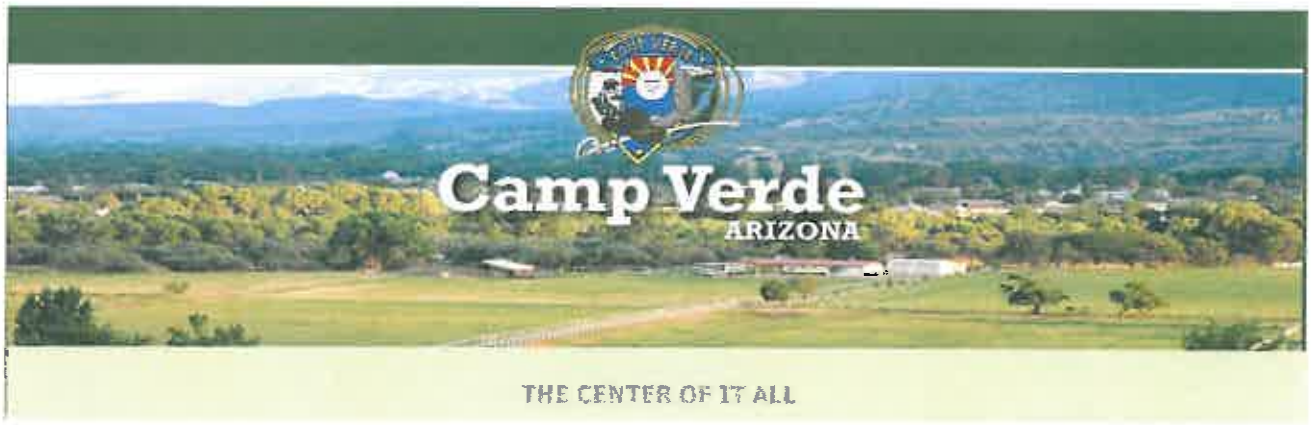


Support your local merchants.

AGENDA
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, SEPTEMBER 17, 2014 at 6:30 P.M.

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

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 – September 3, 2014
      2) Special/Work Session – August 27, 2014
      3) Executive Session – August 18, 2014 (Recorded)
   b) **Set Next Meeting, Date and Time:**
      1) September 24, 2014 at 6:30 p.m. – Council Hears Planning & Zoning Matters – **CANCELLED**
      2) October 1, 2014 at 6:30 p.m. – Regular Session
      3) October 8, 2014 at 5:30 p.m. – Work Session
      4) October 15, 2014 at 6:30 p.m. – Regular Session
      5) October 22, 2014 at 6:30 p.m. – Council Hears Planning & Zoning Matters
   c) **Possible approval of an agreement with the Verde Valley Humane Society to accept stray animals that are unclaimed after five (5) days and unable to be given to a rescue for a fee of $70.00 per animal.** Staff Resource: Marshal Gardner
   d) **Possible authorization to move $14,865 from the FY13-14 Contingency Budget line item into the Community Development department budget lines as shown on the attached re-appropriation forms for the purpose of abatement costs associated with nuisance and dangerous buildings.** Staff Resource: Mike Showers
   e) **Possible approval of Yavapai County Flood Control Intergovernmental Agreement Change Order #2, carrying forward $110,353.88 FY 13/14 unspent funds for Phase 2 of the Finnie Flat/Cliffs Drainage Project, A and Yavapai County Flood Control 2014/15 Gaddis Wash improvements in**

the amount of $75,000. Staff Resource: Ron Long.

f) **Possible approval of and authorization for the Mayor to sign on behalf of the Town to accept two (2) Permanent Access and Drainage Easements for the acquisition of permanent drainage easements on parcels 404-12-051A, and 404-16-213.** Staff Resource: Ron Long
g) **Possible authorization for the Mayor to sign on behalf of the Town for future Permanent Access and Drainage Easements obtained by staff in the 14/15 Budget Year.** Staff Resource: Ron Long
h) **Possible authorization to begin opening the library for Teens Only on Saturdays from 5:30 p.m. to 10:00 p.m.** Staff Resource: Kathy Hellman

5. **Special Announcements and presentations:**
   - **Yavapai County Supervisor Tom Thurman and County Administrator Phil Bourdon will update and discuss with the Council on activities in Yavapai County, to include the Jail District proposal.**

6. **Call to the Public for Items not on the Agenda.**

7. **Public Hearing, discussion, consideration & possible recommendation of approval of a Class 12 Micro-Brewery and Restaurant Liquor License application for Verde Brewing Co., LLC located at 325 S. Main St., Camp Verde.** Staff Resource: Debbie Barber

8. **Public Hearing, discussion, consideration & possible recommendation of approval of a Class 3 Micro-Brewery and Restaurant Liquor License application for Verde Brewing Co., LLC located at 325 S. Main St., Camp Verde.** Staff Resource: Debbie Barber

9. **Discussion, consideration and possible approval of one of the following Ordinances:**
   a) **Ordinance 2014-A398, an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, relating to the Transaction Privilege License Tax: amending the Tax Code of the Town of Camp Verde, Arizona by removing exemption (Q) sales of food for home consumption, under Section 8-465 retail Sales: Exemptions.**
   b) **Ordinance 2014-A398 an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, relating to the Transaction Privilege License Tax; Amending the Tax Code of the Town of Camp Verde, Arizona by changing Exemption (Q) sales of food for Home consumption, under Section 8-465 Retail Sales; Exemptions to read, sales of food for home consumption at 1 percentage point less than the current retail sales tax rate.** Staff Resource: Russ Martin and Michael Showers

10. **Discussion, consideration, and possible approval of Resolution 2014-912, a resolution of the Mayor and Common Council of the Town of Camp Verde, Arizona approving the form and authorizing the execution and delivery of a second purchase agreement, a second trust agreement and other necessary agreements, instruments and documents; approving the sale and execution and delivery of a not to exceed $5,000,000 aggregate principal amount pledged revenue and revenue refunding obligation, series 2014, evidencing the interest of the owner thereof in the purchase agreement; delegating authority to the Mayor, Manager and Finance Director of the Town to determine certain matters and terms with respect to the foregoing; adopting post-issuance tax compliance procedures in connection with issuance of obligations of the town; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution and declaring an emergency.** Staff Resource: Russ Martin

11. **Discussion, consideration, and possible direction to staff regarding the appointment of a new Magistrate.** Staff Resource: Russ Martin

12. **Discussion, consideration, and possible selection of an independent attorney to review employee complaints and Council conduct as it relates to Town Council Policies, Rules, and Procedures.** Staff Resource: Russ Martin/Bill Sims

Councilor Carol German requested Item #13

13. **Discussion, consideration, and possible direction to staff to research the costs associated with replacing the sound system in Council Chambers and to bring this information back to Council for consideration at the next regular meeting.**

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

15. **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.

16. **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.

17. **Adjournment**

Posted by: V Jones Date/Time: 9-11-2014 2:30 p.m

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.

4.a.1

DRAFT MINUTES
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, SEPTEMBER 3, 2014 at 6:30 P.M.

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

1. **Call to Order**
Mayor German called the meeting to order at 6:30 p.m.

2. **Roll Call**
Mayor Charles German, Vice Mayor Jackie Baker, and Councilors Carol German, Bruce George, Jessie Jones, Brad Gordon, and Robin Whatley were present.

Also Present
Town Manager Russell Martin, Marshal Nancy Gardner, Fire Chief Terry Keller, Finance Director Mike Showers, Community Development Director Mike Jenkins, Assistant Planner Jenna Owens, Building Official and Safety Officer Robert Foreman, Town Clerk Deborah Barber, and Recording Secretary Saepyol Choe.

3. **Pledge of Allegiance**
Mayor German led the Pledge.

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) Special Session – August 18, 2014
   2) Work Session – August 13, 2014
   3) Regular Session – August 6, 2014
   4) Work Session – July 30, 2014

b) **Set Next Meeting, Date and Time:**
   1) September 10, 2014 at 5:30 p.m. – Work Session
   2) September 17, 2014 at 6:30 p.m. – Regular Session
   3) September 24, 2014 at 6:30 p.m. – Council Hears Planning & Zoning Matters

c) **Approval of Special Event Liquor License application for the Verde Valley Rangers, Mounted Sheriff's Posse fundraiser to be held during Fort Verde Days at 75 E Holloman Street.** Staff Resource: Debbie Barber:

d) **Approval of the appointment for Judge Harry E. Cipriano, as an Assistant Magistrate for the Camp Verde Municipal Court for a two (2) year term, effective September 1, 2014, and setting an hourly pay rate of $50.00 per hour on an as need basis with a three hour minimum.** Staff Resource: Russ Martin

e) **Approval to postpone discussion until September 17, 2014 regarding amending the Tax code by eliminating the exemption of food for home consumption under the Model City Tax Code thereby instituting a Food Tax for the Town of Camp Verde.** Staff Resource: Russ Martin and Michael Showers

On a motion by Baker, seconded by German, Council voted unanimously to approve the Consent Agenda as written.

Town Manager Russ Martin explained that the new Town Magistrate would begin working November 1, 2014, and that he would work without pay until Dec, due to his late arrival. He clarified that Council

approved the extension of Judge Cipriano's full-time contract as Magistrate in order to facilitate the transition; and that his appointment as Assistant Magistrate, is a separate part-time contract.

Martin explained that the Food Tax Agenda Item was scheduled for discussion today, 60 days after the initial proposal date, along with the new fee schedule, to the meet state public posting requirements, but that Council needed more time to prepare for the discussion.

The September 10, 2014 Work Session will discuss taxes and the Capital Improvement Plan.

5. **Special Announcements and presentations:**

- **Commendation certificate to be presented to Rosalie Lienhart, Haddie Miller, Ryan Miller, Cory Miller, Tyler Brown for their bravery.** Staff Resource Nancy Gardner
  CVMO and CVFD Officers presented certificates to 3-year old Haddie, mother Rosalie, and son Ryan Miller for their bravery. On July 28, 2014, the family discovered an incapacitated man in the pool of an RV Park, called for emergency services, and rendered CPR until the Fire Department arrived on scene. The Officers commended their bravery, competence, and respect for life; hoping that the family would remember not only the traumatic event, but also that their Town was proud of them for their valiant efforts. They received a standing ovation. Cory and Tyler were not available to attend, and the Officers offered to mail their certificates.

- **Presentation of a plaque to the Town of Camp Verde from Government Finance Officers Association for Certificate of Achievement for Excellence in Financial Reporting.** Staff Resource: Russ Martin

  Town Manager Russ Martin recognized Camp Verde Finance Director and Finance Department Staff with a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.

- **Approval of Proclamation designating September as National Recovery Month.** Staff Resource: Mayor Charles German

  Mayor German proclaimed September as National Recovery Month.

- **Approval of Proclamation Declaring 9-11-2014 "A Day to Remember".** Staff Resource: Debbie Barber

  Mayor German proclaimed 9-11-2014 "A Day to Remember."

  On a motion by German, seconded by Baker, Council unanimously approved moving Agenda Item 9 in front of Agenda Item 8.

6. **Call to the Public for Items not on the Agenda.**
There was no public input.

7. **Discussion, consideration & possible approval of Ordinance 2014-A399 an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, relating to the Use Tax; amending the Tax Code of the Town of Camp Verde, Arizona by increasing the Use Tax Rate from two percent (2%) to three percent (3%).** Staff Resource: Mike Showers

The motion by George, seconded by Whatley, to approve Ordinance 2014-A399 failed 3-4, with 4 "no" votes from Gordon, German, Vice Mayor Baker, and Mayor German.

Mike Showers explained that the use tax helps to level the playing field for merchants within Town boundaries, by charging a tax on expensive purchases made outside of Camp Verde, which are used within the Town. This may refer to equipment purchased outside of Town limits, for use within Town limits by a company for which Camp Verde is their base of operations. Since the equipment was not subjected to Camp Verde tax, but was used for profit in Camp Verde, a Use Tax is applied at the end of the year for such items. He explained that this mainly impacts businesses, since state audits seek to ensure that businesses pay their proper dues to the city and state. Some businesses claim a 2% Use Tax on their taxes instead of the 3% Sales Tax, whether by accident or with fraudulent intent, which saves the business 1% in taxes. This discrepancy causes a temptation for businesses during tax filing, and much investigative work for the Finance Director. He proposes to eliminate these issues by raising the Use Tax to 3%, which still keeps Camp Verde at competitive rates.

Public hearing:
Greg Blue received clarification that the Use Tax for Rentals is in a different category, which would remain at 2%. He stated that the Council is elected to ensure a system of checks and balances, and that he does not support any increase in taxes right now. Council should represent the voice of the people, as it is impossible for the public to present a full case in only 3 minutes during a public hearing.

John Bassous, a local contractor, explained that business owners pass their costs onto the people, so that the Use Tax increase does in fact affect private citizens. He stated that 1% can make or break a business, especially in Camp Verde. He asked that Council think of it, not as just 1% that affects a few, but as 1% more that affects everyone.

Discussion:
Councilor Whatley stated that this proposal supports local business by supporting local vendors.

Mayor German joked that Vice Mayor Baker should "entertain a donation."

8. **Discussion, consideration & possible approval of Resolution 2014-924, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, adopting fees for town services for FY 2014-15 and superseding Resolution 2013-895.** Staff Resource: Mike Showers.

On a motion by George, seconded by Gordon, Council voted 5-2 to approve Resolution 2014-924, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, adopting fees for town services for FY 2014-15 and superseding Resolution 2013-895. Vice Mayor Baker and Councilor German voted "no."

Mike Showers explained that the fees proposal was posted for the required 60 days, with no new fees being added since the initial proposal presented in June.

Whatley expressed her understanding that the fees pay for themselves, that they are justified, and in line with other municipalities. Staff replied that Camp Verde's fees are slowly coming up to that of other Towns.

Jenna Owens explained the reason for the $1700 "commercial to commercial" zoning map change fee. She explained that every type of zoning map change, such as, "residential to residential," and "residential to commercial" have always been represented in the fee schedule, and that "commercial to commercial" zoning map change requests needed to be added in as well. The fee covers the cost for all the required staff work, including: 1) investigating the impact of the different allowances, uses, and intensity; 2) conducting 2 public hearings, 3) conducting neighborhood meetings, and 4) notifying the public and advertising to allow time for public input. Councilor George thanked Owens for the explanation.

Public Hearing:

Rob Witt received confirmation from Staff that Camp Verde has followed the International Code Council (ICC) evaluations and table for calculating fees since 2006. Building Official Robert Foreman explained that the ICC publishes average costs for construction twice a year, which determines permit cost, but that the Town only updates their costs annually, in February. He informed that builders may contest the ICC's numbers if they can show justification that they can safely build at a lower cost.

Greg Blue stated that he understands bookkeeping, but that we should not try to "catch up" to other Town's fees. Update as needed, but do not raise fees for the sake of raising fees. Council decision should allow for itemization, rather than blanket approval of all the fee changes.

John Bassous stated that the fee schedule is complicated and often needs help from Staff for calculations. He pointed out that not all departments pay for themselves, ie. the Library, Parks & Recreation. He suggested that the Town consider underwriting 25% of a business' building cost, as an investment into the community. He stated that it should not be about collecting 100%, but about creating a business-friendly environment. Some communities understand this and agree to subsidize costs.

Discussion:
Russ Martin explained that Camp Verde's philosophy has always been to try to collect 100% of costs. He explained that setting a target, such as subsidizing 25% of business costs, is not as straightforward in practice as it may sound, due to many fluctuations from year to year. The question should be whether the Town is charging appropriately for providing a service and if the fees are overburdening businesses.

Whatley stated that she does not agree with subsidizing businesses.

German explained that she met with the building department to understand the fees and agrees with some and not others, especially when Camp Verde is losing businesses. She explained that some fees, such as the Fire Marshal review and the Recording request on a Town-provided jump drive need to be approved. Some things, such as the map change for zoning from "mixed use to low density" are no longer used and need to be removed. She does not agree with the Temporary Use Permit being raised from $100 to $150, for using an RV while waiting to build a home, or the $175 residential single family dwelling fee. She asked if the Town should adopt a sign ordinance, referencing the $50 A-frame sign fee. Jenna Owens explained that the amount of paperwork needed for one A-frame sign, was the same as for changing multiple signs; which also require inspections of placement and design.

Community Development Director Mike Jenkins explained that when you see a jump from $85 to $175 in a fee, it is a clue that the Town is losing money on services provided. He explained that building in rural areas, for example, require many considerations for emergency services, and significant efforts to address the issues. He explained that the $500 "non-compliance fee" is justified, since addressing non-compliance issues are an arduous judicial process requiring attorneys.

Vice Mayor Baker reported a statewide emphasis to be more business-friendly, as Utah and Colorado are neighboring competitors, attracting many businesses.

George stated that the fees, which are to be reviewed and adopted annually, have been reasonably adjusted.

Jones reminded that builders may contest the ICC codes with proper justification, and inquired if the Town could waive some fees as an incentive for business wanting to come to Camp Verde. Russ Martin explained

such arrangements would be made in a direct agreement with the business, which would also show what value the business brings to the Town.

Whatley objected to selective waivers and said that what applies to one business, should apply to all.

Gordon recognized Kendall Welch for making the fee schedule more user-friendly.

Robert Foreman explained that most of the changes were in wording and required updates, and that Camp Verde is 35% behind the national average for fees. He state that their proposals are modest and that the Town needs to prepare for future development. The new medical center and other building projects will quickly build momentum for new developments, which will lead to a very busy Staff in the building department. When asked if Camp Verde charges a separate "Inspection fee," he answered that it is rolled into the total cost, with extra fees being assessed only for after-hours inspections or for appointments that are rescheduled due to lack of preparation.

9. **DISCUSSION, CONSIDERATION, AND POSSIBLE SELECTION OF AN INDEPENDENT ATTORNEY TO REVIEW EMPLOYEE COMPLAINTS AND COUNCIL CONDUCT AS IT RELATES TO TOWN COUNCIL POLICIES, RULES, AND PROCEDURES.** Staff Resource: Russ Martin/Bill Sims

On a motion by Mayor German, seconded by Baker, Council voted 5-2 to direct staff to bring back to Council a selection of 3 independent attorney candidates to choose from to review employee complaints and council conduct as it relates to town council policies, rules, and procedures. Mayor German and Councilor German voted "no."

Russ Martin explained that the Town Attorney recommended removing Ms. Schwab as a candidate due to a possible perception of bias, and that third candidate was sick and could not be ready in time. He stated that both candidates, Grammage & Burnham, and Curtis, Goodwin, Sullivan, Udall & Schwab P.L.C, were top recommendations that would do a great job. He stated that there would be another meeting next week, at which he could ask Ken Strobeck for additional recommendations.

Vice Mayor Baker, Gordon, and Mayor German requested a total of 3 candidates from which to choose. Councilor George preferred to start the investigation as soon as possible with Curtis, Goodwin, Sullivan, Udall & Schwab P.L.C.

Councilor German requested that the Agenda Item come back on September 17, 2014, as she will be out of Town for the September 10th Work Session. She read from an official statement, which will be attached and become a permanent part of the record. She stated that $10,000 for an investigation is a bad use of money that should rather be put towards park and streets. The Council should come to a workable solution on their own, as an investigation would not offer any solutions to the problem.

Vice Mayor Baker agreed that is an unfortunate use of taxpayer money, but that it also seemed necessary to go beyond the Town Attorney for a resolution.

Jones stated that an investigation, though unfortunate, would offer an unbiased look at the problem.

Whatley reminded Council that they voted to direct staff to bring back to Council some independent attorney candidates to investigate the matter at the last meeting.

Mayor German stated that the Council should meet and work it out, using Staff resources and recommendations to come up with solutions and policies that will address the issues. He explained that it was the concern of litigation that led to the original decision, but that if possible, he prefers not to let it go

that far.

Public Hearing:
Warren Harris stated that he was tired of Council's petty disagreements and of being disrespected. He stated that he was the citizen who asked for public records of all Town salaries and pay scales, which were provided to his satisfaction. He did not single out certain employees. He has never heard any negative reports about the Marshal, but questioned why the Marshal's wage was so high in a small Town with low income. He supports hiring a Human Resource Advisor and would support spending $2500 for education on legal policies and procedures. He asked why wages were not uniform across the board. He stated that a $10,000 investigation would be an unwise way to spend money.

Walter Miller stated that Council is talking about increasing taxes at the same time as spending $10,000 on Attorneys, giving the public the impression that all their tax money will be wasted. Council needs to understand the rules and human mistakes, and work it out.

Vivian Raines called the complaint a "farce" and the proposed resolutions the "equivalent of a Salem witch hunt." She recommended that the departments start working with each other and stop "bickering," so that the Town government can get back to governing.

Ms. Grover, spoke briefly on behalf of her brother Russell Grover, accusing Staff of not being able to speak the truth.

Mrs. Kessel-Grover stated that she does not agree with spending $10,000 to investigate Council members who want to listen to the people and investigate the truth. She stated that the Town Manager and Marshal are teaming up against the Town and that she is willing to take a polygraph on the matter and pay for it.

Councilor Whatley responded that she respects, trusts, and feels supported by the Town Manager and Marshal. She stated that she takes offense to such accusations, and asked the public to keep their comments civil.

Cheri Wischmeyer stated that she was the person named in the complaint. She received calls and visits from current and past employees of the Marshal's office, describing things going on in the Marshal's department that caused her concern. She claimed her right as a citizen to be concerned for Camp Verde employees and requested public records to investigate the claims. Her research was not intended to target certain individuals, but to find out the truth. She took the matter to Russ Martin more than once, but finding no resolution, went to Vice Mayor Baker and Councilor German, who referred her to the Mayor, who referred her to the Town Attorney, who pointed her back to Russ Martin. She stated that the Town needs a Human Resource Advisor, as the Town Manager cannot wear two hats and accomplish what is required in this situation. She stated that some had expressed a loss of trust in the Town Manager and felt they had no Staff advocate to whom they could turn in case of a grievance. She asked Council to consider all sides of the story, which include past employees of the Marshal's Office and those who did not sign the complaint.

Discussion:
Mayor German explained that Cheri's concern involved the possible violation of federal law. He thought the Agenda Item concerned issues with more recent events involving Town Council procedure, rather than to the July 30, 2014 complaint addressed to Russ Martin, titled "Employee Complaint and Town Council Concerns" from the Marshal's Office. He thanked Cheri for stepping up and meeting with the attorney and expressed appreciation for the public's comments. He stated that being an elected official is not as easy as it appears, and that Council must take any possible matters of litigation very seriously.

Vice Mayor Baker thanked the public for their honesty. She explained that some issues needed to be

investigated beyond the complaint, and that Council needed to address possible changes to policy.

Bruce George made a Point of Order to clarify that the Public Hearing was not yet closed.

Jim Ash stated that Council made a mistake by approving an investigation, as neighborhood roads and the Senior Center need repair. He stated that anything spent on attorneys is a total waste of money.

Discussion:
Councilor German thanked the public for their comments and their time.

Councilor Gordon stated that Council tried to fix the issue with the Manager without success. There was no initial explanation as to why the public requests were being made, which led to suspicions about the intent of the requests, and caused much suspicion and speculation within departments beyond the Marshal's Office. He stated that the time spent on trying to understand and resolve the issues has probably already cost the Town thousands of dollars, and that he would like to get to the bottom of it.

Mayor German and Councilor German expressed that it is best for Council to show courtesy to one another by asking questions and trying to resolve matters internally first, before involving outside parties.

10. **Call to the Public for items not on the agenda.**
Warren Harris suggested charging a fee for library cards to help generate revenue.

11. **Council Informational Reports.**
There were no reports.

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

13. **Adjournment**
On a motion by Baker, seconded by Whatley, Council voted unanimously to adjourn the meeting at 8:22 p.m.

_____
Charles German, Mayor

_____
Saepyol Choe, 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 August 6, 2014. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2014.

_____
Debbie Barber, Town Clerk

4. a 2

DRAFT MINUTES
SPECIAL/WORK SESSION
MAYOR AND COUNCIL
COUNCIL CHAMBERS · 473 S. Main Street, Room #106
WEDNESDAY, AUGUST 27, 2014 at 5:30 P.M.

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

1. **Call to Order**
Mayor German called the meeting to order at 5:30 pm.

2. **Roll Call**
Mayor German, Vice Mayor Baker, Councilors Whatley, George, Gordon, Jones and German.

Also Present:
Town Manager Russ Martin, Finance Director Mike Showers, Director of Public Works Ron Long, Public Works Analyst Debra Raney, Town Clerk Administrative Assistant Barbie Bridge, Recording Secretary Marie Moore.

3. **Pledge of Allegiance**
Mayor German led the pledge.

4. **Discussion, consideration, and possible approval of a Water Infrastructure Finance Authority (WIFA) grant application, up to a maximum of $35,000 for planning and design assistance of wastewater collection improvements along SR 260 and authorizing a match of 40% of the grant amount (approximately $14,000 if the full amount is awarded). This is an unbudgeted item.** Staff Resource:

On a Motion by Vice Mayor Baker, seconded by George, council unanimously approves a WIFA grant application, up to a maximum of $35,000 for planning and design assistance of wastewater collection improvements along SR 260 and authorizing a match of $6,308.00, an amended match amount of the grant.

