** Vendor may assign this Lease as a whole with Subscriber's prior written consent, which consent will not be unreasonably withheld, delayed or conditioned; provided, however, that Subscriber's consent will not be required for an assignment to any person or entity which is controlled by, controlling or under common control with Vendor.

12. **Complete Understanding.** This Agreement represents the complete understanding between the Parties as to the subject matter hereof and supersedes all prior written or oral negotiations, representations, guaranties, warranties, promises, orders, statements or agreements between the Parties or any statement or representation made or furnished by any other person representing or purporting to represent either Party.

13. **Incorporation by Reference.** Capitalized terms not otherwise defined herein shall have the meanings set forth in the Lease. The "State Mandated Provisions" set forth in Section 25 of the Lease are incorporated herein by reference as if fully set forth herein.

14. **Counterparts.** This Agreement may be executed in any number of counterparts, all such counterparts shall be deemed to constitute one and the same instrument and each of the executed counterparts shall be deemed an original hereof. Such counterparts may be exchanged via facsimile transmission, provided that immediately following such transmission, each Party shall forward an executed original copy of the counterpart to the other Party by personal delivery or overnight courier.

15. **Recitals.** The above-stated Recitals are incorporated herein by this reference.

16. **Immigration Law Compliance.**

(a) Under the provisions of A.R.S. § 41-4401, each party hereby warrants to the other that the each Party and all of its subcontractors (if any) will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulation that relate to their employees and A.R.S. § 23-214 (A) (hereinafter "Contractor Immigration Warranty").

(b) A Breach of the Contractor Immigration Warranty shall constitute a material breach of this Agreement and shall subject the breaching Party to penalties up to and including termination of this Agreement at the sole discretion of the non-breaching Party.

(c) Each Party retains the legal right to inspect the papers of any contractor or subcontractor employee of the other Party who works on this Agreement to ensure that the contractor or subcontractor is complying with the Contractor Immigration Warranty. Each Party agrees to assist the other Party in regard to any such inspections.

(d) Each Party may, at its sole discretion, conduct random verification of the employment records of the other Party and any of its subcontractors to ensure compliance with Contractor's Immigration Warranty. Each Party agrees to assist the other Party in regard to any random verifications performed.

(e) A Party will not be considered in material breach of this Agreement or the Contractor Immigration Warranty if the Party establishes that it has complied with the employment verification provision prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214, Subsection A.

(f) The foregoing provisions of subparagraphs (a)-(e) of this article must be included in any contract that a Party enters into with any and all its subcontractors who provide service under this Agreement or any subcontract.

(g) Pursuant to A.R.S. §§ 35-391.06 and 35-393.06, each Party certifies that it does not have a scrutinized business operation as defined in A.R.S. §§ 35-391 and 35-393 in either Sudan or Iran.

IN WITNESS WHEREOF, the Parties, each in consideration of the mutual covenants contained herein and for other good and valuable consideration contained herein and in the Lease Agreement, intending to be legally bound, have caused this Security Portal Services Agreement to be executed by their duly authorized representatives.

**Vendor:**

GovNET, Inc., an Arizona corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

**Subscriber:**

\_\_\_\_\_, a \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Exhibit C

Form of Commencement Date Memorandum

COMMENCEMENT DATE MEMORANDUM

This Commencement Date Memorandum is made and entered into this \_\_\_ day of \_\_\_\_\_, 201\_\_\_, by and between \_\_\_\_\_ (“Landlord”) and GovNET Inc. (“Tenant”).

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement dated \_\_\_\_\_, 201\_\_\_, (hereinafter referred to as the “Lease”); and

WHEREAS, Section 6 of the Lease provides that the “Commencement Date” commences on the Tenant’s commencement of any installation or construction at the Site; and

WHEREAS, Tenant commenced construction on the \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

NOW, THEREFORE, pursuant to the provisions of Section 6 of the Lease, Landlord and Tenant mutually agree as follows:

1. Tenant is in possession of, and has accepted, the Site set forth in the Lease.
2. The Initial Term of the Lease shall begin on \_\_\_\_\_ and will expire on \_\_\_\_\_, which is the last day of the calendar month four (4) years and eleven (11) months from the Commencement Date, as provided in Section 2 of the Lease.
3. Capitalized terms used but not defined herein are defined in the Lease.

IN WITNESS WHEREOF, the Parties hereto have signed and sealed this Agreement the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_.

Landlord: \_\_\_\_\_

By: \_\_\_\_\_

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

Its: \_\_\_\_\_

Tenant:

GovNET Inc., an Arizona corporation

By: \_\_\_\_\_

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

Its: \_\_\_\_\_