Director of Public Works Ron Long informed Council that due to the work and effort of staff, the required monetary amount needed for a match of this grant was reduced from $14,000.00 to $6,308.00. Long gave a brief background for the necessity of the WIFA grant, explaining that the funds will be used to complete a necessary study regarding sewer crossings on the SR 260 corridor.

Councilor Gordon inquired where the necessary money for the match amount will come from, as this is an unbudgeted item. Town Manager, Russ Martin, indicated that there are currently grants with in the budget that have not yet been awarded but could be a viable source of funding and stated that ultimately this is a storm water issue and if nowhere else, the funding could be used from the general fund. Councilor Gordon indicated that this time is of the essence in this matter with a decision necessary before the SR 260 project is completed. Ron Long agreed with this statement indicating the difficulty of following through with the study if this were approved next budget year and after SR 260 improvements were complete.

Mayor German questioned the connection between this matter and the sewer district. Martin explained that ultimately this study will determine where the sewer would go and the completion of the survey will help when determining areas for economic development in the Town.

Councilor German asked when the Town would be notified if the WIFA grant is awarded. Public Works Analyst, Debra Raney, indicated that notice would be given by the first part of October and funds would be available by the first part of November.

Public Input:
None

5. **Update on and possible ratification of Staff's approval of the amendments to the architect's contract for the new library construction.** Staff Resource: Mike Showers

On a motion by George, seconded by Gordon, Council unanimously approves the ratification of Staff's approval of the amendments to the architect's contract for the new library construction.

Town Manager Martin explains to Council that the information provided is the base amount and what is being sent to move forward with new construction.

Architect, Joel Westervelt, explained to Council that there have been specification requirements removed which include the LEED requirements as well as some revisions to plan features and footing details.

Public Input:

Tom Pitts questioned the effect these revisions would have on the time frame for the construction of the Library. Town Manager, Russ Martin, explained that information would be discussed in the next agenda item.

6. **Discussion, consideration, and possible direction to staff relative to financing options for the new library and the possible scope of work that will go out to bid.** Staff Resource: Russ Martin

Council directs staff to pursue Option 2 and utilize Option B of the STIFEL report presented and requested a final agreement be brought back to Council for approval on September 17, 2014.

Architect Joel Westervelt reported to Council the changes made to the plans regarding construction costs. Westervelt passed around a piece of pre-weathered bonderized finished metal siding as an option to replace the original acid finish specification on the siding. Additionally, options including material board, concrete color, and wood finishes are being evaluated for consideration of replacement to the acid wash. Westervelt explained he felt the acid wash is still a viable option but due to the concerns that were raised by through public input, other options are currently being evaluated. The bonderized finished material option is approximately $18,000.00 more than the original acid wash siding.
Westervelt indicated that although the LEED certification aspect was removed from the plans, the integrity of the building and efficiency of equipment will remain. Currently substitutions for building components are being considered as well. Westervelt stated that rumor was heard there were contractors who shied away from the project due to the complexity and cost of the LEED component and his hopes are to receive more bids now that the LEED Certification has been removed. Westervelt estimated to Council there is a potential of $400,000 to $700,000 in savings from the changes made in the plans. It was also explained that the detailed changes will be outlined for previous bidders to help assist them in the bidding process.

Town Manager, Russ Martin, indicated by mid-September Council can expect to see a completed and revised drawing for review and with the approval from the Town Engineer, Ron Long, the project will be open for bidding by the start of October. Martin also mentioned a prebuild meeting that will occur and to expect final bids to be received by mid-November.

Mayor German indicated he was pleased to hear that contractors would have knowledge of the changes that occurred to assist them in the bidding process.

Councilor Gordon thanked members of the audience who attended meetings and assisted in the participation of cost reductions for the plans.

Westervelt informed Council that up to a $20,000 savings could be expected from APS incentives due to the solar power installation and Kathy Hellman is currently researching a grant to be utilized for broadband internet installation.

Town Manager, Russ Martin, began the discussion of financing options regarding the new plans, explaining that when the final bids are received, the Town needs to have the finances available at that time. Martin proceeded in discussion regarding potential options for consideration by Council which included the possibility of refinancing the remaining balance owed on the Marshal's Office.

Martin indicated that there were originally 15 banks contacted and 5 bids were returned. A STIFEL handout was distributed which is attached and becomes a permanent part of the record. Martin presented the bid options and explained the opportunity to refinance the Marshal's Office with the same pay off date but less of an interest rate. Martin did indicate that the bond currently owed on the Marshal's Office cannot be paid off early, and the soonest date would be around this time of next year.

Council discussed the options presented within the STIFEL handout with the terms, conditions and commitments. Martin explained to Council that he felt the Library could be completed in its entirety without the Council imposing a food tax on Camp Verde residents. Martin also listed out the cash value of assets the Town owns that could be put toward the cost of the Library.

Councilor German requested clarification regarding the amount of the loan which is contingent on the Marshal's office refinancing and asked if an amount is chosen from the options presented, are they required to get all of it.
Martin stated yes and any remaining funds would be used for other essential items. German voiced her agreement that interest rates appear to be at a low and doesn't feel they will get a better rate. German also clarified that the cash value assets would be used toward landscaping, etc... in the construction costs.

Martin clarified for Council that he expects the total amount for completion will be $4 million dollars.

Councilor George thanked Finance Direct Mike Showers for the effort put toward the refinancing option of the Marshal's Office.

Councilor Jones indicated her approval of the entire process and the fact that there won't be a need for a food tax to complete the construction. Jones voiced her excitement in moving forward with the matter.

Public Input:

BJ Davis inquired if the reduction of the landscape and solar costs were included in the estimated $400,000-$700,000 projected savings. Martin indicated that those were additional savings not included in that estimated figure. Davis requested a clearer breakdown of the savings that was stated. Westervelt discussed lumber savings, removal of mats, exterior panels, custom railings, landscape, demolition and side work. Davis asked how much of the savings was from the removal of the LEED Certification and Westervelt estimated approximately 60% of projected savings. Davis stated he was pleased to hear there would be a general list of changes included in the new bidding packet and asked if there would be specifics of the changes included because he felt details were important for contractors. Westervelt indicated that specifics would not be included due to the size of the specs and their intentions of drawing in new contractors now that the LEED Certification was removed. Davis inquired if Building/Code Enforcement Official, Robert Foreman been involved regarding the exit of the building. Westervelt stated that there are currently meetings in process. Davis also inquired if Joel would be submitting the plans for the necessary permits while waiting for the return of bids. Martin stated that it is the intention to have the bidding documents permit approved prior to sending them for the bidding process.

Roger Doering stated he felt the Town was on the right track for funding and inquired to Westervelt if it was possible to change the facades on the building. Westervelt explained the facades were a part of the design to capture the essence of the region and without them the design would be changed. Doering requested a

monetary figure that will impact citizens per capita, Councilor Gordon stated it would be $280.00 per person based upon the $3 million figure.

Tom Pitts stated the Verde Valley Regional Economic Division is currently working with Verde Valley broadband to receive a grant for installation and per a current study in effect, it does indicate there is a demand for broadband. Pitts questioned if the numbers indicated on the STIFEL handout were the final lending amounts. Martin explained that 45 days was requested for review and there would be a conference next week for a final number and document.

7. Adjournment

On a motion by Mayor German, seconded by Gordon, council adjourned at 7:12 pm.

4.C

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: September 17, 2014

☒ Consent Agenda ☐ Decision Agenda ☐ Executive Session Requested

☐ Presentation Only ☐ Action/Presentation ☐ Special Session

Requesting Department: Marshal's Office

Staff Resource/Contact Person: Marshal Nancy Gardner

Agenda Title (be exact): *The Camp Verde Marshal's Office is requesting approval of the Intergovernmental Agreement between the Town of Camp Verde and the Verde Valley Humane Society, located 1520 East Mingus Ave. Cottonwood, AZ 86326.*

List Attached Documents: Interagency Agreement

Estimated Presentation Time:

Estimated Discussion Time:

Reviews Completed by:

☒ **Department Head:** ☒ **Town Attorney Comments:**

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

Finance Director Comments/Fund:
Fiscal Impact: *The Camp Verde Marshal's Office has budgeted this item in the 2015-2015 fiscal budget*

Budget Code: _____ ***Amount Remaining:*** _____
Comments:

Background Information: The Town of Camp Verde Marshal's Office requests to enter into an intergovernmental Agreement with the Verde Valley Humane Society (Adopt for Life Center for Animals). This is a re-occurring IGA, the delay for the IGA submittal is due to VVHS personnel changes. CVMO takes stray dogs that are not claimed after 5 days, and unable to be given to a rescue, to VVHS for a fee of $70.00 per animal.

Recommended Action (Motion): Approve the recommended IGA.

Instructions to the Clerk: Provide a copy of the Signed IGA's to the Marshal's Office and the VVHS.

AGREEMENT BETWEEN
THE TOWN OF CAMP VERDE
AND THE
VERDE VALLEY HUMANE SOCIETY

This Contract is made and entered into this 1st day of July 2014, by and between the Town of Camp Verde, a municipal corporation, (hereinafter called "the TOWN") and the VERDE VALLEY HUMANE SOCIETY, Inc., an Arizona nonprofit corporation (hereinafter called "VVHS").

WHEREAS, the TOWN desires to provide an animal shelter facility for the benefit of its citizens.

WHEREAS, the VVHS desires to operate such a facility for the benefit of the TOWN.

WHEREAS, the TOWN and VVHS are empowered to make such Agreement;
NOW, THEREFORE, the parties do hereby mutually covenant and agree as follows:

1. PURPOSE. This agreement is made for the purpose of providing services of an animal shelter for the residents of the TOWN

2. VERDE VALLEY HUMANE SOCIETY

A. The VVHS agrees to receive all stray or at-large animals delivered by the Animal Control Officers of the TOWN and stray or at-large animals delivered by private citizens of the TOWN, and to provide all necessary care for these animals for a minimum of seventy-two (72) hours, or one hundred twenty (120) hours for an animal that is wearing a license as required by A.R.S. 11-1013, unless the animal is claimed sooner by its owner. Any diseased, injured or feral animals may be destroyed at any point after impoundment in order to relieve the animal from suffering, to prevent the spread of disease, or to protect the safety of the other animals already housed at VVHS. In the event that an animal is brought into the VVHS and determined by a veterinarian to have been brought in with a contagious disease, the TOWN shall be responsible for any expenses incurred as a result of this action, including, but not limited to, cleaning, veterinary expenses, euthanisation, etc.

There shall be no additional charge for stray canines or felines brought to VVHS by citizens of the TOWN. However, an owned animal surrendered by its owner or the owner's agent shall require a surrender fee. If the animal surrendered is to be held for possible adoption, a surrender fee is assessed per animal. These fees shall be payable by the owner at the time of surrender.

If the owner surrenders an animal directly to the VVHS to be euthanized or cremated, the owner shall be responsible for all applicable charges for these services at the time of surrender. If Animal Control transports an owner-surrendered animal to VVHS as a courtesy to the owner, the fees shall still be payable as if the owner had personally

surrendered the animal at the Shelter. All owner surrenders transported by Animal Control must be approved by the VVHS Director prior to the transport of the animal to the Shelter. Acceptance of owner surrendered animals will be at the discretion of the VVHS, and based on space availability. The Town will not transport animals that are owner surrendered to VVHS. All animals that are turned over to VVHS by the Town will become the responsibility of VVHS to be processed by VVHS procedures.

The VVHS, as agent for the TOWN, may place an unclaimed animal which has been impounded for 72 hours or more, or one hundred twenty (120) hours for an animal that is wearing a license, or longer, up for adoption or effect the disposition of the animal in a humane fashion. The VVHS may dispose of sick, diseased, injured or feral animals at any point following impoundment. There is no mandatory minimum holding period in such cases as long as the disposition is done to relieve the animal of suffering, to prevent the spread of disease, or to secure the safety and welfare of the VVHS staff, public, or the remaining animals at the Shelter. The VVHS shall be responsible for all costs of euthanizing these animals. All euthanization shall be done by a licensed veterinarian or a person certified by a veterinarian, and in compliance with the provisions of A.R.S. Title 11, 1021. The VVHS shall be responsible for the disposition of the remains of any animal so destroyed.

B. All impound fees received by the VVHS for animals whose owners reside within TOWN limits shall be payable to and retained by the VVHS. All adoption fees shall be payable to and retained by the VVHS.

3. FEES. The TOWN shall pay to the VVHS the sum of seventy dollars ($70) per animal. Those canines and felines required by the TOWN to be confined, and/or quarantined at VVHS in order to be observed for signs of disease, or as a consequence of having bitten, or for some other appropriate reason, the TOWN shall pay to the VVHS the sum of Ten Dollars ($10.00) per day of confinement, which is a 10 day quarantine time and would total $100.00, in the event these charges are not paid by the animal's owner. The VVHS shall not absorb the costs for mandatory confinement or quarantine.

4. PERSONNEL. The VVHS shall be responsible for staffing the animal control facility, with paid personnel or volunteers. All compensated personnel shall be considered employees of the VVHS which shall be responsible for the payment of wages, salaries and fringe benefits. Under the supervision of the VVHS personnel, community service workers from the several area courts may be utilized in place of paid workers. The VVHS shall insure that the animal control facility is sufficiently staffed to provide adequate care for impounded animals.

5. RESPONSIBILITY OF ANIMAL CONTROL. The Animal Control Officer, or an equivalent person working on behalf of the TOWN, shall retain control of, and responsibility for, the impounded animal until said animal is properly confined in the kennel at the Shelter. It shall be only at this point that the control of, and responsibility for, the animal becomes that of the VVHS. VVHS staff may, at its discretion, assist an

Animal Control Officer, but shall be under no obligation to do so prior to the animal's confinement in the kennel at the Shelter. Animal Control Officers must represent the TOWN of Camp Verde in a professional manner. If any mistreatment of an animal by a Town Animal Control Officer is observed, this action could result in cancelation of this contract by the VVHS.

6. BUSINESS RECORDS. The VVHS agrees to maintain records of all the TOWN animals received, adopted, claimed by their owners (Returned to Owner, RTO), or destroyed. The VVHS agrees to provide the TOWN complete documentation within five (5) working days of all impounded animals claimed (RTO) to the owner.

7. TERM. The term of this Agreement shall be for a period of twelve (12) months, commencing on July 1, 2014 and ending June 30, 2015. At the expiration of this Agreement, if the TOWN continues to use the VVHS services, it shall do so under the terms of this Agreement until a new Agreement between the parties is signed. Any increase in fees under the terms of the new Agreement shall be retroactive to the beginning date of the new Agreement and shall be due and payable to the party owed within thirty (30) days of signing the new Agreement.

8. ENTIRE AGREEMENT; MODIFICATION. This Agreement represents the entire agreement between the parties hereto, and supersedes any prior agreement or understanding of the parties, where oral or written. The parties may, from time to time, agree to modify the terms hereof as may be reasonable and necessary to maintain an efficient, humane shelter operation and provide adequate services to the residents of the TOWN. No modification of this Agreement shall be binding unless stated in writing and signed by both parties hereto.

9. INDEMNIFICATION. To the extent permitted by law, each party hereto shall indemnify, defend, and hold harmless the other party from all claims, losses, damages, or injury of any kind or character, including the other party's attorney's fees and costs of defense arising from the negligent performance of services or the intentional misconduct by that party and/or its employees or agents. This indemnity obligation survives the termination of this Agreement.

10. RESERVATION OF RIGHTS. notwithstanding any other provision of this Agreement to the contrary, any agreement by one party to indemnify, defend and hold harmless the other party shall be limited to, and be payable only from, the indemnifying party's contractually assumed liability insurance coverage available as a part of its general liability insurance program.

11. DISPUTE MEDIATION. If a dispute arises out of or relates to this Agreement, or breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to attempt to settle the dispute through mediation before resorting to arbitration, litigation, or some other dispute resolution procedure, In the event that the

parties cannot agree upon the selection of a mediator within ten (10) days, either party may request the Presiding Judge of the Superior Court of Yavapai County to assign a mediator from a list of experienced mediators maintained by the Arizona Municipal Risk Retention Pool.

12. CANCELLATIONS FOR CONFLICT OF INTEREST: The parties agree that this Agreement may be cancelled for conflict of interest, in accordance with A.R.S. 38-511.

13. All books, accounts, reports, files and other records relating to the Agreement shall be subject to inspection and audit by the Town for five years after completion of the Agreement as provided in A.R.S. 35-214.

14. NON-AVAILABILITY OF FUNDS: Every payment obligation of the TOWN under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligations. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the TOWN at the end of the period for which the funds are available. No liability shall accrue to the TOWN in the event this provision is exercised, and the TOWN shall not be obligated or liable for any future payments as a result of termination under this paragraph.

15. LEGAL ARIZONA WORKERS ACT COMPLIANCE: In compliance with A.R.S. 41-4401, the VVHS hereby warrants that it will, at all times during the term of this Agreement, comply with all federal immigration laws applicable to the VVHS employment of its employees, and with the #-Verify requirements of A.R.S. 23-214 (A) (together the "State and Federal Immigration Laws"). VVHS shall further ensure that each SUBCONTRACTOR who performs any work for the VVHS under this Agreement likewise complies with the State and Federal Immigration Laws.

The VVHS agrees and warrants that the TOWN shall have the right at any time to inspect the books and records of the VVHS and any SUBCONTRACTOR in order to verify such party's compliance with the State and Federal Immigration Laws. The VVHS agrees that any act by the VVHS or SUBCONTRACTOR that results in the impediment or denial of access of the books and records of VVHS or SUBCONTRACTOR shall be a material breach of the Contract on the part of the VVHS.

Nothing herein shall make the VVHS or SUBCONTRACTOR an agent or employee of the TOWN. Nothing herein shall act to establish a contract between the TOWN and any SUBCONTRACTOR.

Any breach of the VVHS or any SUBCONTRACTOR'S warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Agreement subjecting the VVHS to penalties up to and including suspension or termination of this Agreement. If the breach is by a UBCONTRACTOR, and the SUBCONTRACTOR is suspended or terminated as a

result, the VVHS shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the SUBCONTRACTOR or retain a replacement SUBCONTRACTOR as soon as possible so as not to delay project completion and at no additional expense to the TOWN. Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of the VVHS.

The VVHS shall advise each SUBCONTRACTOR of the TOWN'S rights and the SUBCONTRACTOR'S obligations under this Article by including a provision in its Agreement with each SUBCONTRACTOR in the following form:

16. All notices or demands upon any party to this Agreement shall be in writing and shall be delivered in person or sent by mail, addressed as follows:

Town Clerk, Deborah Barber Town of Camp Verde 473 South Main St Camp Verde, AZ 86322	Grace Lahr, President Verde Valley Humane Society P.O. Box 1429 Cottonwood, AZ 86326

IN WITNESS WHEREOF, the parties has executed this Agreement the _____ day of _____ 2014.

THE TOWN OF CAMP VERDE

_____
Charles German, Mayor

ATTEST

_____
Town Clerk

APPROVED AS TO FORM:

_____
Town Attorney

_____
By

VERDE VALLEY HUMANE SOCIETY

_____
Grace Lahr, President

_____
Secretary

4d

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: September 17, 2014

☒ Consent Agenda ☐ Decision Agenda ☐ Executive Session Requested

☐ Presentation Only ☐ Action/Presentation ☐ Special Session

Requesting Department: Finance

Staff Resource/Contact Person: Mike Showers

Agenda Title (be exact): Request to move $14,865 from the FY14 Contingency Budget line item into the Community Development department budget lines as shown on the attachments.

List Attached Documents: 1) Budget Change/Re-Appropriation Forms

Estimated Presentation Time: N/A

Estimated Discussion Time: N/A

Reviews Completed by:

☒ **Department Head:** ☐ **Town Attorney Comments:**

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

Finance Director Comments/Fund:

Fiscal Impact: No fiscal impact.

Comments:

Background Information: Our budget is setup knowing we will probably need to use the Contingency Budget to cover excessive costs in the Community Development Abatement lines. The abatement costs for Nuisance and Dangerous Buildings were all approved by Council by event. These amounts are moved to cover those overages and allow community Development to show it remained within budget guidelines.

Recommended Action (Motion): Approve the request to move $14,865 from the FY14 Contingency Budget line item into the Community Development department budget lines as shown on the attachments.

Instructions to the Clerk: N/A

Town of Camp Verde

Budget Change/Re-Appropration Form

Date: 9/3/14 - For 022314 Building Payable Council Agenda Date: 9-17-14

Department Making Request: Community Development

Department Head Approval: Mike Jenkins

Account Transferred FROM

Fund	Department	Account Number	Account Name	Amount
01	999	999900	Contingency	13225.00

Account Transferred TO

Fund	Department	Account Number	Account Name	Amount
	Community Development - Code Enforcement	01-540-20-756220	Dangerous Buildings	13,225.00

Finance Director Approval: [signature] Date: 9/8/14

Comments:

Town of Camp Verde

Budget Change/Re-Appropration Form

Date: 9/3/14 for FY14

Council Agenda Date: 9-17-14

Department Making Request: Community Development

Department Head Approval: Mike Jenkins

Account Transferred FROM

Fund	Department	Account Number	Account Name	Amount
01	999	20-999900	Contingency	1640.-

Account Transferred TO

Fund	Department	Account Number	Account Name	Amount
	COMMUNITY DEVELOPMENT	01-540-20-756210	NUISANCE ABATEMENT	$1,640.00
01	540	20-756210		

Finance Director Approval: [signature]

Date: 9/8/14

Comments:

4.2.

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: September 17, 2014

☒ *Consent Agenda* ☐ *Decision Agenda* ☐ *Executive Session Requested*

☐ *Presentation Only* ☐ *Action/Presentation* ☐ *Special Session*

Requesting Department: Public Works –

Staff Resource/Contact Person: Ron Long

Agenda Title (be exact): Consideration and possible approval of: Yavapai County Flood Control Intergovernmental Agreement (IGA) Change Order Number 2; carrying forward $110,353.88, FY 13/14 unspent funds for Phase 2 of the Finnie Flat/Cliffs Drainage Project. And of Yavapai County Flood Control 2014/2015 IGA; Gaddis Wash Improvements in the amount of $75,000

List Attached Documents: Finnie Flat IGA Change Order no.2 (6 pages total) Gaddis Wash IGA (18 pages)

Estimated Presentation Time:

Estimated Discussion Time:

Reviews Completed by: N/A

☐ ***Department Head:*** ☒ ***Town Attorney Comments:*** approved

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

Finance Director Comments/Fund:

Fiscal Impact: ***Budget Code:*** _____ ***Amount Remaining:***____

Comments:

Background Information: The special taxing district of Yavapai County Flood Control District (District) receives general funding for planning, construction and maintenance of flood control improvements. The District then distributes a portion of the funds to Towns and political subdivisions in Yavapai County to complete flood control projects in their boundaries.

In F/Y 11/12 Camp Verde received funding from the District to begin improvements of the Finnie Flat/Cliffs drainage channel. Funds were used to improve the open drainage channel between the Out Post Town Homes and Bashes which carries the stormwater runoff from Cliffs Parkway and Finnie Flat Rd. $110,353.88 was then carried forward to FY 13/14 to begin Phase 2: improving the detention pond on Cliffs Parkway that will temporarily hold stormwater releasing it at a measured rate into the underground channel behind Walgreens, this will slow down stormwater flows before it enters the Finnie Flat drainage channel. Crews are currently working on this project.

Funding from the FY 14/15 IGA will be used for the Gaddis Wash Drainage Improvement Project. This project will provide a safe low-water crossing at Gaddis wash on Industrial Dr. Installation of the box culverts will stop the erosion of private and public lands and will allow safer access to public and private properties.

Recommended Action (Motion): Move to approve and authorize the signing of the Yavapai County Flood Control Intergovernmental Agreement (IGA) Change Order Number 2; carrying forward $110,353.88, FY 13/14 unspent funds for Phase 2 of the Finnie Flat/Cliffs Drainage Project. And of Yavapai County Flood Control 2014/2015 IGA; Gaddis Wash Improvement in the amount of $75,000

Instructions to Clerk: Please obtain the Mayor's signature – PLEASE SCAN THE SIGNED DOCUMENTS TO PUBLIC WORKS (Deborah) PRIOR TO SENDING TO THE COUNTY.

YAVAPAI COUNTY FLOOD CONTROL DISTRICT
WWW.YCFLOOD.COM

1120 COMMERCE DRIVE
PRESCOTT, AZ 86305
928.771.3197 PHONE
928.771.3427 FAX

10 S. 6TH STREET
COTTONWOOD, AZ 86326
928.639.8151 PHONE
928.639.8118 FAX

CHANGE ORDER
INTERGOVERNMENTAL AGREEMENT
FISCAL YEAR 2014/15

PROJECT: Finnie Flat Channel Improvement Project, Phase 2

FCD Project#: FC0061

Date of Original Intergovernmental Agreement (IGA): August 15, 2011

OWNER: Yavapai County Flood Control District Change Order No. 2

COMMUNITY: Town of Camp Verde Change Order Date: 8/4/2014

The following changes shall be made to this Contract:

The Project added to this Contract is	completion of proj.
The original IGA Contract Sum was	$ 750,000.00
Net change by previous Change Orders (+ or -)	$ 152,725.97 (FY 13/14)
IGA Funds spent to date (through end FY 13/14)	$ 792,372.09
IGA Funds remaining at end of FY 13/14	$ 110,353.88
The Contract IGA Sum will be changed by	$ 0.00
Contract IGA Sum for FY 2014/15	$ 110,353.88

The term of this agreement will be extended to June 30th, 2015, and may be renewed for additional one year terms, until the completion of identified drainage improvements.

Comments: When the IGA had funding provided in FY 13/14, the remaining amount left from the original IGA amount was $22,274.03. Phase 2 of the project was funded to a total of $175,000.00, an increase of $152,725.97 over the amount remaining from the original $750,000.00 (considering that to be change order #1). Change Order #2 carries forward the remaining unspent funds from FY 13/14 in the amount of $110,353.88. The Town of Camp Verde is expected to complete this project during FY 14/15.

Yavapai County Flood Control District
1120 Commerce Dr.
Prescott, AZ 86305

By: _____

Date: August 5, 2014

Town of Camp Verde
ATTN: CHARLES GERMAN, MAYOR
473 S. Main Street, Suite 102
Camp Verde, AZ 86322

By: _____

Date: _____

When recorded in the Office of the
Yavapai County Recorder, return to:

Yavapai County Flood Control District
500 S. Marina St. Inter-office
Prescott, AZ 86303

THIS IS A CONFORMED COPY OF INSTRUMENT
RECORDED ON DATE 9/20/11 TIME 9:03
IN BOOK 4934 PAGE 795
ANA WAYMAN-TRUJILLO, RECORDER
DEPUTY

INTERGOVERNMENTAL AGREEMENT

THIS AGREEMENT, made this 15th day of August 2011, by and between the YAVAPAI COUNTY FLOOD CONTROL DISTRICT, a special district legally created in the State of Arizona (hereinafter called "District") and the Town of Camp Verde, a municipal corporation of the State of Arizona, (hereinafter call "Town") for a period commencing, August 15, 2011, and extending through completion of the named project.

This agreement provides for financial contribution from the District to the Town in support of the Finnie Flat Channel Improvement Project. This agreement is funded in an amount not to exceed $750,000 for Fiscal Year 2011/2012. Funding contributions for the project in future fiscal years will be dependant on project progress and funding availability. Funding for future Fiscal Years must be requested in writing and will be at the discretion of the Board of Directors of the Yavapai County Flood Control District. All design, engineering, bidding, contracts, inspection and project management shall be the sole responsibility of the Town. The District's involvement in the project is limited to financial contribution as approved by the Board of Directors.

WITNESSETH:

WHEREAS, the District and the Town have the authority to enter into Intergovernmental Agreements pursuant to Arizona Revised Statutes, Section 11-952, Section 48-3603(9) and Section 9-240(5); and,

WHEREAS, the Town lies within the legal boundaries of the District (Yavapai County); and,

WHEREAS, property owners within the corporate limits of the Town pay ad valorem taxes to support the District; and,

WHEREAS, the Town has experienced storm water control and flooding problems for a number of years in various locations; and,

WHEREAS, the District is authorized to expend funds for flood control projects (including storm water control) and has approved and budgeted amounts necessary to provide funding assistance for flood mitigation work.

NOW, THEREFORE, IT IS AGREED as follows:

PURPOSE

1. The purpose of this Agreement is to authorize the Flood Control District to pay and contribute to the Town funds in support of the Town's Finnie Flat Channel Improvement Project. Project funding for Fiscal Year 2011-2012 shall not exceed Seven Hundred and Fifty Thousand Dollars ($750,000.00). Funding contributions for the project in future

fiscal years will be dependant on project progress and funding availability and will be at the discretion of the Board of Directors of the Yavapai County Flood Control District. The District shall make said contributions to the Town in partial payments based upon periodic invoices from the Town. Invoices shall be provided to the District for review prior to reimbursement. The District agrees to pay said invoices monthly or upon an alternate schedule as agreed to between the Town and District.

2. The Town shall use said District funds exclusively for reimbursement of approved costs associated with the project described above.

3. The Town shall be responsible for the administration, right-of-way acquisition, design, construction, inspection and materials necessary to complete the project.

DURATION

The term of this Agreement is for the entire period of construction of the Finnie Flat Channel Improvement Project. This Agreement is subject to cancellation pursuant to ARS §38-511.

RENEWAL

The Parties may, upon mutual written consent, extend this agreement as necessary to carry out its purposes. Upon a written request from the Town, the Board of Directors of the District may provide additional funding for this agreement in future Fiscal Years if the project is not completed within Fiscal Year 2011/2012.

SEVERABILITY

The parties agree that if any part or parts of this Intergovernmental Agreement are held to be void or unenforceable by a court of competent jurisdiction, the remaining parts of the Agreement shall remain in full force and effect.

ENTIRE AGREEMENT

This Agreement contains the entire agreement between the parties with respect to the subject matters herein, and it may be amended, modified, or waived only by an instrument in writing signed by both parties.

CONFLICT OF INTEREST

This Agreement is subject to cancellation pursuant to ARS §38-511.

INDEMNIFICATION

The Town and the Flood Control District each agree to hold the other party harmless and indemnify the other for any loss, liability, or damages arising from any action, omission, or negligence of each party's employees, officers, or agents, regarding the performance of this Intergovernmental Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officials on the aforementioned date.

TOWN OF CAMP VERDE

Bob Burnside, Mayor

YAVAPAI COUNTY FLOOD CONTROL DISTRICT

Carol Springer, Chairman
Yavapai County Flood Control District
Board of Directors

ATTEST:

Admin. Secretary

ATTEST:

Julie Ayers, Clerk of the Board
Yavapai County Flood Control District

APPROVED AS TO CONTENT AND FORM:

Town Attorney

APPROVED AS TO CONTENT AND FORM:

Deputy County Attorney

INTERGOVERNMENTAL AGREEMENT DETERMINATION

In accordance with A.R.S. §11-952, this proposed Intergovernmental Agreement for funding contributions for flood mitigation work performed by the Town has been reviewed by the undersigned town attorney who has determined that said Agreement is in appropriate form and is within the powers and authority of the Town of Camp Verde.

Town Attorney

Date: 8/23/11

In accordance with A.R.S. §11-952, this proposed Intergovernmental Agreement for funding contributions for flood mitigation work performed by the Town has been reviewed by the undersigned town attorney who has determined that said Agreement is in appropriate form and is within the powers and authority of the Yavapai County Flood Control District.

Deputy County Attorney

Date: 9/16/11

4. E

INTERGOVERNMENTAL AGREEMENT

BETWEEN
THE YAVAPAI COUNTY FLOOD CONTROL DISTRICT
AND THE TOWN OF CAMP VERDE
FOR THE FISCAL YEAR 2014/2015 FINANCIAL CONTRIBUTION
FROM THE DISTRICT TO THE TOWN FOR FLOOD CONTROL
IMPROVEMENTS

THIS INTERGOVERNMENTAL AGREEMENT BY AND BETWEEN THE YAVAPAI COUNTY FLOOD CONTROL DISTRICT AND THE TOWN OF CAMP VERDE, FOR THE FISCAL YEAR 2014/2015 FINANCIAL CONTRIBUTION TO THE TOWN FOR FLOOD CONTROL IMPROVEMENTS (the "Agreement") is entered into, effective this 4th day of August, 2014, between the Yavapai County Flood Control District, a political subdivision of the State of Arizona (the "DISTRICT"), and the Town of Camp Verde, Arizona, a municipal corporation of the State of Arizona (the "TOWN"). The District and the Town are sometimes collectively referred to as the "Parties" or individually as the "Party."

RECITALS

WHEREAS:

A. The DISTRICT is a special taxing district legally created in the State of Arizona and organized by Yavapai County to include and govern its jurisdiction.

B. The DISTRICT administers the Federal Emergency Management Agency ("FEMA") Regulations under the National Flood Insurance Program.

C. The Yavapai County Board of Supervisors is the Board of Directors of the DISTRICT.

D. A portion of the TOWN lies within the legal boundaries of the DISTRICT.

E. The DISTRICT, the TOWN, and the County are separate and distinct political subdivisions, but each can provide for the benefit of the other(s), for the benefit of public health, safety, and welfare, and other public purposes.

F. The DISTRICT and the TOWN have authority to enter into Intergovernmental Agreements pursuant to Arizona Revised Statutes ("A.R.S.") §§11-952, 48-3603, and 9-240, and TOWN's Code.

G. Among other things, the DISTRICT receives tax proceeds as general funding for the planning, construction, and maintenance of flood control improvements.

H. Under the budgeting process for the DISTRICT, a category of "Contributions" (hereinafter "Funds") has been established, setting aside monies that may be utilized by the various political subdivisions located within the boundaries of Yavapai County.

I. The DISTRICT has approved and budgeted Funds to provide funding assistance for flood mitigation work and is authorized to expend such funds for flood control projects (including storm water control) to political subdivisions for projects so long as the projects are flood or drainage related, cost-effective, a benefit to the County, the DISTRICT, and the political subdivision and are in accordance with FEMA regulations.

J. The TOWN has experienced storm water control and flooding problems for a number of years in various locations and seeks to mitigate such problems to increase safety and protect public and private property and persons within the TOWN.

K. The TOWN seeks to improve its storm water control, make drainage improvements, and/or mitigate flooding problems by constructing the Gaddis Wash Drainage Improvements Project (hereinafter the "Project").

L. The TOWN desires to receive DISTRICT Funds for the 2014/2015 fiscal year to be used for its Project.

M. The DISTRICT has budgeted Funds to support the Project in an amount not to exceed Seventy-Five Thousand Dollars ($75,000) for fiscal year 2014/2015 which begins on July 1, 2014.

AGREEMENTS

NOW THEREFORE, for good and valuable consideration, including consideration of the mutual promises, terms, and conditions hereinafter set forth, including the mutual promises and obligations to be performed by the Parties hereto, IT IS AGREED BETWEEN THE TOWN AND THE DISTRICT AS FOLLOWS:

I. PURPOSE

The purpose of this Agreement is to authorize the DISTRICT to pay and contribute to the TOWN Funds in support of the TOWN's Project. Such funding for fiscal year 2014/2015 shall not exceed Seventy-Five Thousand Dollars ($75,000).

II. COMMENCEMENT, DURATION, AND TERMINATION

The effective date is as set forth on page one (1) of this Agreement. Performance under this Agreement shall commence following the effective date and shall terminate upon the earliest of:

A. The completion of the Project as determined by the TOWN;
B. The exhaustion of the Funds allocated to the TOWN for the Project;
C. The end of the fiscal year 2014/2015; or
D. The mutual agreement of the Parties.

III. RESPONSIBILITIES OF PARTIES

A. The TOWN shall:

1. Be solely responsible for the design, engineering, bidding, right-of-way acquisition, supervision, construction, inspection, administration. and project management of the Project and for contracting directly for all Project work.
2. If plans are used to bid, provide the DISTRICT a copy of the final Project plans.
3. Use the Funds for the Project in fiscal year 2014/2015.
4. Use the Funds exclusively for costs associated with the Project described above.
5. When requesting Funds from the DISTRICT, provide detailed invoices with supporting documentation for the request(s).
6. Request Funds from the DISTRICT on or before July 31, 2015 (for work completed in fiscal year 2014/2015).
7. Be responsible for the proper disbursement of the Funds provided by the DISTRICT.
8. Be responsible for maintaining the Project and the resulting improvements.

B. The DISTRICT shall:

1. Make Funds available to the TOWN for the Project as approved by the Board of Directors.
2. Provide funding as available and appropriate upon proper request(s) by the TOWN.
3. Pay properly invoiced requests monthly or on an alternate schedule as agreed to by the TOWN and DISTRICT.
4. Pay properly invoiced requests for work completed by the TOWN in fiscal year 2014/2015 so long as TOWN's requests are received by the DISTRICT on or before July 31, 2015.

C. The DISTRICT and TOWN mutually agree:

1. That they recognize the Funds to be used by Parties pursuant to this Agreement are tax funds. The agreements herein for funding are based upon projected tax funds to be received. In the event the projected income is not received, there is the possibility that some or all of the Funds anticipated by this Agreement and set forth herein will not be available. All monetary obligations under this agreement shall be subject to annual budget approval of the respective governing bodies of the parties. A failure of either party's governing body to approve funding for payment of any obligation hereunder shall constitute grounds for termination of this agreement.

2. The Project is the sole responsibility of the TOWN, and not of the DISTRICT or the County. All real property upon with the Project work will occur is within the TOWN limits and not owned or under the control of the DISTRICT or County.

VII. INDEMNIFICATION

The TOWN agrees to defend, indemnify, and hold harmless the DISTRICT, its Board of Directors, the County, its Board of Supervisors, officers, employees, agents, or other representatives from any and all claims for damages or otherwise arising under this Agreement and from any negligent acts of the Town, its officers, employees, agents, or other representatives. This Indemnification provision shall survive the termination of this Agreement.

VIII. OTHER PROVISIONS

A. NOTICE. All notices or demands upon any party to this Agreement shall be in writing and shall be delivered in person or sent by certified mail, return receipt requested, addressed as follows:

TOWN OF CAMP VERDE
Mayor
473 South Main Street
Camp Verde, AZ 86322

DISTRICT
Yavapai County Flood Control District Director
1120 Commerce Drive
Prescott, AZ 86305

B. ENTIRE AGREEMENT. This Agreement represents the entire understanding between the parties with respect to the subject matters herein, and may be amended, modified, or waived only by written instrument signed by both Parties.

C. CONFLICT OF INTEREST. This contract is subject to the cancellation provisions of A.R.S. §38-511.

D. SEVERABILITY. In case one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained therein.

E. NON-DISCRIMINATION. The Parties shall comply with Executive Order 2009-09, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules and regulations, including the Americans with Disabilities Act. The Parties shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

F. EMPLOYMENT VERIFICATION. The Parties are required to comply with A.R.S. §41-4401, and hereby warrants that they will, at all times during the term of this Agreement, comply with all federal immigration laws applicable to the employment of their respective employees, the requirements of A.R.S. §41-4401, and with the e-verification requirements of A.R.S. §23-214(A) (together the "state and federal immigration laws"). The Parties further agree to ensure that each subcontractor that performs any work under this Agreement likewise complies with the state and federal immigration laws. A breach of a warranty regarding compliance with the state and federal immigration laws shall be

deemed a material breach of the Agreement and the party who breaches may be subject to penalties up to and including termination of the Agreement. The Parties retain the legal right to inspect the papers of any contractor or subcontract employee working under the terms of the Agreement to ensure that the other party is complying with the warranties regarding compliance with the state and federal immigration laws.

G. LAWS. The Parties shall each be fully responsible for compliance with all statutes ordinances, codes, regulations, rules, court decrees, or other laws (hereinafter "Laws") applicable to it as part of fully performing the Project with regards to their respective roles. This Agreement shall not relieve either Party of any obligation or responsibility imposed upon it by Laws.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year specified below.

YAVAPAI COUNTY
FLOOD CONTROL DISTRICT

Rowle Simmons, Chairman Date
Board of Directors
Yavapai County Flood Control District

ATTEST:

Ana Wayman-Trujillo Date
Clerk of the Board of Directors

TOWN OF CAMP VERDE

Charles German, Mayor Date
Town of Camp Verde

Date
Camp Verde Town Clerk

DETERMINATIONS OF COUNSEL

FOR THE
INTERGOVERNMENTAL AGREEMENT

BETWEEN
THE YAVAPAI COUNTY FLOOD CONTROL DISTRICT
AND THE TOWN OF CAMP VERDE

FOR THE FISCAL YEAR 2014/2015 FINANCIAL CONTRIBUTION
FROM THE DISTRICT TO THE TOWN FOR FLOOD CONTROL IMPROVEMENT

Pursuant to A.R.S. §11-952, as amended, the foregoing Agreement has been submitted to the undersigned Attorney, Town of Camp Verde. The undersigned has determined that this Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona and the Town of Camp Verde.

8-18-17

Attorney
Town of Camp Verde

Date

Pursuant to A.R.S. §11-952, as amended, the foregoing Agreement has been submitted to the undersigned Attorney for the Yavapai County Flood Control District, Prescott, Arizona. The undersigned has determined that this Agreement is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the Yavapai County Flood Control District.

Deputy County Attorney
Flood Control District

Date

4.8
4.9

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: September 17, 2014

☒ *Consent Agenda* ☐ *Decision Agenda* ☐ *Executive Session Requested*

☐ *Presentation Only* ☐ *Action/Presentation* ☐ *Special Session*

Requesting Department: Public Works

Staff Resource/Contact Person: Ron Long

Agenda Title (be exact): **Possible approval of and authorization given to the Mayor to sign on behalf of the Town, two Permanent Access and Drainage Easements; for the acquisition of permanent drainage easements on parcels 404-12-051A and 404-16-213. As well as authorization to execute future Permanent Access and Drainage Easements obtained by staff in the 14/15 budget year.**

List Attached Documents: **Permanent Access and Drainage Easement: Parcel 404-12-051A (6 pages), Parcel 404-16-213 (6 pages)**

Estimated Presentation Time: N/A

Estimated Discussion Time:

Reviews Completed by:

☒ ***Department Head: Ron Long***

☒ ***Town Attorney Comments:*** Reviewed – Edits are included in the document titled "Permanent Access and Drainage Easement"

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

Finance Director Comments/Fund: N/A

Fiscal Impact: This is a budgeted expense

Budget Code: **01-410-20-710000** ***Amount Remaining:*** **$3,000**

Comments:

Background Information: Prior to the design, engineering and construction of a comprehensive drainage plan, essential easement locations must first be identified. Because stormwater drainage was not planned for in many developed areas of town, Staff has been working to obtain a right- of- use access across private property. Once sufficient easements are be identified and possibly granted by private parties, the basic infrastructure can then be assessed.

To be clear, funding is not approved that will allow staff to begin the comprehensive plan and tangible design, construction and maintenance plans that are necessary to provide stormwater protection. However, obtaining

easements is the critical first step. Staff is hopeful that having permanent easements recorded will allow for quick action once a Stormwater Division is fully funded.

These are the first of many required Pe*rmanent Access and Drainage Easements*. Based on the 14/15 Fiscal Year funding approved for Stormwater, staff estimates that six to eight more permanent easements may be obtained. With the authorization to execute three Easements we also request that singing authorization be granted for future Permanent Access and Drainage Easements obtained in F/Y 14/15.

Recommended Action (Motion): **Move for the approval of and authorization given to the Mayor to sign on behalf of the Town, two Permanent Access and Drainage Easements on parcels 404-12-051A and 404-16-213. As well as authorization to execute future Permanent Access and Drainage Easements obtained by staff in the 14/15 budget year.**

Instructions to the Clerk: Obtain and notarize the Mayor's signature, return all original documents to Public Works for recordation

When Recorded Return to:

Town Clerk
Town of Camp Verde
473 S Main St.
Camp Verde, AZ 86322

EXEMPT UNDER A.R.S. § 11-1134(A)(2)

NONEXCLUSIVE PERMANENT ACCESS AND DRAINAGE EASEMENT

GRANTOR:

JAMES D AKA J D LAWSON and SANDIE R LAWSON
CO-TRUSTEES OF THE
LAWSON FAMILY LIVING TRUST
ATTN: J D & SANDIE R LAWSON
3400 S STILLWATER DR
CAMP VERDE, AZ 86322

GRANTEE:

TOWN OF CAMP VERDE,
Arizona Municipal Corporation

In consideration of the benefits derived from improved stormwater drainage, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, **JAMES D AKA J D LAWSON and SANDIE R, CO-TRUSTEES OF THE LAWSON FAMILY LIVING TRUST, ATTN: J D & SANDIE R LAWSON**, property located at 3400 S STILLWATER DR , CAMP VERDE, ARIZONA , PARCEL 404-12-051A (GRANTOR) does hereby grant and convey to the TOWN OF CAMP VERDE, ARIZONA, an Arizona municipal corporation ("GRANTEE") and all future successors and assigns, a Nonexclusive Permanent Access and Drainage Easement (Easement) through over, under, upon, in, across, and along that certain real property situated in Yavapai County, Arizona, and more particularly described in "Exhibit A" and as shown in survey map "Exhibit B" attached hereto (Easement Area) for the purpose of installing, operating, inspecting, maintaining, repairing, replacing and/or removing drainage improvements. GRANTEE and all future Successors and Assigns shall have all rights and privileges granted herein for the purposes described herein, GRANTEE and all future Successors and Assigns shall be responsible for complying with all federal, state and local laws, regulations

and ordinances, including, but not limited to air quality, track-out, waste-fill hauling and all other applicable laws regulations and ordinances in connection with their use of the Easement Area. "GRANTEE" means the Town of CAMP VERDE, an Arizona municipal corporation, which includes its officials, directors, managers, employees, contractors, subcontractors, agents and representatives that succeed to or are assigned an interest in all or part of the Easement Area.

This Easement is nonexclusive, and GRANTOR reserves for itself and all future, Successors and Assigns all such rights and privileges in the Easement Area for any purposes not inconsistent with this Easement so long as the exercise of such rights and privileges does not interfere with or abridge the rights and privileges granted herein to GRANTEE and all future Successors and Assigns. GRANTOR and its future Successors and Assigns shall have no responsibility or liability for the installation, maintenance, replacement, and/or repair of road improvements and/or drainage improvements constructed by GRANTEE or any future Successor and Assign of GRANTEE.

To the extent permitted by law, GRANTEE shall indemnify, defend and hold GRANTOR harmless for and against any and all liability, damage, loss, cost, injury or expense (including reasonable attorney's fees and costs) incurred and sustained by GRANTOR arising out of or in any way related to use and enjoyment by GRANTEE (including officials, directors, managers, agents, employees, contractors, subcontractors, representatives and invitees of GRANTEE) of the Easement Area for the purpose granted hereunder, except to the extent caused by negligence or willful misconduct of GRANTOR(including agents, employees, contractors and invitees of GRANTOR). The indemnification obligations under this paragraph shall survive any termination of this Easement.

GRANTEE shall not permit any mechanics' or material men's lien rising from GRANTEE'S use and enjoyment of the Easement Area and the Easement for the purposes described herein to be filed against GRANTOR's interests and rights in the Easement Area.

This Easement constitutes a covenant running with the land and the benefits and burdens herein shall run with the land and area binding upon and inure to all future Successors and Assigns. All interests and rights in this Easement can be assigned for the purposes provided for herein.

GRANTOR, and all future Successors and Assigns of GRANTOR hereby waive and release GRANTEE and all future Successors and Assigns of GRANTEE from any and all liability for damage to GRANTOR's property adjacent to the Easement Area that results from the exercise of any of the rights and privileges granted under this Easement provided such property is promptly restored to as close to original condition, as reasonably possible, as existed prior to construction and/or installation of improvements on the Easement Area.

In the event any party brings suit to enforce any of the terms, covenants and conditions of the Easement, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs of suit.

IN WITNESS WHEREOF, this Nonexclusive Permanent Access and Drainage Easement Agreement is executed as of the dates set forth below.

GRANTOR:

JAMES D AKA J D LAWSON and SANDIE R LAWSON
CO-TRUSTEES OF THE
LAWSON FAMILY LIVING TRUST
ATTN: J D & SANDIE R LAWSON
3400 S STILLWATER DR
CAMP VERDE, AZ 86322

BY: J. D. Lawson
Name: JAMES D AKA J D LAWSON CO-TRUSTEE

BY: _____
Name: SANDIE R LAWSON CO-TRUSTEE

STATE OF ARIZONA)
)ss.
COUNTY OF YAVAPAI)

The foregoing instrument was acknowledged and executed before me this 12th day of August, 2014, by

Notary Seal:

BARBARA BRIDGE
Notary Public - Arizona
Yavapai County
My Comm. Expires Nov 6, 2017

Barbara Bridge
Notary Public

My Commission Expires: 11-06-2017

ACCEPTED by the Town of CAMP VERDE, Arizona, an Arizona municipal corporation, this _____ day of _____, 2014.

By:_____
Name: Charles German
Title: Mayor

STATE OF ARIZONA)
)ss.
COUNTY OF YAVAPAI)

On this _____ day of _____, 2013 before me personally appeared Charles German, as the Mayor of the Town of CAMP VERDE, Arizona, an Arizona Municipal Corporation whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document, and who acknowledged that she signed this document.

Notary Seal:

_____
Notary Public

My Commission Expires: _____

HAMMES SURVEYING LLC
2100 VIA SILVERADO
CAMP VERDE, AZ. 86322

Description for a drainage easement over a portion of Lot 21 Clear Creek West, being a subdivision of a portion of Section 13, T 13N, R 5E, G.& S.R.M., Yavapai County, Arizona, as recorded in Book 14 of Maps, Page 25 of the Yavapai County records, said easement being more particularly described as follows;

Beginning at the most Northwesterly corner of said Lot 21;

thence South 47 degrees 02 minutes 12 seconds East (R&C), a distance of 34.67 ft. (M) along the North line of said Lot 21 to a point;

thence South 36 degrees 01 minutes 44 minutes West, a distance of 101.21 ft. to the Northerly right-of-way line of South Stillwater Dr, being a point on a curve to the left, having a radius of 40.00 ft. (R), a long chord bearing of North 66 degrees 47 minutes 28 seconds West and a chord distance of 4.28 ft.:

thence along said Northerly right-of-way line of South Stillwater Dr. and curve to the left, a distance of 4.28 ft. to the most Southwesterly corner of said Lot 21;

thence North 20 degrees 09 minutes 02 seconds East (R), distance of 110.56 ft. (R) along the West line of said Lot 21 to the place of beginning.

Basis of bearings for this description is North 02 degrees 52 minutes 58 seconds E(R&M), a distance of 80.00 ft. (R&M), from the Southwest corner of Lot 24, Clear Creek West, being a found 5/8" rebar with plastic cap stamped "L.S. 26925", thence along the West line of said Lot 24 to the Northwest corner of said Lot 24, being a found ½' rebar.

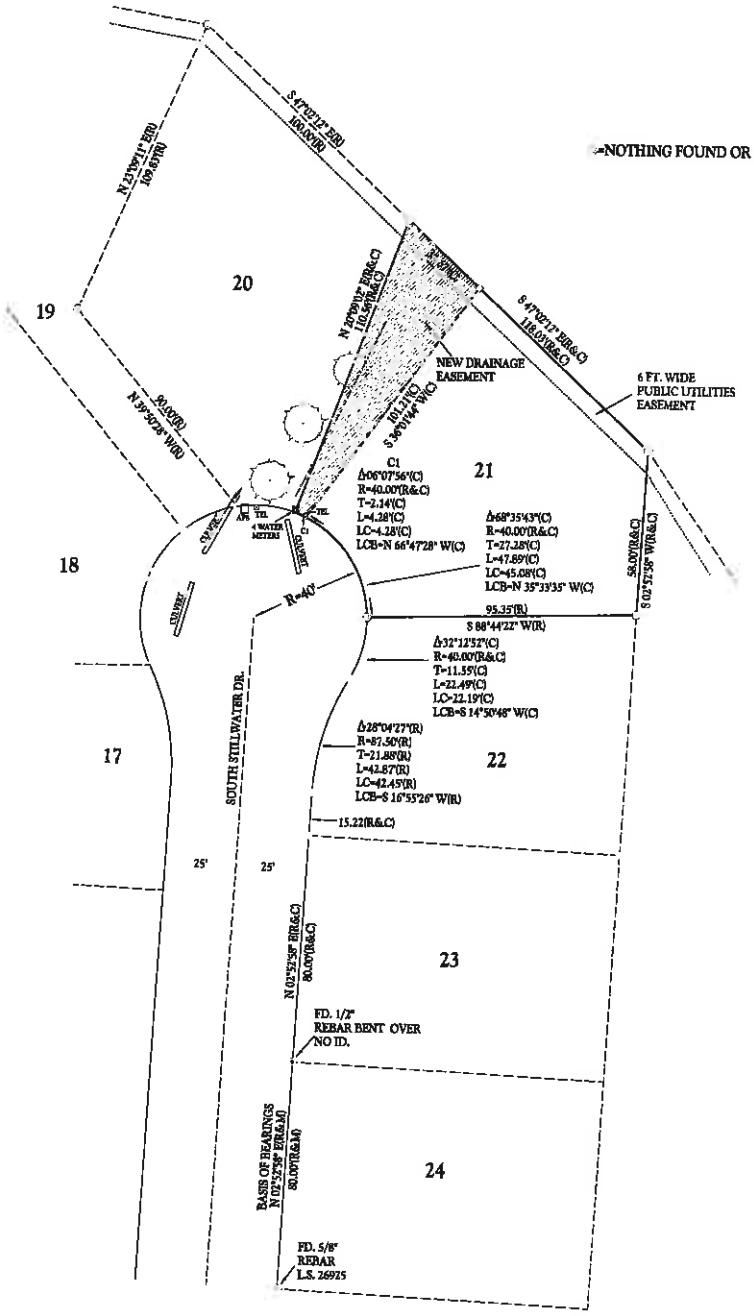
(R)= Book 14, of Maps, Page 24 (M)= Measured (C)= Calculated

6/30/2014
EXPIRES 06/30/2016

DRAINAGE EASEMENT
LOT 21 CLEAR CREEK WEST

A SUBDIVISION OF A PORTION OF SECTION 13, T 13N, R 5E, G&SRB&M, YAVAPAI COUNTY, ARIZONA AS RECORDED IN BK. 14 MAPS AND PLATS PG. 15 Y.C.R.

SCALE: 1"=30'
DATE: 06/30/2014
(R)=RECORD
(M)=MEASURED
(C)= CALCULATED



ONLY THOSE EASEMENTS SHOWN ON THE RECORDED PLAT ARE SHOWN HERE, ANY OTHERS SHOULD BE DETERMINED BY A TITLE SEARCH.

THIS PLAT IS SUBJECT TO ALL CONDITIONS, RESERVATIONS, AND OTHER ITEMS OF PUBLIC RECORD ON THIS 30th DAY OF JUNE, 2014.

THIS PLAT DOES NOT PURPORT TO VERIFY THE OWNERSHIP OF ANY PROPERTY SHOWN OR INVOLVED IN THIS SURVEY. ANY EASEMENTS OR OTHER INCUMBRANCES SHOULD BE DETERMINED BY A TITLE SEARCH.

SURVEYOR'S CERTIFICATE:

THIS RESULTS OF SURVEY MAP AND THE FIELD SURVEY ON WHICH IT IS BASED WERE CONDUCTED DURING THE MONTH OF JUNE, 2014, UNDER MY DIRECT SUPERVISION IN ACCORDANCE WITH THE STANDARDS GOVERNING THE CREATION OF LAND SURVEY BOUNDARIES WITHIN THE STATE OF ARIZONA AND IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
29263
TIMOTHY L. HAMMES
ARIZONA U.S.A.

06/30/2014
EXPIRES 06/30/2016

THIS MAP WAS PREPARED FOR A SPECIFIC PURPOSE PURSUANT TO AN AGREEMENT WITH THE CLIENT. ONLY THOSE EASEMENTS INDICATED ON THE ORIGINAL RECORDED SUBDIVISION PLAT ARE INDICATED ON THIS PLAT. NO ATTEMPT WAS MADE BY THIS SURVEYOR OR HAMMES SURVEYING LLC. TO DETERMINE IF ANY ADDITIONAL EASEMENTS OR ENCUMBRANCES EXIST. THEREFORE, A TITLE SEARCH WOULD BE NECESSARY TO DETERMINE IF ADDITIONAL EASEMENTS AND ENCUMBRANCES, IF ANY, MAY AFFECT THE SUBJECT PROPERTY. THIS SURVEYOR AND HAMMES SURVEYING LLC WILL NOT ACCEPT ANY LIABILITY FOR LOSS OR DAMAGES DUE TO ANY EASEMENTS, ENCUMBRANCES, SUBSURFACE CONDITIONS, STRUCTURES AND OR UTILITIES NOT INDICATED ON THIS PLAT.

SURVEYOR'S NOTES:

1. THE WORD CERTIFY AS SHOWN OR USED HEREON MEANS AN EXPRESSION OR PROFESSIONAL OPINION REGARDING THE FACTS OF THIS SURVEY AND DOES NOT CONSTITUTE A WARRANTY OR GUARANTEE, EXPRESSED OR IMPLIED.

2. THE INTENT OF THIS PLAT IS TO CREAT A DRAINAGE EASEMEMENT FOR REFERENCED PROPERTY.

3. DECLARATION IS MADE TO THE ORIGINAL PURCHASER OF THIS SURVEY. IT IS NOT TRANSFERABLE TO ADDITIONAL INSTITUTIONS OR SUBSEQUENT OWNERS.

HAMMES SURVEYING LLC
2100 VIA SILVERADO
CAMP VERDE, AZ. 86322
(928) 282- 5686 (928) 567-2833

When Recorded Return to:

Town Clerk
Town of Camp Verde
473 S Main St.
Camp Verde, AZ 86322

EXEMPT UNDER A.R.S. § 11-1134(A)(2)

NONEXCLUSIVE PERMANENT ACCESS AND DRAINAGE EASEMENT

GRANTOR:

NELLIE MONROE
PO BOX 4182
3512 E CLINTON LN
CAMP VERDE, AZ 86322

GRANTEE:

TOWN OF CAMP VERDE,
Arizona Municipal Corporation

In consideration of the benefits derived from improved stormwater drainage, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, **NELLIE MONROE**, property located at 3512 E CLINTON LN , CAMP VERDE, ARIZONA , PARCEL 404-16-213 (GRANTOR) does hereby grant and convey to the TOWN OF CAMP VERDE, ARIZONA, an Arizona municipal corporation ("GRANTEE") and all future successors and assigns, a Nonexclusive Permanent Access and Drainage Easement (Easement) through over, under, upon, in, across, and along that certain real property situated in Yavapai County, Arizona, and more particularly described in "Exhibit A" and as shown in survey map "Exhibit B" attached hereto (Easement Area) for the purpose of installing, operating, inspecting, maintaining, repairing, replacing and/or removing drainage improvements. GRANTEE and all future Successors and Assigns shall have all rights and privileges granted herein for the purposes described herein, GRANTEE and all future Successors and Assigns shall be responsible for complying with all federal, state and local laws, regulations and ordinances, including, but not limited to air quality, track-out, waste-fill hauling and all other applicable laws regulations and ordinances in connection with their use of the Easement Area. "GRANTEE" means the Town of CAMP VERDE, an Arizona municipal corporation, which includes its officials, directors,

managers, employees, contractors, subcontractors, agents and representatives that succeed to or are assigned an interest in all or part of the Easement Area.

This Easement is nonexclusive, and GRANTOR reserves for itself and all future, Successors and Assigns all such rights and privileges in the Easement Area for any purposes not inconsistent with this Easement so long as the exercise of such rights and privileges does not interfere with or abridge the rights and privileges granted herein to GRANTEE and all future Successors and Assigns. GRANTOR and its future Successors and Assigns shall have no responsibility or liability for the installation, maintenance, replacement, and/or repair of road improvements and/or drainage improvements constructed by GRANTEE or any future Successor and Assign of GRANTEE.

To the extent permitted by law, GRANTEE shall indemnify, defend and hold GRANTOR harmless for and against any and all liability, damage, loss, cost, injury or expense (including reasonable attorney's fees and costs) incurred and sustained by GRANTOR arising out of or in any way related to use and enjoyment by GRANTEE (including officials, directors, managers, agents, employees, contractors, subcontractors, representatives and invitees of GRANTEE) of the Easement Area for the purpose granted hereunder, except to the extent caused by negligence or willful misconduct of GRANTOR(including agents, employees, contractors and invitees of GRANTOR). The indemnification obligations under this paragraph shall survive any termination of this Easement.

GRANTEE shall not permit any mechanics' or material men's lien rising from GRANTEE'S use and enjoyment of the Easement Area and the Easement for the purposes described herein to be filed against GRANTOR's interests and rights in the Easement Area.

This Easement constitutes a covenant running with the land and the benefits and burdens herein shall run with the land and area binding upon and inure to all future Successors and Assigns. All interests and rights in this Easement can be assigned for the purposes provided for herein.

GRANTOR, and all future Successors and Assigns of GRANTOR hereby waive and release GRANTEE and all future Successors and Assigns of GRANTEE from any and all liability for damage to GRANTOR's property adjacent to the Easement Area that results from the exercise of any of the rights and privileges granted under this Easement provided such property is promptly restored to as close to original condition, as reasonably possible, as existed prior to construction and/or installation of improvements on the Easement Area.

In the event any party brings suit to enforce any of the terms, covenants and conditions of the Easement, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs of suit.

IN WITNESS WHEREOF, this Nonexclusive Permanent Access and Drainage Easement Agreement is executed as of the dates set forth below.

GRANTOR:

NELLIE MONROE
PO BOX 4182
3512 E CLINTON LN
CAMP VERDE, AZ 86322

BY: Nellie Monroe
Name: NELLIE MONROE

STATE OF ARIZONA)
)ss.
COUNTY OF YAVAPAI)

The foregoing instrument was acknowledged and executed before me this 10 day of September, 2014, by

Notary Seal:

Deborah A. Barber
Notary Public

My Commission Expires: Sept 13, 2017

DEBORAH A. BARBER
Notary Public - Arizona
Yavapai County
My Comm. Expires Sep 13, 2017

ACCEPTED by the Town of CAMP VERDE, Arizona, an Arizona municipal corporation, this _____ day of _____, 2014.

By:_____
Name: Charles German
Title: Mayor

STATE OF ARIZONA)
)ss.
COUNTY OF YAVAPAI)

On this _____ day of _____, 2014 before me personally appeared Charles German, as the Mayor of the Town of CAMP VERDE, Arizona, an Arizona Municipal Corporation whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document, and who acknowledged that she signed this document.

Notary Seal:

_____
Notary Public

My Commission Expires: _____

(NELLIE MONROE Drainage Easement)

ACCEPTED by the Town of CAMP VERDE, Arizona, an Arizona municipal corporation, this _____ day of _____, 2014.

By:_____
Name: Charles German
Title: Mayor

STATE OF ARIZONA)
)ss.
COUNTY OF YAVAPAI)

On this _____ day of _____, 2014 before me personally appeared Charles German, as the Mayor of the Town of CAMP VERDE, Arizona, an Arizona Municipal Corporation whose identity was proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to this document, and who acknowledged that she signed this document.

Notary Seal:

_____
Notary Public

My Commission Expires: _____

HAMMES SURVEYING LLC
2100 VIA SILVERADO
CAMP VERDE, ARIZONA 86322
(928)-567-2833 (928) 282-5686

Drainage Easement for Lot 928 Verde Lakes Unit III

Description for a Drainage Easement over, under and through a portion of Lot 928, Verde Lakes Unit III, being a subdivision of a portion of Section 14, Township 13 North, Range 5 East, G. & S. R. M., Yavapai County Arizona, said easement being more particularly described as follows:

Beginning at the Southeast corner of said Lot 928, being a found ½ inch rebar with no identification, from which the Northeast corner of Lot 932 of Verde Lakes Unit III, being a found ½ inch rebar with plastic cap stamped "L.S. 26925", bears South 76 degrees 36 minutes 26 seconds East (M and basis of bearings for this description), a distance of 223.52 ft. (M);

thence North 89 degrees 31 minutes 38 seconds West (C), North 89 degrees 29 minutes 32 seconds West (R), a distance of 16.00 ft. along the South line of said Lot 928 to a point;

thence North 00 degrees 30 minutes 28 seconds East, a distance of 141.39 ft. to a point on the North line of said Lot 928;

thence North 72 degrees 15 minutes 25 seconds East (C1), North 72 degrees 31 minutes 31 seconds East (R1), a distance of 16.85 ft. along said North line of Lot 928 to the Northeast corner of said Lot 928;

thence South 00 degrees 30 minutes 28 seconds West (R&C), a distance of 146.65 ft. (C), 146.79 ft. (R1) along said East line of Lot 928 to the place of beginning.

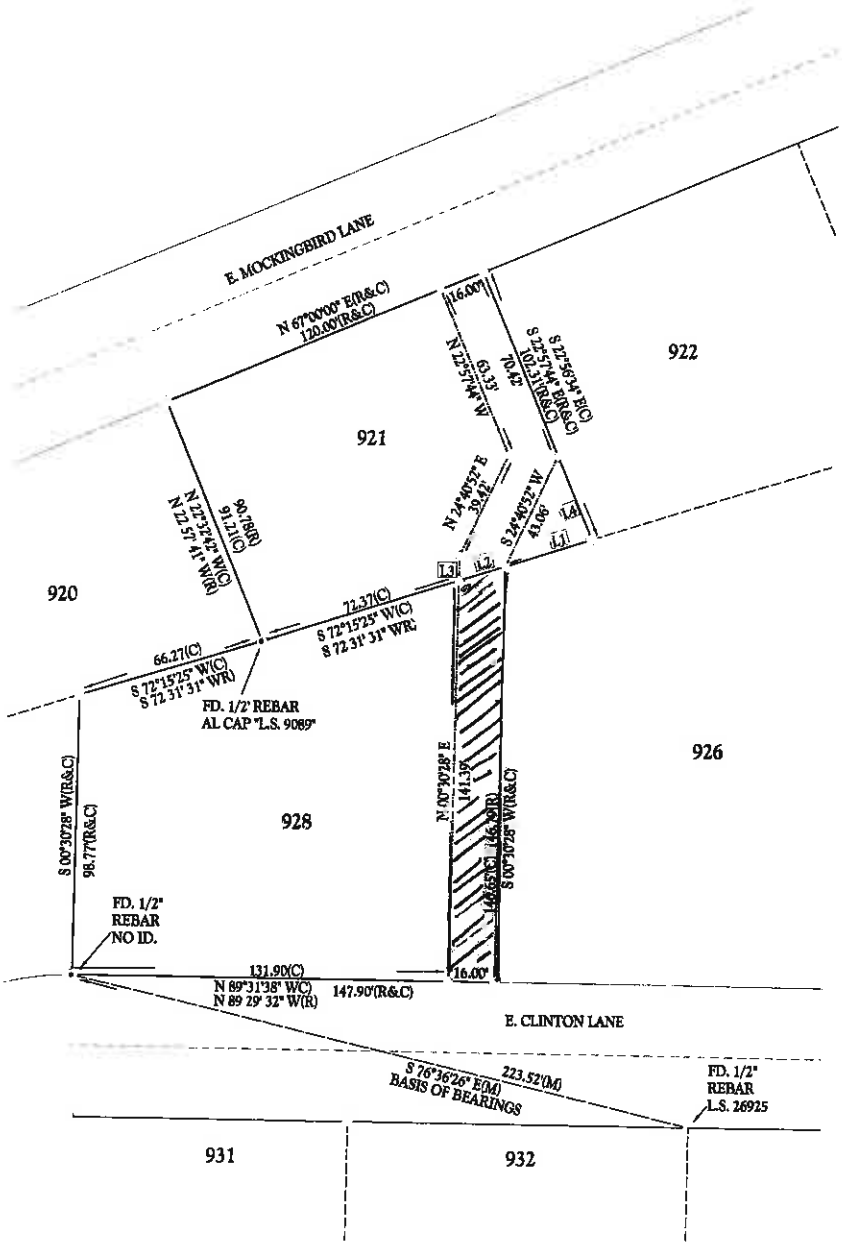
(R)= Record, Book 14 of Maps, Pg. 83. (C)= Calculated (M)= Measured

05/24/2014
EXPIRES 06/30/2016

PLOT OF DRAINAGE EASEMENT
FOR LOTS 921 & 928 VERDE LAKES UNIT III

A SUBDIVISION OF A PORTION SECTION 14, T 13N, R 5E,
G. & S.R.M., YAVAPAI COUNTY, ARIZONA AS RECORDED IN
BOOK 14 OF MAPS, PAGE 83 OF THE YAVAPAI COUNTY RECORDS

SCALE: 1"=30'
DATE: 05/24/2014
(R)=RECORD
(M)=MEASURED



EASEMENT LINE TABLE

Id	Bearing	Distance
L1	S 72°15'25" W	31.95'
L2	S 72°15'25" W	16.85'
L3	N 00°30'28" E	8.70'
L4	S 21°00'08" E	31.89'

THIS PLAT IS SUBJECT TO ALL CONDITIONS, RESERVATIONS, AND OTHER ITEMS OF PUBLIC RECORD ON THIS 24th DAY OF MAY, 2014.

THIS PLAT DOES NOT PURPORT TO VERIFY THE OWNERSHIP OF ANY PROPERTY SHOWN OR INVOLVED IN THIS SURVEY. ANY EASEMENTS OR OTHER INCUMBRANCES SHOULD BE DETERMINED BY A TITLE SEARCH.

THIS MAP WAS PREPARED FOR A SPECIFIC PURPOSE PURSUANT TO AN AGREEMENT WITH THE CLIENT. ONLY THOSE EASEMENTS INDICATED ON THE ORIGINAL RECORDED SUBDIVISION PLAT ARE INDICATED ON THIS PLAT. NO ATTEMPT WAS MADE BY THIS SURVEYOR OR HAMMES SURVEYING LLC. TO DETERMINE IF ANY ADDITIONAL EASEMENTS OR ENCUMBRANCES EXIST. THEREFORE, A TITLE SEARCH WOULD BE NECESSARY TO DETERMINE IF ADDITIONAL EASEMENTS AND ENCUMBRANCES, IF ANY, MAY AFFECT THE SUBJECT PROPERTY. THIS SURVEYOR AND HAMMES SURVEYING LLC WILL NOT ACCEPT ANY LIABILITY FOR LOSS OR DAMAGES DUE TO ANY EASEMENTS, ENCUMBRANCES, SUBSURFACE CONDITIONS, STRUCTURES AND OR UTILITIES NOT INDICATED ON THIS PLAT.

NOTE: THIS PLAT IS NOT INTENDED TO BE A BOUNDARY SURVEY. IT IS ONLY TO SHOW THE LOCATION OF A PROPOPSED DRAINAGE EASEMENT OVER, ACROSS AND THROUGH LOTS 921 & 928 OF VERDE LAKES UNIT III. BEARINGS OR DISTANCES SHOWN ARE EITHER MEASURED, ONLY FOR A BASIS OF BEARINGS, OR AS SHOWN ON THE RECORDED PLAT OF THE SUBDIVISION.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
29269
TIMOTHY L.
HAMMES
ARIZONA U.S.A.

05/24/2014
EXPIRES 06/30/2016

HAMMES SURVEYING LLC
2100 VIA SILVERADO
CAMP VERDE, AZ. 86322
(928) 282- 5686 (928) 567-2833

4. h

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: September 17, 2014

☒ Consent Agenda ☐ Decision Agenda ☐ Executive Session Requested

☐ Presentation Only ☐ Action/Presentation ☐ Special Session

Requesting Department: Library

Staff Resource/Contact Person: Kathy Hellman, Library Director

Agenda Title (exact): Proposal to open Library for Teens Only on Saturdays from 5:30 pm – 10:00 pm

List Attached Documents: N/A

Estimated Presentation Time: N/A

Estimated Discussion Time: N/A

Reviews Completed by:

☒ **Department Head: Kathy Hellman** ☐ **Town Attorney Comments**: N/A

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

Finance Director Comments/Fund:

Fiscal Impact:

Budget Code: _____ **Amount Remaining:** _____

Comments:

Background Information:

After discussion with Youth Services Librarian, Dianna Manasse and the Teen Advisory Board members, we would like to explore library hours that serve Camp Verde teens ages 12 through 17. Teens are interested in programs that advance their skills and opportunities. They enjoy socializing and special programing designed to meet their unique needs. TAB teens give a lot of their time toward interacting with younger children, toward helping the YS Librarian and toward participation in Town events. Camp Verde Community Library does not have any extra space to provide for teens, but we can offer them time by setting aside a weekly Teens Only night starting Saturday, September 27, 2014.

Recommended Action (Motion): Direct library staff to begin opening for Teens Only on Saturdays from 5:30 pm to 10:00 pm.

Instructions to the Clerk: None

7

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: September 17, 2014

☐ *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: Discussion, consideration and possible approval of a class 12 Micro-Brewery and Restaurant Liquor License Application for Verde Brewing Company, LLC located at 325 S. Main Street, Camp Verde.

List Attached Documents: – Liquor License Application

Estimated Presentation Time: 5

Estimated Discussion Time: 10

Reviews Completed by: N/A

☒ ***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: Staff received the Liquor License Application on 07-21-2014 and received required payment on 8-25-2014 and posted the application for the required 20 days as required by law.

Recommended Action (Motion): Approve a class 12 Micro-Brewery and Restaurant Liquor License Application for Verde Brewing Company, LLC located at 325 S. Main Street, Camp Verde, submitted by Alex Goetting.

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

Arizona Department of Liquor Licenses and Control
800 West Washington, 5th Floor
Phoenix, Arizona 85007
www.azliquor.gov
602-542-5141

APPLICATION FOR LIQUOR LICENSE

TYPE OR PRINT WITH BLACK INK

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training course or provide proof of attendance within the last five years. See page 5 of the Liquor Licensing requirements.

SECTION 1 This application is for a:

- ☒ MORE THAN ONE LICENSE
- ☐ INTERIM PERMIT ***Complete Section 5***
- ☒ NEW LICENSE ***Complete Sections 2, 3, 4, 13, 14, 15, 16***
- ☐ PERSON TRANSFER (Bars & Liquor Stores ONLY) ***Complete Sections 2, 3, 4, 11, 13, 15, 16***
- ☐ LOCATION TRANSFER (Bars and Liquor Stores ONLY) ***Complete Sections 2, 3, 4, 12, 13, 15, 16***
- ☐ PROBATE/WILL ASSIGNMENT/DIVORCE DECREE ***Complete Sections 2, 3, 4, 9, 13, 16*** (fee not required)
- ☐ GOVERNMENT ***Complete Sections 2, 3, 4, 10, 13, 15, 16***

SECTION 2 Type of ownership:

- ☐ J.T.W.R.O.S. ***Complete Section 6***
- ☐ INDIVIDUAL ***Complete Section 6***
- ☐ PARTNERSHIP ***Complete Section 6***
- ☐ CORPORATION ***Complete Section 7***
- ☒ LIMITED LIABILITY CO. ***Complete Section 7***
- ☐ CLUB ***Complete Section 8***
- ☐ GOVERNMENT ***Complete Section 10***
- ☐ TRUST ***Complete Section 6***
- ☐ OTHER (Explain) _____

SECTION 3 Type of license and fees LICENSE #(s): 3 and 12 12-133593

1. Type of License(s): Micro-Brewery and Restaurant

2. Total fees attached: $ 150 (Department Use Only)

APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.

The fees allowed under A.R.S. 44-6852 will be charged for all dishonored checks.

SECTION 4 Applicant

1. Owner/Agent's Name: ☒ Mr. ☐ Ms. Goetting (Last) Alexander (First) Joseph (Middle)
(Insert one name ONLY to appear on license)

2. Corp./Partnership/L.L.C.: Verde Brewing Company, LLC
(Exactly as it appears on Articles of Inc. or Articles of Org.)

3. Business Name: Verde Brewing Company
(Exactly as it appears on the exterior of premises)

4. Principal Street Location 325 S. Main Street (Do not use PO Box Number) Camp Verde (City) Yavapai (County) 86322 (Zip)

5. Business Phone: 928-567-7033 Daytime Phone: 703-969-5047 Email: Alex@spurHQ.com

6. Is the business located within the incorporated limits of the above city or town? ☐YES ☐NO

7. Mailing Address: 2530 S. Anapaya Lane, Camp Verde (City) Arizona (State) 86322 (Zip)

8. Price paid for license only bar, beer and wine, or liquor store: Type _____ $_____ Type _____ $_____

DEPARTMENT USE ONLY

Fees: 100 (Application) _____ (Interim Permit) 50 (Site Inspection) ✓ (Finger Prints) $ 150 TOTAL OF ALL FEES

Is Arizona Statement of Citizenship & Alien Status For State Benefits complete? ☒ YES ☐ NO

Accepted by: AC Date: 7/16/2014 Lic. # 12133593

1/7/2013 ***Disabled individuals requiring special accommodation, please call (602) 542-9027.**

SECTION 5 Interim Permit:

1. If you intend to operate business when your application is pending you will need an Interim Permit pursuant to A.R.S. 4-203.01.
2. There **MUST** be a valid license of the same type you are applying for currently issued to the location.
3. Enter the license number currently at the location._____
4. Is the license currently in use? ☐ YES ☐ NO If no, how long has it been out of use?_____

ATTACH THE LICENSE CURRENTLY ISSUED AT THE LOCATION TO THIS APPLICATION.

I, _____, declare that I am the CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER,
(Print full name)
MEMBER, STOCKHOLDER, OR LICENSEE (circle the title which applies) of the stated license and location.

X_____
(Signature)

My commission expires on: _____

State of _____ County of_____

The foregoing instrument was acknowledged before me this

_____day of _____, _____
Day Month Year

_____
(Signature of NOTARY PUBLIC)

'14 JUL 16 Liq. Lic. 041102

SECTION 6 Individual or Partnership Owners:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

1. Individual:

Last	First	Middle	% Owned	Mailing Address	City State Zip

Partnership Name: (Only the first partner listed will appear on license) _____

General-Limited	Last	First	Middle	% Owned	Mailing Address	City State Zip
☐ ☐						
☐ ☐						
☐ ☐						
☐ ☐						

) Y R A S S E C E N F I T

2. Is any person, other than the above, going to share in the profits/losses of the business? ☐ YES ☐ NO
If Yes, give name, current address and telephone number of the person(s). Use additional sheets if necessary.

Last	First	Middle	Mailing Address	City, State, Zip	Telephone#

SECTION 7 Corporation/Limited Liability Co.:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

'14 JUL 16 Liq. Lic. 011102

☐ CORPORATION ***Complete questions 1, 2, 3, 5, 6, 7, and 8.***

☒ L.L.C. ***Complete 1, 2, 4, 5, 6, 7, and 8.***

1. Name of Corporation/L.L.C.: Verde Brewing Company LLC
   (Exactly as it appears on Articles of Incorporation or Articles of Organization)
2. Date Incorporated/Organized: 3/14/13 State where Incorporated/Organized: Arizona
3. AZ Corporation Commission File No.: _____ Date authorized to do business in AZ: _____
4. AZ L.L.C. File No: L-18322018 Date authorized to do business in AZ: 4/1/13
5. Is Corp./L.L.C. Non-profit? ☐ YES ☐ NO
6. List all directors, officers and members in Corporation/L.L.C.:

Last	First	Middle	Title	Mailing Address	City State Zip
Goetting	Alexander	Joseph	Manager	2530 S. Anapaya Lane, Camp Verde, AZ 86322	
			Mem Mgr		

(ATTACH ADDITIONAL SHEET IF NECESSARY)

7. List stockholders who are controlling persons or who own 10% or more:

Last	First	Middle	% Owned	Mailing Address	City State Zip
Goetting	Alexander	Joseph	82%	2530 S. Anapaya Lane, Camp Verde, AZ, 86322	

(ATTACH ADDITIONAL SHEET IF NECESSARY)

8. If the corporation/L.L.C. is owned by another entity, attach a percentage of ownership chart, and a director/officer/member disclosure for the parent entity. Attach additional sheets as needed in order to disclose personal identities of all owners.

SECTION 8 Club Applicants:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

1. Name of Club: _____ Date Chartered: _____
   (Exactly as it appears on Club Charter or Bylaws) (Attach a copy of Club Charter or Bylaws)
2. Is club non-profit? ☐ YES ☐ NO
3. List officer and directors:

Last	First	Middle	Title	Mailing Address	City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

SECTION 9 **Probate, Will Assignment or Divorce Decree of an existing Bar or Liquor Store License:**

1. Current Licensee's Name: _____
(Exactly as it appears on license) Last First Middle

2. Assignee's Name: _____
Last First Middle

3. License Type: _____ License Number: _____ Date of Last Renewal: _____

4. ATTACH TO THIS APPLICATION A CERTIFIED COPY OF THE WILL, PROBATE DISTRIBUTION INSTRUMENT, OR DIVORCE DECREE THAT SPECIFICALLY DISTRIBUTES THE LIQUOR LICENSE TO THE ASSIGNEE TO THIS APPLICATION.

SECTION 10 **Government: (for cities, towns, or counties only)**

1. Governmental Entity: _____

2. Person/designee: _____ _____
Last First Middle Contact Phone Number

A SEPARATE LICENSE MUST BE OBTAINED FOR EACH PREMISES FROM WHICH SPIRITUOUS LIQUOR IS SERVED.

SECTION 11 **Person to Person Transfer:**

Questions to be completed by CURRENT LICENSEE (Bars and Liquor Stores ONLY-Series 06,07, and 09).

1. Current Licensee's Name: _____ Entity: _____
(Exactly as it appears on license) Last First Middle (Indiv., Agent, etc.)

2. Corporation/L.L.C. Name: _____
(Exactly as it appears on license)

3. Current Business Name: _____
(Exactly as it appears on license)

4. Physical Street Location of Business: Street _____
City, State, Zip _____

5. License Type: _____ License Number: _____

6. If more than one license to be transfered: License Type: _____ License Number: _____

7. Current Mailing Address: (Other than business) Street _____
City, State, Zip _____

8. Have all creditors, lien holders, interest holders, etc. been notified of this transfer? ☐ YES ☐ NO

9. Does the applicant intend to operate the business while this application is pending? ☐ YES ☐ NO If yes, complete Section 5 of this application, attach fee, and current license to this application.

10. I, _____, hereby authorize the department to process this application to transfer the
(print full name)
privilege of the license to the applicant, provided that all terms and conditions of sale are met. Based on the fulfillment of these conditions, I certify that the applicant now owns or will own the property rights of the license by the date of issue.

I, _____, declare that I am the CURRENT OWNER, AGENT, MEMBER, PARTNER
(print full name)
STOCKHOLDER, or LICENSEE of the stated license. I have read the above Section 11 and confirm that all statements are true, correct, and complete.

_____ State of _____ County of _____
(Signature of CURRENT LICENSEE) The foregoing instrument was acknowledged before me this

_____ _____ _____
Day Month Year

My commission expires on: _____

_____
(Signature of NOTARY PUBLIC)

SECTION 12 Location to Location Transfer: (Bars and Liquor Stores ONLY)

APPLICANTS CANNOT OPERATE UNDER A LOCATION TRANSFER UNTIL IT IS APPROVED BY THE STATE

14 JUL 16 P4:Lic. #11102

1. Current Business: (Exactly as it appears on license) Name _____
   Address _____
2. New Business: (Physical Street Location) Name _____
   Address _____
3. License Type: _____ License Number: _____
4. If more than one license to be transferred: License Type: _____ License Number: _____
5. What date do you plan to move? _____ What date do you plan to open? _____

SECTION 13 Questions for all in-state applicants excluding those applying for government, hotel/motel, and restaurant licenses (series 5, 11, and 12):

A.R.S. § 4-207 (A) and (B) state that no retailer's license shall be issued for any premises which are at the time the license application is received by the director, within three hundred (300) horizontal feet of a church, within three hundred (300) horizontal feet of a public or private school building with kindergarten programs or grades one (1) through (12) or within three hundred (300) horizonal feet of a fenced recreational area adjacent to such school building. The above paragraph DOES NOT apply to:

a) Restaurant license (§ 4-205.02)
b) Hotel/motel license (§ 4-205.01)
c) Government license (§ 4-205.03)
d) Fenced playing area of a golf course (§ 4-207 (B)(5))

1. Distance to nearest school: 780 ft. Name of school Tech Learning CVUSD
   Address 462 S. Main St. Camp Verde, AZ, 86322
   City, State, Zip
2. Distance to nearest church: 342 ft. Name of church Lighthouse Baptist Church
   Address 348 S. Main Street, Camp Verde, AZ 86322
   City, State, Zip
3. I am the: ☒ Lessee ☐ Sublessee ☐ Owner ☐ Purchaser (of premises)
4. If the premises is leased give lessors: Name Verde Portal
   Address 325 S. Main Street, Camp Verde, AZ 86322
   City, State, Zip

4a. Monthly rental/lease rate $200 What is the remaining length of the lease 2 yrs. ____ mos.

4b. What is the penalty if the lease is not fulfilled? $_____ or other default
(give details - attach additional sheet if necessary)

5. What is the total **business** indebtedness for this license/location excluding the lease? $0
   Please list lenders you owe money to.

Last	First	Middle	Amount Owed	Mailing Address	City State	Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

6. What type of business will this license be used for (be specific)? Restaurant and Brewery that highlight local ingredients.

SECTION 13 - continued

7. Has a license or a transfer license for the premises on this application been denied by the state within the past one (1) year?
   ☐ YES ☒ NO If yes, attach explanation.
8. Does any spirituous liquor manufacturer, wholesaler, or employee have any interest in your business? ☐ YES ☒ NO
9. Is the premises currently licensed with a liquor license? ☒ YES ☐ NO If yes, give license number and licensee's name:

License # 13133040 and 07130001 (exactly as it appears on license) Name Barbara A. Goetting, White Hills Winery

SECTION 14 Restaurant or hotel/motel license applicants:

1. Is there an existing restaurant or hotel/motel liquor license at the proposed location? ☐ YES ☐ NO
   If yes, give the name of licensee, Agent or a company name:

   _____ and license #: _____
   Last First Middle
2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. § 4-203.01; and complete SECTION 5 of this application.
3. All restaurant and hotel/motel applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor Licenses and Control.
4. As stated in A.R.S. § 4-205.02.G.2, a restaurant is an establishment which derives at least 40 percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from all sales of food and spirituous liquor on the licensed premises. By applying for this ☐ hotel/motel ☒ restaurant license, I certify that I understand that I must maintain a minimum of 40 percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit (form LIC 1013) with this application.

   applicant's signature

   As stated in A.R.S § 4-205.02 (B), I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barriers, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing, specify why the extension is necessary, and the new inspection date you are requesting. To schedule your site inspection visit www.azliquor.gov and click on the "Information" tab.

   applicants initials

14 JUL 16 Liq. Lic. #11102

SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)

1. Check **ALL** boxes that apply to your business:

   ☒ Entrances/Exits ☒ Liquor storage areas Patio: ☒ Contiguous
   ☐ Service windows ☐ Drive-in windows ☐ Non Contiguous
2. Is your licensed premises currently closed due to construction, renovation, or redesign? ☐ YES ☒ NO
   If yes, what is your estimated opening date? _____
   month/day/year
3. Restaurants and hotel/motel applicants are required to draw a detailed floor plan of the kitchen and dining areas including the locations of all kitchen equipment and dining furniture. Diagram paper is provided on page 7.
4. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spiritous liquor is to be sold, served, consumed, dispensed, possessed, or stored on the premises unless it is a restaurant (see #3 above).
5. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises, such as parking lots, living quarters, etc.

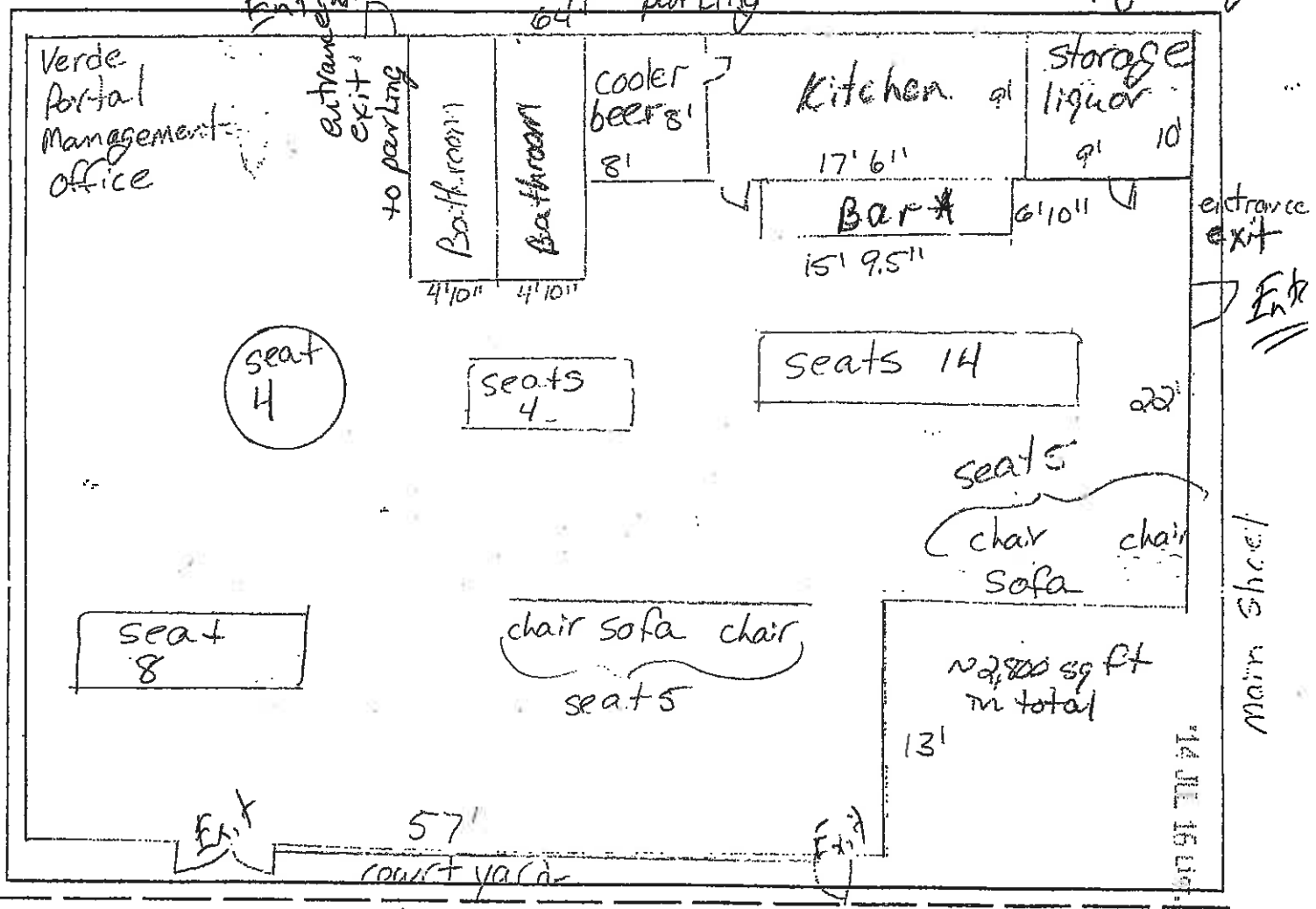
As stated in A.R.S. § 4-207.01(B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to boundaries, entrances, exits, added or deleted doors, windows or service windows,or increase or decrease to the square footage after submitting this initial drawing.

applicants initials

dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below.

1 of 2 diagrams



*Bar will have 4 bar stools

SECTION 16 Signature Block

I, Alexander Joseph Goetting, hereby declare that I am the OWNER/AGENT filing this application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.

(print full name of applicant)

X _____

(signature of applicant listed in Section 4, Question 1)

State of _____ County of _____

The foregoing instrument was acknowledged before me this

_____ of _____, _____

Day Month Year

My commission expires on : _____

Day Month Year

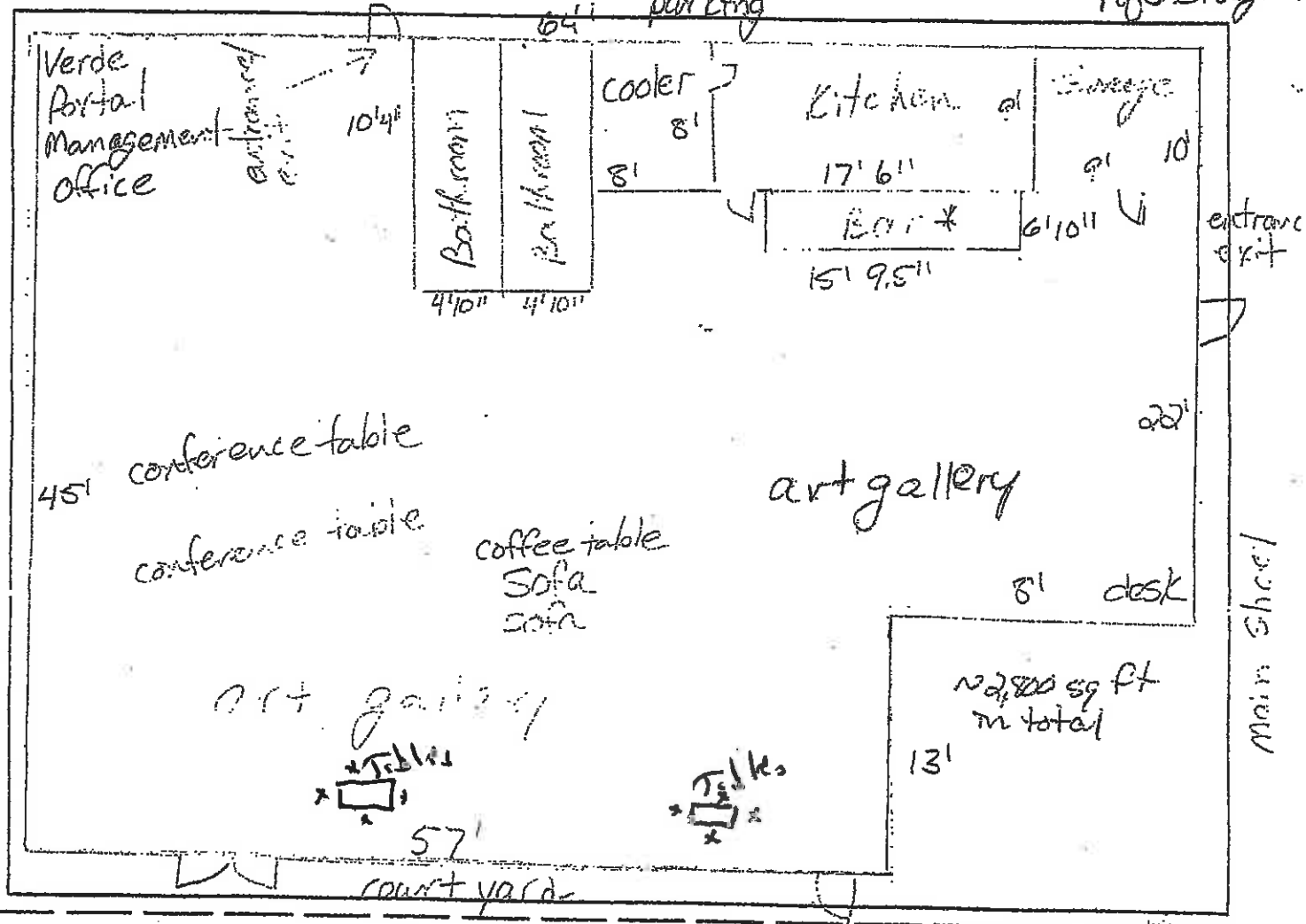
_____

signature of NOTARY PUBLIC

AMENDMENT

dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below. 1 of 3 diagram



*Bar will have 4 bar stools

SECTION 16 Signature Block

I, Alex Goehring (print full name of applicant), hereby declare that I am the OWNER/AGENT filing this application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.

X _____
(signature of applicant listed in Section 4, Question 1)

"OFFICIAL SEAL"
Holly L. Wills
Notary Public - Arizona
Mohave County
My Commission Expires 12/25/2016

My commission expires on: 25 12 2016
Day Month Year

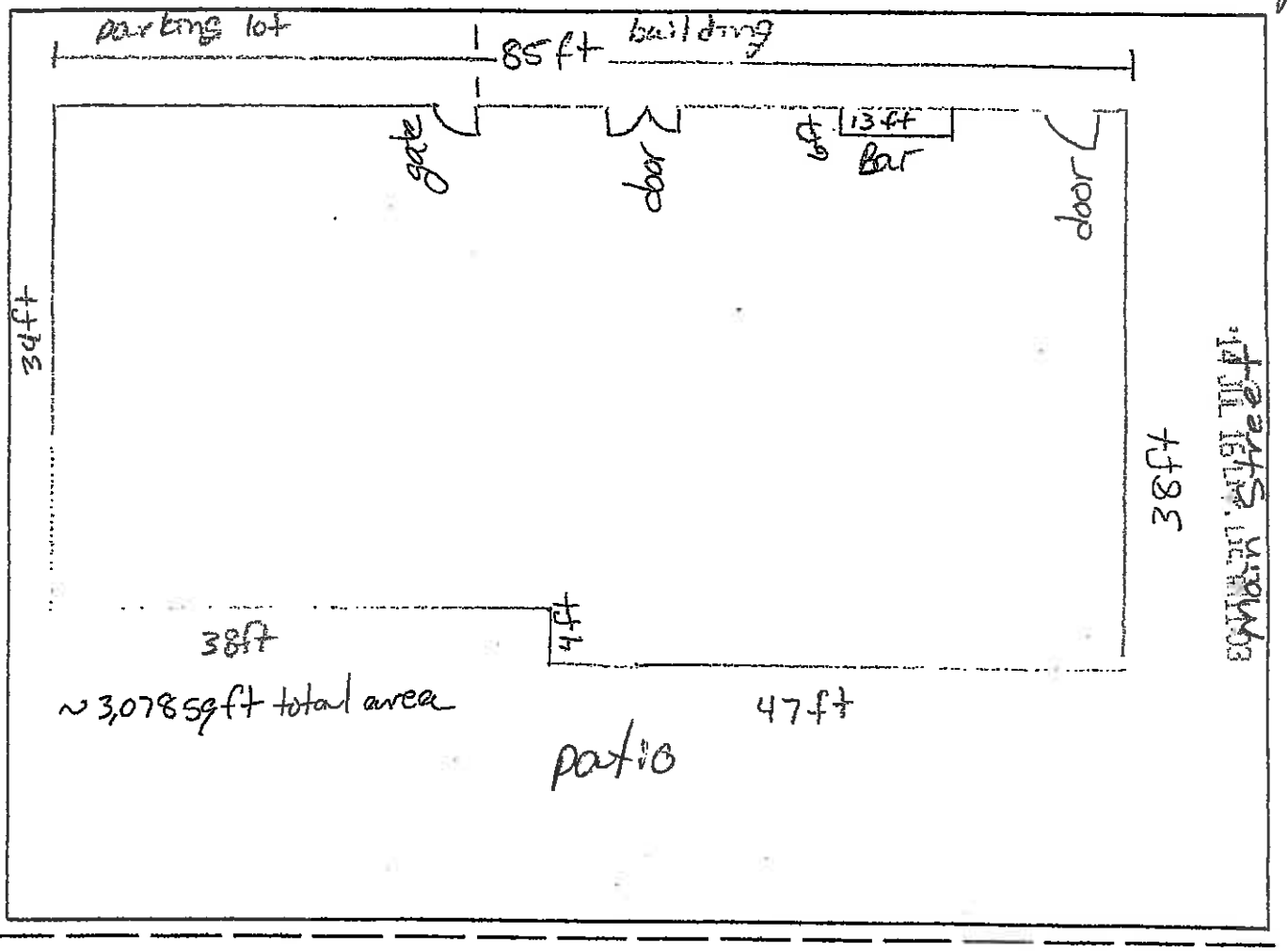
State of AZ County of Yavapai

The foregoing instrument was acknowledged before me this
14 Day of July Month 2014 Year

Holly L Wills
signature of NOTARY PUBLIC

4. In this diagram please show only the area where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below. 2 of 3 diagrams



SECTION 16 Signature Block

I, _____ (print full name of applicant), hereby declare that I am the OWNER/AGENT filing this application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.

X _____
(signature of applicant listed in Section 4, Question 1)

State of _____ County of _____

The foregoing instrument was acknowledged before me this

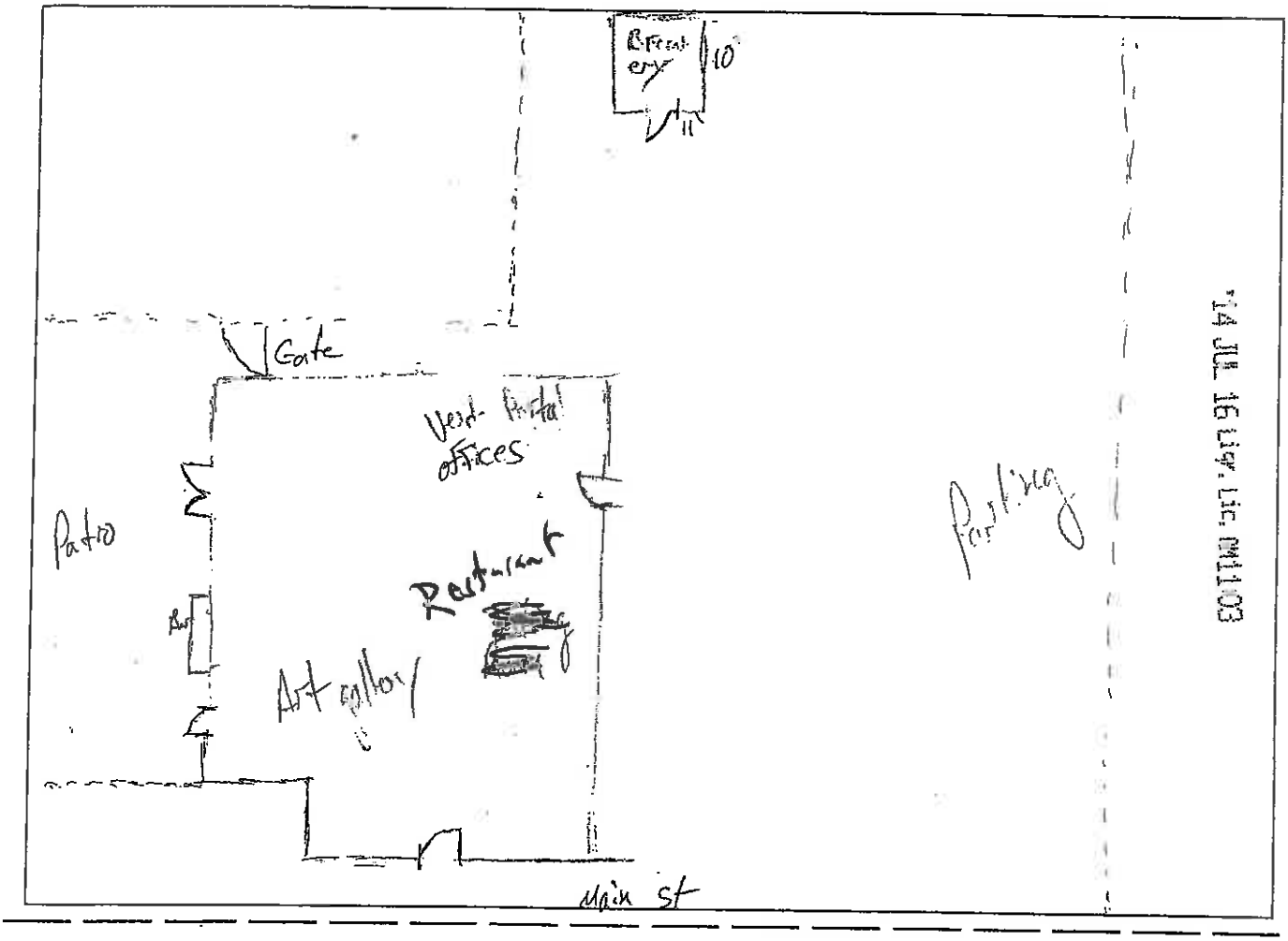
_____ of _____, _____
Day Month Year

My commission expires on : _____
Day Month Year

_____
signature of NOTARY PUBLIC

4. In this diagram please show only the area where spirituous liquor is to be sold, served, consumed dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below.



SECTION 16 Signature Block

I, _____, hereby declare that I am the OWNER/AGENT filing this
(print full name of applicant)
application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.

X_____
(signature of applicant listed in Section 4, Question 1)

State of _____ County of _____

The foregoing instrument was acknowledged before me this

_____ of _____, _____
Day Month Year

My commission expires on : _____
Day Month Year

_____
signature of NOTARY PUBLIC

8

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: September 17, 2014

☐ *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: Discussion, consideration and possible approval of a class 3 Micro-Brewery and Restaurant Liquor License Application for Verde Brewing Company, LLC located at 325 S. Main Street, Camp Verde.

List Attached Documents: – Liquor License Application

Estimated Presentation Time: 5

Estimated Discussion Time: 10

Reviews Completed by: N/A

☒ ***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: Staff received the Liquor License Application on 07-21-2014 and received required payment on 8-25-2014 and posted the application for the required 20 days as required by law.

Recommended Action (Motion): Approve a class 3 Micro-Brewery and Restaurant Liquor License Application for Verde Brewing Company, LLC located at 325 S. Main Street, Camp Verde, submitted by Alex Goetting.

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

Arizona Department of Liquor Licenses and Control
800 West Washington, 5th Floor
Phoenix, Arizona 85007
www.azliquor.gov
602-542-5141

APPLICATION FOR LIQUOR LICENSE

TYPE OR PRINT WITH BLACK INK

Notice: Effective Nov. 1, 1997, All Owners, Agents, Partners, Stockholders, Officers, or Managers actively involved in the day to day operations of the business must attend a Department approved liquor law training course or provide proof of attendance within the last five years. See page 5 of the Liquor Licensing requirements.

SECTION 1 This application is for a:

- ☒ MORE THAN ONE LICENSE
- ☐ INTERIM PERMIT *Complete Section 5*
- ☒ NEW LICENSE *Complete Sections 2, 3, 4, 13, 14, 15, 16*
- ☐ PERSON TRANSFER (Bars & Liquor Stores ONLY) *Complete Sections 2, 3, 4, 11, 13, 15, 16*
- ☐ LOCATION TRANSFER (Bars and Liquor Stores ONLY) *Complete Sections 2, 3, 4, 12, 13, 15, 16*
- ☐ PROBATE/WILL ASSIGNMENT/DIVORCE DECREE *Complete Sections 2, 3, 4, 9, 13, 16* (fee not required)
- ☐ GOVERNMENT *Complete Sections 2, 3, 4, 10, 13, 15, 16*

SECTION 2 Type of ownership:

- ☐ J.T.W.R.O.S. *Complete Section 6*
- ☐ INDIVIDUAL *Complete Section 6*
- ☐ PARTNERSHIP *Complete Section 6*
- ☐ CORPORATION *Complete Section 7*
- ☒ LIMITED LIABILITY CO. *Complete Section 7*
- ☐ CLUB *Complete Section 8*
- ☐ GOVERNMENT *Complete Section 10*
- ☐ TRUST *Complete Section 6*
- ☐ OTHER (Explain) _____

SECTION 3 Type of license and fees LICENSE #(s): 3 and 12 03133018

1. Type of License(s): Micro-Brewery and Restaurant

2. Total fees attached: $ 100.00 (Department Use Only)

APPLICATION FEE AND INTERIM PERMIT FEES (IF APPLICABLE) ARE NOT REFUNDABLE.

The fees allowed under A.R.S. 44-6852 will be charged for all dishonored checks.

SECTION 4 Applicant

1. Owner/Agent's Name: ☒ Mr. ☐ Ms. Goetting (Last) Alexander (First) Joseph (Middle)
(Insert one name ONLY to appear on license)

2. Corp./Partnership/L.L.C.: Verde Brewing Company, LLC
(Exactly as it appears on Articles of Inc. or Articles of Org.)

3. Business Name: Verde Brewing Company
(Exactly as it appears on the exterior of premises)

4. Principal Street Location 325 S. Main Street (Do not use PO Box Number) Camp Verde (City) Yavapai (County) 86322 (Zip)

5. Business Phone: 928-567-7033 Daytime Phone: 703-969-5047 Email: Alex@spurHQ.com

6. Is the business located within the incorporated limits of the above city or town? ☒YES ☐NO

7. Mailing Address: 2530 S. Anapaya Lane, Camp Verde (City) Arizona (State) 86322 (Zip)

8. Price paid for license only bar, beer and wine, or liquor store: Type _____ $_____ Type _____ $_____

DEPARTMENT USE ONLY

Fees: 100.00 Application _____ Interim Permit _____ Site Inspection _____ Finger Prints $ 100.00 TOTAL OF ALL FEES

Is Arizona Statement of Citizenship & Alien Status For State Benefits complete? ☒YES ☐ NO

Accepted by: AC Date: 7/16/2014 Lic. # 03133018

1/7/2013 ***Disabled individuals requiring special accommodation, please call (602) 542-9027.**

SECTION 5 Interim Permit:

1. If you intend to operate business when your application is pending you will need an Interim Permit pursuant to A.R.S. 4-203.01.
2. There **MUST** be a valid license of the same type you are applying for currently issued to the location.
3. Enter the license number currently at the location._____
4. Is the license currently in use? ☐ YES ☐ NO If no, how long has it been out of use?_____

ATTACH THE LICENSE CURRENTLY ISSUED AT THE LOCATION TO THIS APPLICATION.

I, _____, declare that I am the CURRENT OWNER, AGENT, CLUB MEMBER, PARTNER,
(Print full name)
MEMBER, STOCKHOLDER, OR LICENSEE (circle the title which applies) of the stated license and location.

X_____
(Signature)

My commission expires on: _____

State of _____ County of_____

The foregoing instrument was acknowledged before me this

_____day of _____, _____
Day Month Year

_____
(Signature of NOTARY PUBLIC)

SECTION 6 Individual or Partnership Owners:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

1. Individual:

Last	First	Middle	% Owned	Mailing Address	City State Zip

Partnership Name: (Only the first partner listed will appear on license) _____

General-Limited	Last	First	Middle	% Owned	Mailing Address	City State Zip
☐ ☐						
☐ ☐						
☐ ☐						
☐ ☐						

2. Is any person, other than the above, going to share in the profits/losses of the business? ☐ YES ☐ NO
If Yes, give name, current address and telephone number of the person(s). Use additional sheets if necessary.

Last	First	Middle	Mailing Address	City, State, Zip	Telephone#

SECTION 7 Corporation/Limited Liability Co.:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

'14 JUL 16 Liq. Lic. #11104

☐ CORPORATION ***Complete questions 1, 2, 3, 5, 6, 7, and 8.***

☒ L.L.C. ***Complete 1, 2, 4, 5, 6, 7, and 8.***

1. Name of Corporation/L.L.C.: Verde Brewing Company LLC
   (Exactly as it appears on Articles of Incorporation or Articles of Organization)
2. Date Incorporated/Organized: 3/14/13 State where Incorporated/Organized: Arizona
3. AZ Corporation Commission File No.: _____ Date authorized to do business in AZ: _____
4. AZ L.L.C. File No: L-18322018 Date authorized to do business in AZ: 4/1/13
5. Is Corp./L.L.C. Non-profit? ☐ YES ☒ NO
6. List all directors, officers and members in Corporation/L.L.C.:

Last	First	Middle	Title	Mailing Address	City State Zip
Goetting	Alexander	Joseph	Manager	2530 S. Anapaya Lane, Camp Verde, AZ 86322	
			Mem Mgr		

(ATTACH ADDITIONAL SHEET IF NECESSARY)

7. List stockholders who are controlling persons or who own 10% or more:

Last	First	Middle	% Owned	Mailing Address	City State Zip
Goetting	Alexander	Joseph	82%	2530 S. Anapaya Lane, Camp Verde, AZ, 86322	

(ATTACH ADDITIONAL SHEET IF NECESSARY)

8. If the corporation/L.L.C. is owned by another entity, attach a percentage of ownership chart, and a director/officer/member disclosure for the parent entity. Attach additional sheets as needed in order to disclose personal identities of all owners.

SECTION 8 Club Applicants:

EACH PERSON LISTED MUST SUBMIT A COMPLETED QUESTIONNAIRE (FORM LIC0101), AN "APPLICANT" TYPE FINGERPRINT CARD, AND $22 PROCESSING FEE FOR EACH CARD.

1. Name of Club: _____ Date Chartered: _____
   (Exactly as it appears on Club Charter or Bylaws) (Attach a copy of Club Charter or Bylaws)
2. Is club non-profit? ☐ YES ☐ NO
3. List officer and directors:

Last	First	Middle	Title	Mailing Address	City State Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

SECTION 9 **Probate, Will Assignment or Divorce Decree of an existing Bar or Liquor Store License:**

1. Current Licensee's Name: _____ (Exactly as it appears on license) Last First Middle

2. Assignee's Name: _____ Last First Middle

3. License Type: _____ License Number: _____ Date of Last Renewal: _____

4. ATTACH TO THIS APPLICATION A CERTIFIED COPY OF THE WILL, PROBATE DISTRIBUTION INSTRUMENT, OR DIVORCE DECREE THAT SPECIFICALLY DISTRIBUTES THE LIQUOR LICENSE TO THE ASSIGNEE TO THIS APPLICATION.

SECTION 10 **Government: (for cities, towns, or counties only)**

1. Governmental Entity: _____

2. Person/designee: _____ Last First Middle _____ Contact Phone Number

A SEPARATE LICENSE MUST BE OBTAINED FOR EACH PREMISES FROM WHICH SPIRITUOUS LIQUOR IS SERVED.

SECTION 11 **Person to Person Transfer:**

Questions to be completed by CURRENT LICENSEE (Bars and Liquor Stores ONLY-Series 06,07, and 09).

1. Current Licensee's Name: _____ Entity: _____ (Exactly as it appears on license) Last First Middle (Indiv., Agent, etc.)

2. Corporation/L.L.C. Name: _____ (Exactly as it appears on license)

3. Current Business Name: _____ (Exactly as it appears on license)

4. Physical Street Location of Business: Street _____

City, State, Zip _____

5. License Type: _____ License Number: _____

6. If more than one license to be transfered: License Type: _____ License Number: _____

7. Current Mailing Address: (Other than business) Street _____

City, State, Zip _____

8. Have all creditors, lien holders, interest holders, etc. been notified of this transfer? ☐ YES ☐ NO

9. Does the applicant intend to operate the business while this application is pending? ☐ YES ☐ NO If yes, complete Section 5 of this application, attach fee, and current license to this application.

10. I, _____ (print full name), hereby authorize the department to process this application to transfer the privilege of the license to the applicant, provided that all terms and conditions of sale are met. Based on the fulfillment of these conditions, I certify that the applicant now owns or will own the property rights of the license by the date of issue.

I, _____ (print full name), declare that I am the CURRENT OWNER, AGENT, MEMBER, PARTNER STOCKHOLDER, or LICENSEE of the stated license. I have read the above Section 11 and confirm that all statements are true, correct, and complete.

_____ (Signature of CURRENT LICENSEE)

State of _____ County of _____

The foregoing instrument was acknowledged before me this _____ Day _____ Month _____ Year

My commission expires on: _____

_____ (Signature of NOTARY PUBLIC)

SECTION 12 Location to Location Transfer: (Bars and Liquor Stores ONLY)

APPLICANTS CANNOT OPERATE UNDER A LOCATION TRANSFER UNTIL IT IS APPROVED BY THE STATE 14 JUL 15 Lic. AM1104

1. Current Business: (Exactly as it appears on license) Name _____
   Address _____
2. New Business: (Physical Street Location) Name _____
   Address _____
3. License Type: _____ License Number: _____
4. If more than one license to be transferred: License Type: _____ License Number: _____
5. What date do you plan to move? _____ What date do you plan to open? _____

SECTION 13 Questions for all in-state applicants excluding those applying for government, hotel/motel, and restaurant licenses (series 5, 11, and 12):

A.R.S. § 4-207 (A) and (B) state that no retailer's license shall be issued for any premises which are at the time the license application is received by the director, within three hundred (300) horizontal feet of a church, within three hundred (300) horizontal feet of a public or private school building with kindergarten programs or grades one (1) through (12) or within three hundred (300) horizonal feet of a fenced recreational area adjacent to such school building. The above paragraph DOES NOT apply to:

a) Restaurant license (§ 4-205.02)
b) Hotel/motel license (§ 4-205.01)
c) Government license (§ 4-205.03)
d) Fenced playing area of a golf course (§ 4-207 (B)(5))

1. Distance to nearest school: 780 ft. Name of school Tech Learning CVUSD
   Address 462 S. Main St. Camp Verde, AZ, 86322
   City, State, Zip
2. Distance to nearest church: 342 ft. Name of church Lighthouse Baptist Church
   Address 348 S. Main Street, Camp Verde, AZ 86322
   City, State, Zip
3. I am the: ☒ Lessee ☐ Sublessee ☐ Owner ☐ Purchaser (of premises)
4. If the premises is leased give lessors: Name Verde Portal
   Address 325 S. Main Street, Camp Verde, AZ 86322
   City, State, Zip

4a. Monthly rental/lease rate $ 200 What is the remaining length of the lease 2 yrs. ____ mos.

4b. What is the penalty if the lease is not fulfilled? $_____ or other default
(give details - attach additional sheet if necessary)

5. What is the total **business** indebtedness for this license/location excluding the lease? $ 0
   Please list lenders you owe money to.

Last	First	Middle	Amount Owed	Mailing Address	City State	Zip

(ATTACH ADDITIONAL SHEET IF NECESSARY)

6. What type of business will this license be used for (be specific)? Restaurant and Brewery that highlight local ingredients.

SECTION 13 - continued

7. Has a license or a transfer license for the premises on this application been denied by the state within the past one (1) year?
☐ YES ☒ NO If yes, attach explanation.

8. Does any spirituous liquor manufacturer, wholesaler, or employee have any interest in your business? ☐ YES ☒ NO

9. Is the premises currently licensed with a liquor license? ☒ YES ☐ NO If yes, give license number and licensee's name:

License # 13133040 and 07130001 (exactly as it appears on license) Name Barbara A. Goetting, White Hills Winery

SECTION 14 Restaurant or hotel/motel license applicants:

1. Is there an existing restaurant or hotel/motel liquor license at the proposed location? ☐ YES ☐ NO
If yes, give the name of licensee, Agent or a company name:

_____ and license #: _____
Last First Middle

2. If the answer to Question 1 is YES, you may qualify for an Interim Permit to operate while your application is pending; consult A.R.S. § 4-203.01; and complete SECTION 5 of this application.

3. All restaurant and hotel/motel applicants must complete a Restaurant Operation Plan (Form LIC0114) provided by the Department of Liquor Licenses and Control.

4. As stated in A.R.S. § 4-205.02.G.2, a restaurant is an establishment which derives at least 40 percent of its gross revenue from the sale of food. Gross revenue is the revenue derived from all sales of food and spirituous liquor on the licensed premises. By applying for this ☐ hotel/motel ☒ restaurant license, I certify that I understand that I must maintain a minimum of 40 percent food sales based on these definitions and have included the Restaurant Hotel/Motel Records Required for Audit (form LIC 1013) with this application.

applicant's signature

As stated in A.R.S § 4-205.02 (B), I understand it is my responsibility to contact the Department of Liquor Licenses and Control to schedule an inspection when all tables and chairs are on site, kitchen equipment, and, if applicable, patio barriers are in place on the licensed premises. With the exception of the patio barriers, these items are not required to be properly installed for this inspection. Failure to schedule an inspection will delay issuance of the license. If you are not ready for your inspection 90 days after filing your application, please request an extension in writing, specify why the extension is necessary, and the new inspection date you are requesting. To schedule your site inspection visit www.azliquor.gov and click on the "Information" tab.

applicants initials

SECTION 15 Diagram of Premises: (Blueprints not accepted, diagram must be on this form)

1. Check ALL boxes that apply to your business:

☒ Entrances/Exits ☒ Liquor storage areas Patio: ☒ Contiguous
☐ Service windows ☐ Drive-in windows ☐ Non Contiguous

2. Is your licensed premises currently closed due to construction, renovation, or redesign? ☐ YES ☒ NO
If yes, what is your estimated opening date? _____
month/day/year

3. Restaurants and hotel/motel applicants are required to draw a detailed floor plan of the kitchen and dining areas including the locations of all kitchen equipment and dining furniture. Diagram paper is provided on page 7.

4. The diagram (a detailed floor plan) you provide is required to disclose only the area(s) where spiritous liquor is to be sold, served, consumed, dispensed, possessed, or stored on the premises unless it is a restaurant (see #3 above).

5. Provide the square footage or outside dimensions of the licensed premises. Please do not include non-licensed premises, such as parking lots, living quarters, etc.

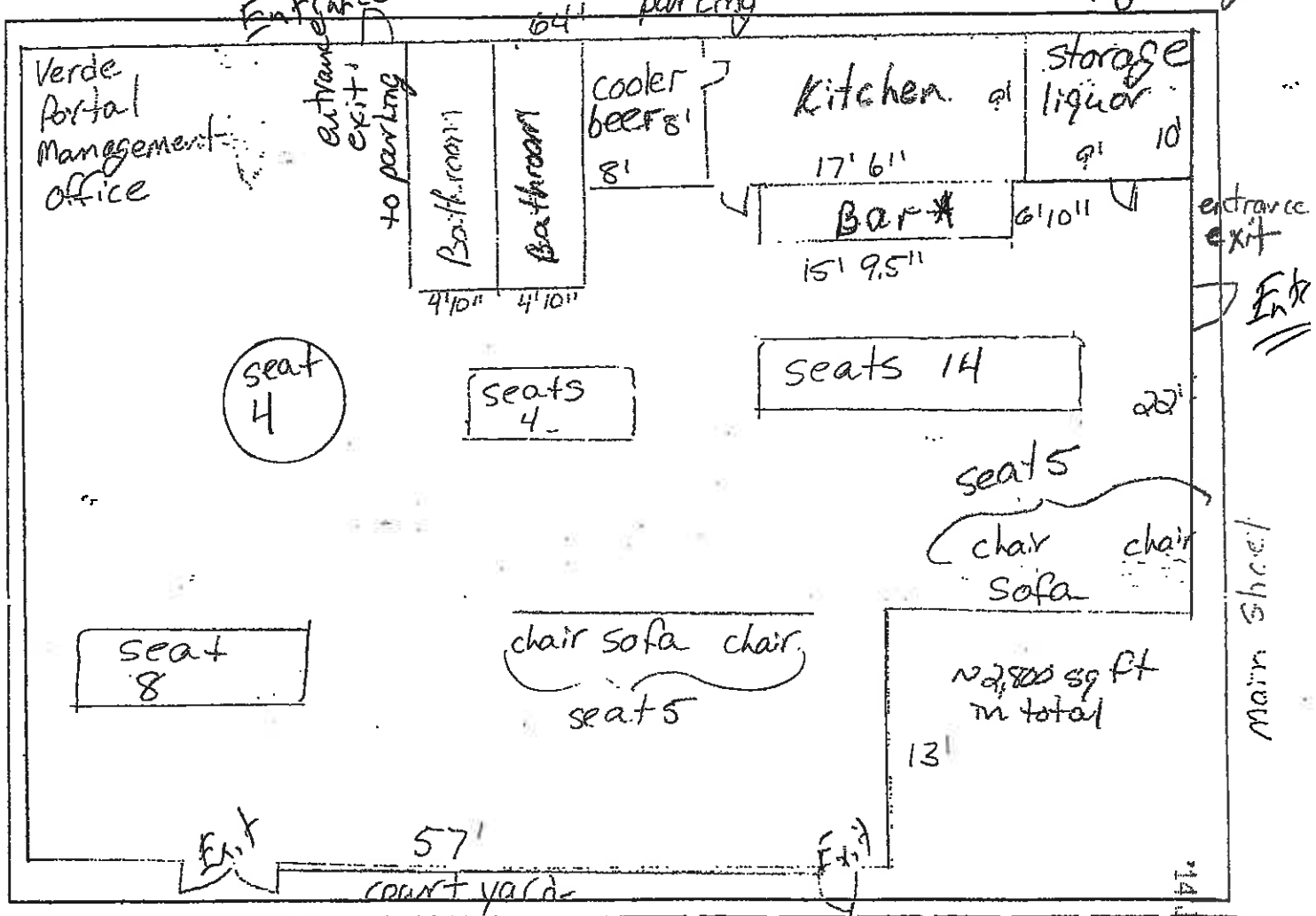
As stated in A.R.S. § 4-207.01(B), I understand it is my responsibility to notify the Department of Liquor Licenses and Control when there are changes to boundaries, entrances, exits, added or deleted doors, windows or service windows,or increase or decrease to the square footage after submitting this initial drawing.

applicants initials

'14 JUL 16 Liq. Lic. #1102

dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below. 1 of 2 diagrams



*Bar will have 4 bar stools

SECTION 16 Signature Block

I, Alexander Joseph Goetting, hereby declare that I am the OWNER/AGENT filing this
(print full name of applicant)
application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.

X _____
(signature of applicant listed in Section 4, Question 1)

State of _____ County of _____

The foregoing instrument was acknowledged before me this

_____ of _____, _____
Day Month Year

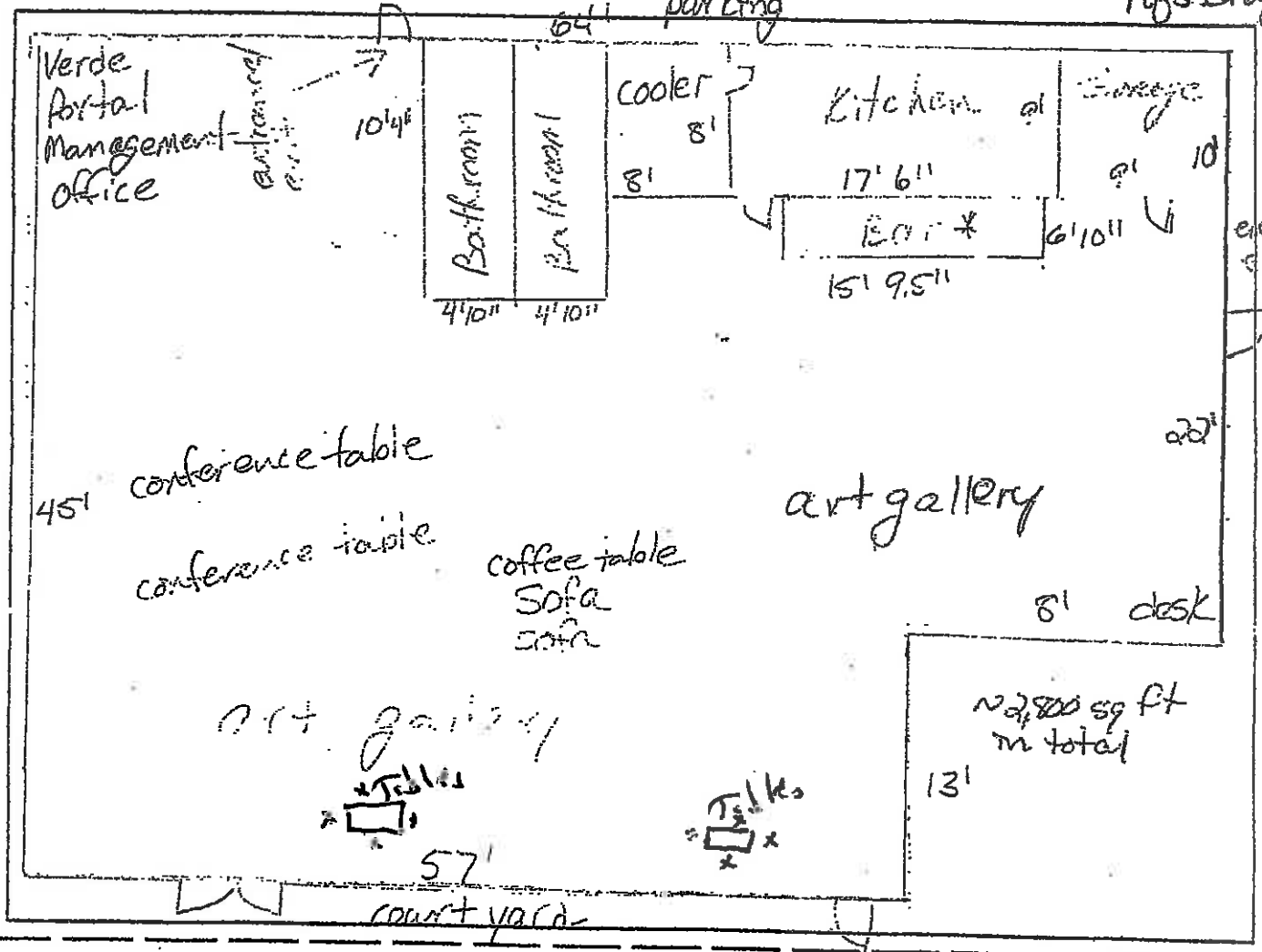
My commission expires on : _____
Day Month Year

_____
signature of NOTARY PUBLIC

AMENDMENT

dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below. 1 of 3 diagram



SECTION 16 Signature Block

I, Alex Goetting (print full name of applicant), hereby declare that I am the OWNER/AGENT filing this application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.

X _____ (signature of applicant listed in Section 4, Question 1)

"OFFICIAL SEAL"
Holly L. Wills
Notary Public - Arizona
Mohave County
My Commission Expires 12/25/2016

My commission expires on: ~~12~~ 25 12 2016 (Day Month Year)

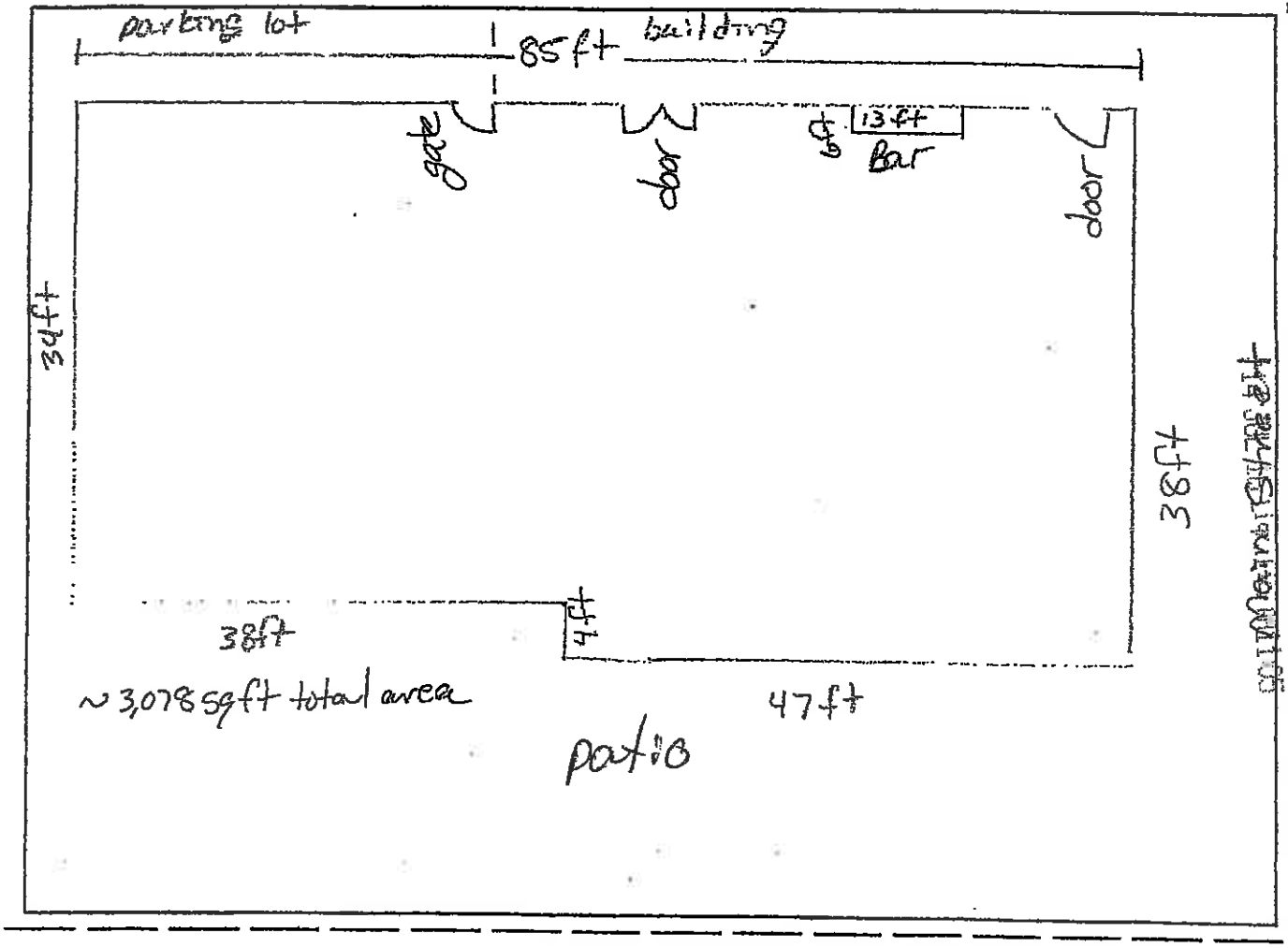
State of AZ County of Yavapai

The foregoing instrument was acknowledged before me this 14 (Day) of July (Month) 2014 (Year)

Holly L Wills
signature of NOTARY PUBLIC

4. In this diagram please show only the area where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below. 2 of 2 diagrams



SECTION 16 Signature Block

I, _____, hereby declare that I am the OWNER/AGENT filing this
(print full name of applicant)
application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.

X _____
(signature of applicant listed in Section 4, Question 1)

State of _____ County of _____

The foregoing instrument was acknowledged before me this

_____ of _____, _____
Day Month Year

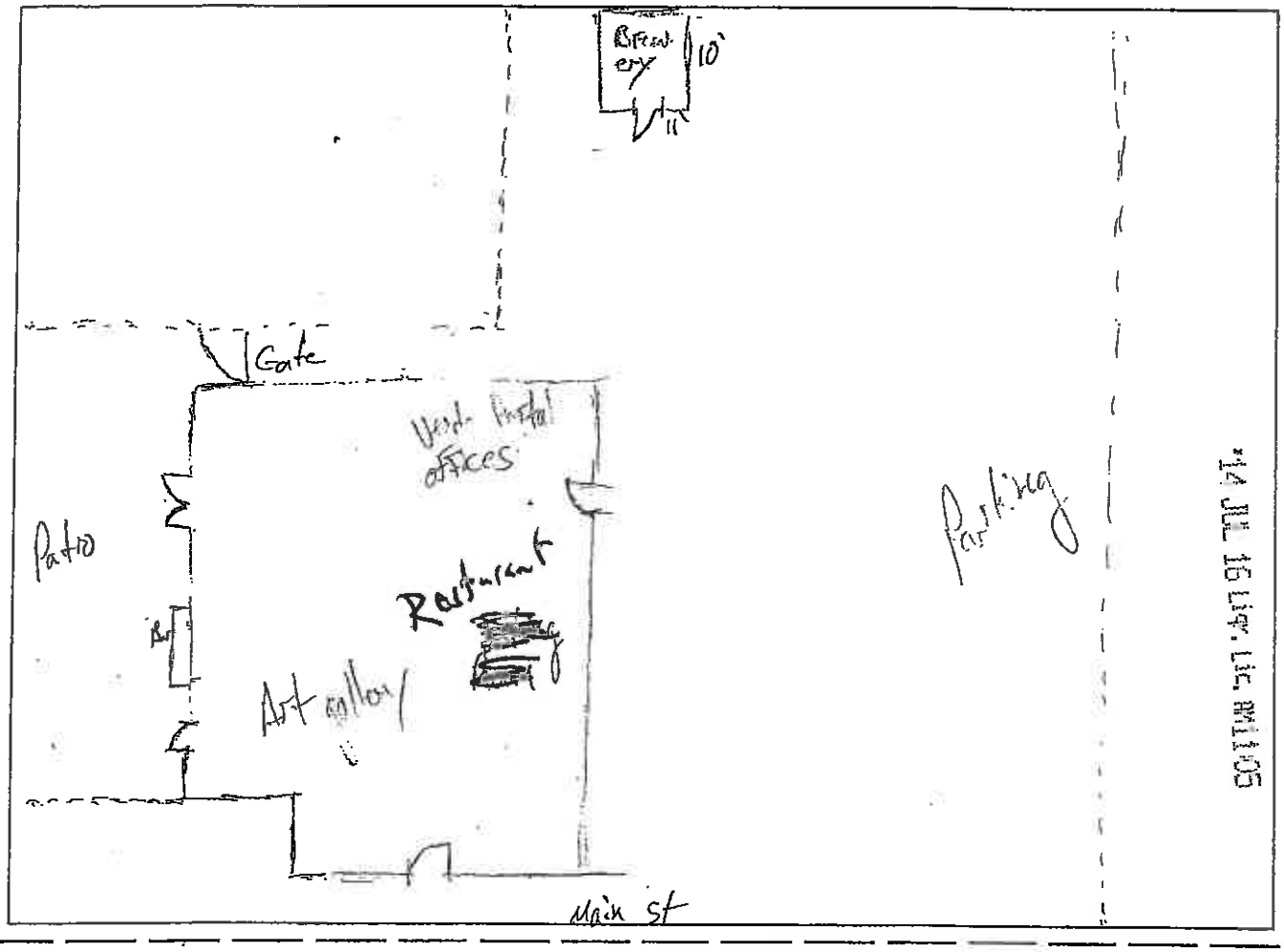
My commission expires on : _____
Day Month Year

_____
signature of NOTARY PUBLIC

SECTION 15 Diagram of Premises

4. In this diagram please show only the area where spirituous liquor is to be sold, served, consumed, dispensed, possessed or stored. It must show all entrances, exits, interior walls, bars, bar stools, hi-top tables, dining tables, dining chairs, the kitchen, dance floor, stage, and game room. Do not include parking lots, living quarters, etc. When completing diagram, North is up ↑.

If a legible copy of a rendering or drawing of your diagram of premises is attached to this application, please write the words "diagram attached" in box provided below.



SECTION 16 Signature Block

I, _____, hereby declare that I am the OWNER/AGENT filing this
(print full name of applicant)
application as stated in Section 4, Question 1. I have read this application and verify all statements to be true, correct and complete.

X_____
(signature of applicant listed in Section 4, Question 1)

State of _____ County of _____

The foregoing instrument was acknowledged before me this

_____ of _____, _____
Day Month Year

My commission expires on : _____
Day Month Year

_____
signature of NOTARY PUBLIC

9

Town of Camp Verde

Agenda Item Submission Form - Section I

Meeting Date: September 17, 2014

☐ *Consent Agenda* ☒ *Decision Agenda* ☐ *Executive Session Requested*

☐ *Presentation Only* ☐ *Action/Presentation*

Requesting Department: Town Manager & Council

Staff Resource/Contact Person: Russ Martin

Agenda Title (be exact): Discussion, consideration, and possible approval of Ordinance 2014-A398; AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA, RELATING TO THE TRANSACTION PRIVILEDGE LICENSE TAX; AMENDING THE TAX CODE OF THE TOWN OF CAMP VERDE, ARIZONA BY REMOVING EXEMPTION (Q) SALES OF FOOD FOR HOME CONSUMPTION, UNDER SECTION 8-465 RETAIL SALES: EXEMPTIONS.

List Attached Documents: 1) Ordinance 2014-A398

Estimated Presentation Time: 5 mins

Estimated Discussion Time: 20 mins

Reviews Completed by:

☒ ***Town Attorney Comments:***

☒ ***Department Head:***

☒ **Budgeted** ☐ **Unbudgeted** ☐ **N/A**

Fiscal Impact: Potentially increase local tax revenues by $350,000 to $450,000 annually. The Finance Director feels that a reasonable target would be $375,000 annually at 3%.

Comments: This tax is being sought as a means for providing viable CIP support for the Town budget.

Background Information: council has recommended that this item be placed before them for the Sept. 17th Council meeting..

Recommended Action (Motion): Approval of Ordinance 2014-A398; AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA, RELATING TO THE TRANSACTION PRIVILEDGE LICENSE TAX; AMENDING THE TAX CODE OF THE TOWN OF CAMP VERDE,

ARIZONA BY REMOVING EXEMPTION (Q) SALES OF FOOD FOR HOME CONSUMPTION, UNDER SECTION 8-465 RETAIL SALES: EXEMPTIONS.

Instructions to the Clerk: None.

ORDINANCE 2014-A398

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA, RELATING TO THE TRANSACTION PRIVILEGE LICENSE TAX; AMENDING THE TAX CODE OF THE TOWN OF CAMP VERDE, ARIZONA BY CHANGING EXEMPTION (Q) SALES OF FOOD FOR HOME CONSUMPTION, UNDER SECTION 8-465 RETAIL SALES: EXEMPTIONS TO READ, SALES OF FOOD FOR HOME CONSUMPTION AT 1 PERCENTAGE POINT LESS THAN THE CURRENT RETAIL SALES TAX RATE.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA:

Section 1: The exemption (q) sales of food for home consumption under section 8-465: Retail sales: exemptions of the Camp Verde Model City Tax Code shall be amended to read; (q) sales of food for home consumption at 1 percentage point less than the current retail sales tax rate.

Section 2: The provisions of sections 1 of this ordinance shall be effective from and after December 1, 2014.

PASSED AND ADOPTED by the Mayor and Council of the Town of Camp Verde, Arizona, this 3rd day of September, 2014.

_____
Charles German, Mayor

ATTEST:

_____
Debbie Barber, Town Clerk

APPROVED AS TO FORM:

_____
W.J. Sims, Town Attorney

ORDINANCE 2014-A398

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA, RELATING TO THE TRANSACTION PRIVILEGE LICENSE TAX; AMENDING THE TAX CODE OF THE TOWN OF CAMP VERDE, ARIZONA BY REMOVING EXEMPTION (Q) SALES OF FOOD FOR HOME CONSUMPTION, UNDER SECTION 8-465 RETAIL SALES: EXEMPTIONS.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA:

Section 1: The exemption (q) sales of food for home consumption under section 8-465: Retail sales: exemptions of the Camp Verde Model City Tax Code shall be removed. Sales of food for home consumption shall then be taxable at the current Retail sales tax rate of 3%.

Section 2: The provisions of sections 1 of this ordinance shall be effective from and after December 1, 2014.

PASSED AND ADOPTED by the Mayor and Council of the Town of Camp Verde, Arizona, this 3rd day of September, 2014.

_____
Charles German, Mayor

ATTEST:

_____
Debbie Barber, Town Clerk

APPROVED AS TO FORM:

_____
W.J. Sims, Town Attorney

10

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: September 17, 2014

☐ *Consent Agenda* ☒ *Decision Agenda* ☐ *Executive Session Requested*

☐ *Presentation Only* ☐ *Action/Presentation*

Requesting Department: Town Manager ***Staff Resource/Contact Person:*** Russ Martin

Agenda Title (be exact): Discussion, consideration, and possible approval of Resolution 2014-912, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona relating to the financing of the Town's Library and the refinancing of the GADA loans outstanding on the Marshal's Office in the amount of $4,912,000.

List Attached Documents: 1) Resolution 2014-912, 2) Additional loan/finance documents.

Estimated Presentation Time: 10 mins

Estimated Discussion Time: 20 mins

Reviews Completed by:

☒ ***Town Attorney Comments:***

☒ ***Department Head:***

☒ **Budgeted** ☐ **Unbudgeted** ☐ **N/A**

Fiscal Impact & Comments: The anticipated annual payments of the new money alone (approx.. $280,000) can probably be absorbed within the FY16 budget with only the current revenue sources available, but it will most assuredly prove to be a very tight fit and could be for several years. It would be worth considering a new revenue source to supplement the payments. Refinancing the GADA Loan will provide a savings of approximately $50,000 in total to the Town and keep the Loan on the current retirement schedule so as not to drag out the Marshal's office financing beyond the original termination date.

Background Information: At the August 27th meeting, Council reviewed the low bid for financing. By approving these documents, the Town can lock in the financing for 2.84% for the entire $4,9112,000 ($3,500,000 of which is to be set aside for costs associated with the new Library the remainder towards refinancing GADA loan).

Recommended Action (Motion): Move to approve Resolution 2014-912, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona relating to the financing of the Town's Library and the refinancing of the GADA loans outstanding on the Marshal's Office in the amount of $4,912,000 and authorizing the Mayor to execute any and all documents associated with this transaction.

Instructions to the Clerk: None.

RESOLUTION NO. 2014-912

RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF TOWN OF CAMP VERDE, ARIZONA, APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND PURCHASE AGREEMENT, A SECOND TRUST AGREEMENT AND OTHER NECESSARY AGREEMENTS, INSTRUMENTS AND DOCUMENTS; APPROVING THE SALE AND EXECUTION AND DELIVERY OF A NOT TO EXCEED $5,000,000 AGGREGATE PRINCIPAL AMOUNT PLEDGED REVENUE AND REVENUE REFUNDING OBLIGATION, SERIES 2014, EVIDENCING THE INTEREST OF THE OWNER THEREOF IN THE PURCHASE AGREEMENT; DELEGATING AUTHORITY TO THE MAYOR, MANAGER AND FINANCE DIRECTOR OF THE TOWN TO DETERMINE CERTAIN MATTERS AND TERMS WITH RESPECT TO THE FOREGOING; ADOPTING POST-ISSUANCE TAX COMPLIANCE PROCEDURES IN CONNECTION WITH ISSUANCE OF OBLIGATIONS OF THE TOWN; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION AND DECLARING AN EMERGENCY

WHEREAS, the Mayor and Common Council of the Town of Camp Verde, Arizona (the "Town"), have determined to finance the costs to acquire a library facility and the portion of the offices of the Town Marshall and land subject to the Loan Repayment Agreement, dated as of February 1, 2005, between the Town and the Greater Arizona Development Authority, previously financed but not paid for in full (together, the "Property") by entering into a Second Purchase Agreement, to be dated as of the first day of the month of the dated date of the hereinafter described Obligation established as provided herein (the "Purchase Agreement"), with U.S. Bank National Association, as trustee (the "Trustee"), in its separate capacity as "Seller"; and

WHEREAS, in connection with the Purchase Agreement, the Mayor and Common Council of the Town deemed it necessary and desirable to provide for the sale and execution and delivery of a pledged revenue obligation, provided for by this Resolution (the "Obligation"), evidencing the interest of the owner of the Obligation in payments to be made by the Town to the Trustee pursuant to the Second Trust Agreement, to be dated as of the first day of the month of the dated date of the Obligation (the "Trust Agreement"), between the Trustee and the Town, such payments to be made pursuant to the Purchase Agreement; and

WHEREAS, the Obligation will be secured by amounts received under the Purchase Agreement pursuant to which the Town will pledge Excise Tax Revenues and State Shared Revenues (as such terms are defined in the Purchase Agreement); and

WHEREAS, Stifel, Nicolaus & Company, Incorporated (the "Placement Agent") will submit a proposal to place the Obligation pursuant to a Placement Agent Agreement, to be dated the date of placement of the Obligation (the "Placement Contract"), by and between the Town and the Placement Agent; and

WHEREAS, pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder (the "Regulations"), issuers of obligations, the interest on which is intended to be excludable from the gross income of the owners thereof for federal income tax purposes ("Tax-Exempt Obligations"), are required to establish policies and procedures to ensure compliance with the applicable provisions of the Code and the Regulations; and

WHREAS, it is determined that procedures should be adopted in order to ensure that Tax-Exempt Obligations issued by the Town comply with the provisions of the Code and the Regulations (the "Procedures"); and

WHEREAS, there have been presented to the Mayor and Common Council of the Town at the meeting at which this Resolution is being adopted (1) the proposed form of the Purchase Agreement, (2) the proposed form of the Trust Agreement and (3) the proposed form of the Placement Contract and (4) the proposed form of the Procedures; and

WHEREAS, financing the costs of acquisition of the Property pursuant to the Purchase Agreement is in furtherance of the purposes of the Town and in the public interest;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, THAT:

Section 1. (a) The execution and delivery of the Obligation by the Trustee is approved.

(b) The Mayor, the Manager and the Finance Director of the Town are each authorized to determine on behalf of the Town the date the Obligation is to be sold and the identity of the purchaser thereof; the total aggregate principal amount of the Obligation which is to be executed and delivered but not to exceed in total aggregate principal amount $5,000,000; the date the Obligation is to be dated; the dates on which interest on the Obligation is to be payable and the interest rate the Obligation is to bear; the date the Obligation is to mature but not later than twenty (20) years from the date of the execution and delivery of the Obligation and the provisions for redemption thereof in advance of such date and the terms upon which the Obligation is to be sold (including determinations of price, original issue discount and premium); provided, however, that the foregoing determinations shall not result in the yield on the Obligation, as calculated in accordance with Section 148 of the Code exceeding three percent (3%).

(c) The form and other terms of the Obligation, including the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Trust Agreement and are approved.

Section 2. The Obligation is to be sold pursuant to the Placement Contract and the terms to be determined as provided hereinabove.

Section 3. The form, terms and provisions of the Purchase Agreement, the Trust Agreement and the Placement Contract, in substantially the forms of such documents (including the form of the Obligation and other exhibits thereto) presented at the meeting of the Mayor and Common Council of the Town at which this Resolution is being adopted are approved, with such final provisions, insertions, deletions and changes as determined as provided hereinabove and shall be approved by the Mayor of the Town, any other member of the Council, the execution of each such document being conclusive evidence of such approval, and the Mayor of the Town or any other member of the Council or the Clerk of the Town, where applicable, are authorized and directed, for and on behalf of the Town, to execute and deliver and attest or approve the Purchase Agreement, the Trust Agreement and the Placement Contract and to take all action to carry out and comply with the terms of such documents.

Section 4. The Trustee (including in its capacity as Seller) is requested to take any and all action necessary in connection with the execution and delivery of the Purchase Agreement and the Trust Agreement and the sale and execution and delivery of the Obligation and is further authorized and directed to take such action as may be reasonable for the administration of the trusts so held by it.

Section 5. The covenants and agreements contained in the Purchase Agreement as to the pledge of and the lien on Excise Tax Revenues and State Shared Revenues and the restriction on the issuance of further parity obligations secured by Excise Tax Revenues and State Shared Revenues are approved and confirmed.

Section 6. The Procedures are hereby adopted to establish policies and procedures in connection with Tax-Exempt Obligations issued by the Town to ensure all applicable post-issuance requirements of the Code and the Regulations needed to preserve the status of such Tax-Exempt Obligations are met. The right to use discretion as necessary and appropriate to make exceptions or request additional provisions with respect to the Procedures as may be determined is hereby reserved. The right to change the Procedures from time to time, without notice, is also reserved.

Section 7. The Mayor, the Manager, the Finance Director and other officers of the Town, on behalf of the Town, are authorized and directed, without further order of the Mayor and Common Council of the Town, to do all such acts and things and to execute and deliver all such certificates, proceedings, agreements and other documents as may be necessary or convenient to be executed and delivered on behalf of the Town, to evidence compliance with, or further the purposes of, all the terms and conditions of, and the consummation of the transactions contemplated by and as may be necessary to carry out the terms and intent of, this Resolution.

Section 8. All actions of the officers and agents of the Town which conform to the purposes and intent of this Resolution and which further the sale and execution and delivery of the Obligation as contemplated by this Resolution, whether heretofore or hereafter taken, are ratified, confirmed and approved.

Section 9. If any section, paragraph, clause or phrase of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or phrase shall not affect any of the remaining provisions of this Resolution. All orders, resolutions and ordinances or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order, resolution or ordinance or any part thereof.

Section 10. The immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety, particularly to immediately sell the Obligation to secure the best, available economic terms therefor, and an emergency is hereby declared to exist, and this Resolution will be in full force and effect from and after its passage by the Mayor and Common Council of the Town and it is hereby excepted from the referendum provisions of the Constitution and laws of the State of Arizona. After the Obligation is delivered by the Trustee and upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the Obligation and the interest and premium, if any, thereon shall have been fully paid, cancelled and discharged.

PASSED AND ADOPTED by the Common Council and approved by the Mayor of the Town of Camp Verde, Arizona, this 17th day of September, 2014.

_____
Mayor

ATTEST:

_____
Town Clerk

APPROVED AS TO FORM:

_____
Town Attorney

331250071.2-9/11/2014

CERTIFICATION

I hereby certify that the foregoing Resolution No. 2014-912 was duly passed and adopted by the Mayor and Common Council of the Town of Camp Verde, Arizona, at a regular meeting held on the 17th day of September, 2014, and the vote was _____ ayes and ____nays.

_____

Town Clerk

DRAFT
09/08/14

SECOND PURCHASE AGREEMENT

by and between

U.S. BANK NATIONAL ASSOCIATION,
as Seller

and

THE TOWN OF CAMP VERDE, ARIZONA,
as Purchaser

Dated as of October 1, 2014

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SECOND PURCHASE AGREEMENT

THIS SECOND PURCHASE AGREEMENT, dated as of October 1, 2014 (this "Agreement"), by and between the **TOWN OF CAMP VERDE, ARIZONA**, a municipal corporation under the laws of the State of Arizona ("Town"), as purchaser hereunder, and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association ("Trustee"), in its capacity as trustee under the Second Trust Agreement, dated as of even date herewith (the "Trust Agreement"), by and between Trustee and Town, as seller hereunder;

W I T N E S S E T H:

WHEREAS, capitalized terms not defined herein shall have the meaning set forth in the Trust Agreement; and

WHEREAS, the Mayor and Common Council of Town have determined that it will be beneficial for the citizens of Town for Town to finance the costs to acquire a library facility and the portion of the offices of the Town Marshall and land for _____ _____ _____, previously financed but not paid for in full (together, the "Property"); and

WHEREAS, for the purpose of financing the costs of the acquisition of the Property, the Mayor and Common Council of Town requested, and Trustee sold and executed and delivered, respectively, the Pledged Revenue and Revenue Refunding Obligation, Series 2014, in the principal amount of $_____,000 (the "Obligation"), and Trustee has, as described in the Trust Agreement, caused deposits to be made to the fund and for the purposes described in the Trust Agreement; and

WHEREAS, Town is a municipal corporation duly incorporated and validly existing under the laws of the State; the Constitution and the laws of the State authorize Town to enter into this Agreement and the transactions contemplated by this Agreement; Town has duly authorized and executed this Agreement; this Agreement is a lawful, valid and binding obligation of Town, enforceable against Town in accordance with its terms; all required procedures for execution and performance of this Agreement, including publication of notice, public hearing or competitive bidding, if applicable, have been or will be complied with in a timely manner; the Payments will be paid when due out of funds which are legally available for such purposes; neither the execution and delivery of this Agreement or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Town is now a party or by which Town is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Town; Town has disclosed in writing to Trustee all facts that do or will materially adversely affect the properties, operations or financial condition of Town and that any financial statements, notices or other written statements provided by Town to Trustee pursuant hereto will not contain any untrue statement of a material fact or omit any material fact necessary to make such statements or information not misleading and the Property complies with all

applicable environmental laws, rules and regulations (including, without limitation, all federal, state and local laws) and with Title III of the Americans with Disabilities Act (the "Act") and the regulations issued thereunder by the United States Department of Justice concerning accessibility of places of public accommodation and commercial facilities if and to the extent such Act and regulations apply to the Property; and

WHEREAS, Trustee has full legal authority and is duly empowered to enter into this Agreement and has taken all actions necessary to the execution and delivery hereof;

NOW THEREFORE, PURSUANT TO LAW AND FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREINAFTER CONTAINED, IT IS HEREBY AGREED AS FOLLOWS:

Section 1. Term and Payments.

(a) For purposes of financing thereof, Trustee hereby sells to Town, and Town hereby buys from Trustee, the Property. (In order to evidence such sale and conveyance, Trustee has executed and delivered to Town a bill of sale on the date of original execution and delivery of the Obligation.)

(b) Trustee shall have no further obligation to provide funds for the Property, and Town shall be entitled to sole and exclusive possession of the Property.

(c) As the purchase price, Town shall make the payments to Trustee at the address specified in the Trust Agreement for the Trustee (or such other address as Trustee may designate in writing) on the dates and in the amounts set forth in the Schedule attached hereto and made a part hereof (the "Payments"). (The amounts of each of the Payments in the column of the Schedule designated "Interest," denominated as and comprising interest pursuant to this Agreement and received by the Owner (the "Interest Portion"), are interest for purposes of the Code.)

Town shall also pay to Trustee its fees and expenses in accordance with the provisions of the Trust Agreement.

Town shall receive a credit against amounts so due, equal to any amounts held in the Payment Fund in excess of the amount then required to be in the Payment Fund. If the balance available in the Payment Fund after a Payment is insufficient to make the next required payments of principal and interest due on the Obligation on the next date for payment thereof, Town shall pay any such deficiency in sufficient time to prevent default in the payment of principal of or interest on the Obligation falling due on such date.

This Agreement shall be deemed and construed to be a "*net purchase agreement*," and the Payments shall be an absolute net return to Trustee, free and clear of any expenses or charges whatsoever, except as otherwise specifically provided herein.

(d) The obligation of Town to pay the amounts described in paragraph (c) hereof (including the Payments) from the sources described herein and to comply with the other provisions hereof shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, abatement, counterclaim, or recoupment arising out of any breach of Trustee of any obligation to Town or otherwise, or out of indebtedness or liability at any time owing to Town by Trustee. Until such time as all of the payments described in paragraph (c) hereof (including the Payments) shall have been fully paid or provided for, Town (i) shall not suspend or discontinue the same, (ii) shall comply with the other provisions hereof and (iii) shall not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, failure of Trustee or any other person to acquire the Property, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Property, the taking by *eminent domain* of title to or temporary use of any or all of the Property, commercial frustration of purpose, abandonment of the Property by Town, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either or any failure of Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Trust Agreement or this Agreement. Nothing contained in this Section shall be construed to release Trustee from the performance of any of the agreements on its part herein or in the Trust Agreement contained and in the event Trustee shall fail to perform any such agreements on its part, Town may institute such action against Trustee as Town may deem necessary to compel performance so long as such action does not abrogate the obligations of Town contained in the first sentence of this paragraph.

(e) Any of the payments described in paragraph (c) hereof (including the Payments) due on a day which is not a Business Day may be made on the next Business Day and will be deemed to have been made on the date due.

Section 2. Pledge; Limited Obligations.

(a) Excise Tax Revenues and State Shared Revenues are hereby pledged by Town to the payment of all amounts described in Section 1(c) hereof (including the Payments), and such amounts shall be secured by a paramount and first lien on and pledge of Excise Tax Revenues and State Shared Revenues, on parity with the pledge and lien hereby granted by Town for the payment and security of thereof, the Parity IGA, the First Purchase Agreement and any Additional Revenue Obligations. Town shall make said payments from Excise Tax Revenues and State Shared Revenues (first making the Payments and thereafter making the other required payments). All of such payments are coequal as to the pledge of and lien on Excise Tax Revenues and State Shared Revenues pledged for the payment thereof and share ratably, without preference, priority or distinction, as to the source or method of payment from Excise Tax Revenues and State Shared Revenues or security therefor. Town intends that this pledge shall be a paramount and first lien on and pledge of Excise Tax Revenues and State Shared Revenues as will be sufficient to make such payments and payments on the Parity IGA and the First Purchase Agreement.

(b) Town shall remit to Trustee from Excise Tax Revenues and State Shared Revenues all amounts due under this Agreement in the amounts and at the times and for

the purposes as required herein. The obligation of Town to make payments of any amounts due under this Agreement, including amounts due after default or termination hereof, is limited to payment from Excise Tax Revenues and State Shared Revenues and shall under no circumstances constitute a general obligation or a pledge of the full faith and credit of Town, the State or any of its political subdivisions, or require the levy of, or be payable from the proceeds of, any *ad valorem* property taxes.

(c) Town may, at the sole option of Town, make payments due pursuant to Section 1 hereof from its other funds as permitted by law and as Town shall determine from time to time, but Trustee acknowledges that it has no claim hereunder to such other funds. No part of the purchase price payable pursuant to this Agreement shall be payable out of any *ad valorem* property taxes imposed by Town or from bonds or other obligations, the payment of which Town's general taxing authority is pledged, unless (i) the same shall have been duly budgeted by Town according to law, (ii) such payment or payments shall be within the budget limitations of the statutes of the State and (iii) any such bonded indebtedness or other obligation is within the debt limitations of the Constitution of the State.

Section 3. **Surplus and Deficiency of Revenues from Excise Taxes and State Shared Revenues**. Excise Tax Revenues and State Shared Revenues in excess of amounts, if any, required to be deposited with or held by Trustee for payments due under this Agreement shall constitute surplus revenues and may be used by Town for any lawful purpose for the benefit of Town, including the payment of obligations to which Excise Tax Revenues and State Shared Revenues may from time to time be pledged on a basis subordinate hereto. If at any time the moneys in the funds held for payment of amounts due under this Agreement are not sufficient to make the deposits and transfers required, any such deficiency shall be made up from the first moneys thereafter received and available for such transfers under the terms of this Agreement and, with respect to payment from Excise Tax Revenues and State Shared Revenues, *pro rata*, as applicable, with amounts due with respect to the Parity IGA, the First Purchase Agreement and this Agreement, and the transfer of any such sum or sums to said fund as may be necessary to make up any such deficiency shall be in addition to the then-current transfers required to be made pursuant hereto.

Section 4. **Parity Lien Obligations**. Additional Revenue Obligations may be incurred but only if Excise Tax Revenues plus State Shared Revenues, when combined mathematically for such purpose only, in the most recently completed fiscal year of Town, shall have amounted to at least two (2) times the highest combined interest and principal requirements for any succeeding fiscal year of Town for the Parity IGA, the First Purchase Agreement, this Agreement and any Additional Revenue Obligations.

Section 5. **Town Control over Revenue Collection**. To the extent permitted by applicable law, Excise Tax Revenues shall be retained and maintained so that the amounts received from Excise Tax Revenues and State Shared Revenues, when combined mathematically for such purpose only, all within and for the most recently completed fiscal year of Town, shall have been equal to at least two (2) times the total of interest and principal requirements for the current fiscal year of Town for the Parity IGA, the First Purchase Agreement, this Agreement and any Additional Revenue Obligations. If the revenues from Excise Tax Revenues and State

Shared Revenues for any such fiscal year shall not have been equal to at least one and one-quarter (1¼) times the total of the interest and principal requirements for the current fiscal year of Town for the Parity IGA, the First Purchase Agreement, this Agreement and any Additional Revenue Obligations or if at any time it appears that Excise Tax Revenues and State Shared Revenues will not be sufficient to meet such requirements, Town shall, to the extent permitted by applicable law, impose new exactions of the type of the excise taxes which will be part of the excise taxes or increase the rates for the excise taxes currently imposed fully sufficient at all times, after making allowance for contingencies and errors, in each fiscal year of Town in order that (i) Excise Tax Revenues and State Shared Revenues will be sufficient to meet all current requirements hereunder and (ii) Excise Tax Revenues and State Shared Revenues will be reasonably calculated to attain the level as required by the first sentence of this paragraph.

Section 6. Certain Matters with Respect to Property.

(a) Except with respect to its power and authority to enter into this Agreement and to perform its covenants hereunder, Trustee has made and makes no representation or warranty, express or implied, and assumes no obligation with respect to the title, merchantability, condition, quality or fitness of the Property for any particular purpose or the conformity of the Property to any plans, specifications, construction contract, purchase order, model or sample, or as to their design, construction, delivery, installation, construction oversight and operation or their suitability for use by Town after completion. All such risks shall be borne by Town without in any way excusing Town from its obligations under this Agreement, and Trustee shall not be liable to Town for any damages on account of such risks. Except with respect to any acts by Trustee which are not undertaken at the request of Town or with the prior approval of Town, Town waives all claims against Trustee growing out of the acquisition, construction, installation or otherwise of the Property. Trustee shall have no liability to Town for any failure of any contractor to perform any contract or other undertaking with respect to the Property in any respect. Trustee shall have no obligation to obtain or insure compliance with any required permits or approval procedures with respect to the Property. In the event of any defect in any item of the Property or other claim with respect to the Property, recourse of Town shall be against the contractors, manufacturers, suppliers, etc. of the Property and, where applicable, the person selling the property to Trustee, and not against Trustee. For such purpose, Trustee hereby assigns and transfers to Town the right, title and interest of Trustee in and to all representations, warranties, guarantees and service agreements relating to the Property made or entered into by Trustee and by any contractor, manufacturers, suppliers, etc. of the Property. Trustee further designates Town as its attorney-in-fact granting to Town the right to initiate and take all actions necessary to enforce any and all construction contracts and all such warranties and service agreements. Trustee is entering into this Agreement solely as Trustee, shall not be personally liable hereunder and shall be afforded the same rights, protections, immunities and indemnities acting hereunder as afforded to it as Trustee under the Trust Agreement. Notwithstanding anything to the contrary herein, at no time shall the Trustee be listed in the chain of title to the Property.

(b) Trustee hereby irrevocably appoints Town as its sole and exclusive agent to act for and on behalf of Trustee in acquiring the Property. As such agent, Town shall

have full authority to do all things necessary to bring about the financing of the Property. Trustee shall not be liable, responsible or accountable for the acts of Town as its agent hereunder, and Town hereby assumes all responsibility for the performance of such duties.

(c) Town, by keeping and performing the covenants and agreements herein contained, shall at all times during the term of this Agreement, peaceably and quietly, have, hold and enjoy the Property, without suit, trouble or hindrance from Trustee. Town hereby grants and conveys to Trustee, and all persons claiming by, through or under Trustee, including its successors and assigns under the Trust Agreement and the Owner for whom it acts, a nonexclusive easement upon, in and to the Property for the purpose of permitting the Property to be maintained upon the premises.

(d) Notwithstanding any other terms or provisions of this Agreement, the interest of Trustee in the Property is solely in its capacity as Trustee for the purpose of facilitating the financing of the acquisition of the Property and the refinancing of the Trustee shall not have the power, authority or obligation to assume any responsibility for the overall management or maintenance of the Property, including, without limitation, any day-to-day decision-making or operational aspects of the Property.

Section 7. **Providing for Payment**. Town may provide for the payment of any of the Payments in any one or more of the following ways:

(a) by paying such Payment as provided herein as and when the same becomes due and payable at its scheduled due date pursuant to Section 1 hereof or on a date on which it can be prepaid;

(b) by depositing with a Depository Trustee, in trust for such purposes, money which, together with the amounts then on deposit with Trustee and available for such Payment is fully sufficient to make, or cause to be made, such Payment at its scheduled due date or on a date on which it can be prepaid or

(c) by depositing with a Depository Trustee, in trust for such purpose, any Government Obligations which are noncallable, in such amount as shall be certified to Trustee and Town, by a national firm of certified public accountants acceptable to both Trustee and Town, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit with Trustee and available for such Payment, to make, or cause to be made, such Payment at its scheduled due date or on a date on which it can be prepaid.

Upon any partial payment of a Payment resulting in a redemption of the Obligation, each installment of interest which shall thereafter be payable as a part of the subsequent Payments shall be reduced, taking into account the interest rate on the Obligation remaining outstanding after the partial payment of redemption of the Obligation from the proceeds of such payment so that the interest remaining payable as a part of the subsequent Payments shall be sufficient to pay the interest on the Obligation when due.

Section 8. **Term of Agreement**. This Agreement shall not terminate so long as any payments are due and owing pursuant to the Obligation. Subject to Section 7 hereof, upon full payment or provision for payment and in consideration of the timely payment of all of the amounts described in Section 1(c) hereof (including the Payments) and provided that Town has performed all the covenants and agreements required by Town to be performed, this Agreement shall cease and expire. The obligations of Town under this Agreement, including, without limitation, its obligation to pay the Payments, shall survive any action brought as provided in the next Section hereof, and Town shall continue to pay the Payments and perform all other obligations provided in this Agreement; provided, however, that Town shall be credited with any amount received by Trustee pursuant to actions brought under the next Section hereof.

Section 9. **Default; Remedies Upon Default**.

(a) (i) Upon (A) the nonpayment of the whole or any part of any of the amounts described in Section 1(c) hereof (including the Payments) at the time when the same is to be paid as provided herein or in the Trust Agreement, (B) the violation by Town of any other covenant or provision of this Agreement or the Trust Agreement, (C) the occurrence of an event of default with respect to the Parity IGA, the First Purchase Agreement and any Additional Revenue Obligations or (D) the insolvency or bankruptcy of Town as the same may be defined under any law of the United States of America or the State, or any voluntary or involuntary action of Town or others to take advantage of, or to impose, as the case may be, any law for the relief of debtors or creditors, including a petition for reorganization, and

(ii) if such default has not been cured (A) in the case of nonpayment of any of the amounts described in Section 1(c) hereof (including the Payments) as required hereunder or under the Trust Agreement on the due date or the nonpayment of principal of or interest on the Parity IGA, the First Purchase Agreement and any Additional Revenue Obligations on their due dates; (B) in the case of the breach of any other covenant or provision of the Trust Agreement or this Agreement not cured within sixty (60) days after notice in writing from Trustee specifying such default and (C) in the case of any other default under any of the Parity IGA, the First Purchase Agreement and any Additional Revenue Obligations after any notice and passage of time provided for under the proceedings under which such obligations were issued then,

(iii) subject to the limitations of the Trust Agreement, Trustee may take whatever action at law or in equity, including the remedy of specific performance, may appear necessary or desirable to collect the Payments and any other amounts payable by Town under the Trust Agreement or this Agreement then due (but not the Payments and such other amounts accruing), or to enforce performance and observance of any pledge, obligation, agreement or covenant of Town under the Trust Agreement or this Agreement, and with respect to the Excise Tax Revenues and the State-Shared Revenues, without notice and without giving any bond or surety to Town or anyone claiming under Town, have a receiver appointed of the Excise Tax Revenues and the State Shared Revenues which are pledged to the payment of amounts due hereunder, with such powers as the court making such appointment shall confer (and Town does

hereby irrevocably consent to such appointment); provided, however, that under no circumstances may the Payments be accelerated.

Each right, power and remedy of Trustee provided for in this Agreement shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for herein, or, unless prohibited by the terms hereof, now or hereafter existing at law or in equity or by statute or otherwise, in any jurisdiction where such rights, powers and remedies are sought to be enforced, and the exercise or beginning of the exercise by Trustee of any one or more of the rights, powers or remedies provided for herein or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by either party of any or all of such other rights, powers or remedies. The failure to insist upon strict performance of any of the covenants or agreements herein set forth shall not be considered or taken as a waiver or relinquishment for the future of the rights of Trustee to insist upon a strict compliance by Trustee with all the covenants and conditions hereof. Town shall, upon not less than 10 days' prior request by Trustee, execute, acknowledge and deliver to Trustee a statement in writing certifying that this Agreement is unmodified and in full force and effect (or, if this Agreement has been modified, that it is in full force and effect except as modified, and stating the modification), and the dates to which the amounts payable hereunder have been paid in advance, if any.

(b) Trustee shall in no event be in default in the performance of any of its obligations hereunder unless and until Trustee shall have failed to perform such obligation within 30 days or such additional time as is reasonably required to correct any such default after notice by Town properly specifying wherein Trustee has failed to perform any such obligation. No default by Trustee shall relieve Town of its obligations to make the various payments herein required, so long as the Obligation remains outstanding; however, Town may exercise any other remedy available at law or in equity to require Trustee to remedy such default so long as such remedy does not interfere with or endanger the payments required to be made to Trustee under the Trust Agreement.

Section 10. Assignment.

(a) Except as otherwise provided herein, Town shall not assign, transfer, pledge or hypothecate or otherwise dispose of this Agreement or any interest therein and any assignment in contravention hereof shall be void.

(b) Subject to the terms of the Trust Agreement, all and every part of the right, title and interest in and to this Agreement and all payments of any kind due or which become due to Trustee hereunder are sold, pledged, assigned and transferred pursuant to the Trust Agreement; provided, however, that if the same shall not impair the Obligation, Trustee shall execute such nondisturbance and acceptance instruments as shall reasonably be required to evidence the same as hereinafter provided and shall become and be deemed to be the seller hereunder and have all of the rights, powers, privileges and remedies, and be subject to all of the covenants and agreements, as such hereunder for all purposes of this Agreement, except that Trustee makes no representation or warranty, and therefore will assume no obligation, with respect to the title, merchantability, condition, quality or fitness of the Property for any particular

purpose or for the enforcement of any warranties or service agreements made or assigned and Town shall have no right to abate, reduce, withhold or offset against any payments due hereunder on account of any claims for misrepresentations or breach of warranty or any claims for sums due Town from any predecessor(s) in interest of Trustee. Town attorns to and recognizes Trustee as the owner of all right, title and interest in, to and under this Agreement and the payments thereafter due and payable pursuant to this Agreement and as seller pursuant to this Agreement. Town shall execute and deliver to Trustee such certificates or other instruments in such forms as may reasonably be required by Trustee and to which Town can truthfully attest, including but not limited to a separate acknowledgment of assignment and attornment certificate in the customary form as to the right, title and interest of Trustee in, to and under this Agreement and the payments thereafter due and payable pursuant to this Agreement.

Section 11. Federal Law Provisions.

(a) (i) No direction for the making of any investment or other use of the proceeds of the Obligation shall be made which would cause the Obligation to be an "arbitrage bond" as that term is defined in section 148 (or any successor provision thereto) of the Code or a "private activity bond" as that term is defined in section 141 (or any successor provision thereto) of the Code, and the requirements of such sections and related regulations of the Code shall be complied with throughout the term of the Obligation. (Particularly, Town shall be the owner of the Property for federal income tax purposes. Town shall not enter into any management or service contract with any entity other than a governmental entity for the operation of any portion of the Property unless the management or service contract complies with the requirements of Revenue Procedure 97-13 or such other authority as may control at the time or any lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Property). Also, the payment of principal and interest with respect to the Obligation shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the Obligation, or amounts treated as proceeds of the Obligation, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds may be so invested for an initial temporary period until needed for the purpose for which the Obligation is being executed and delivered, may be so used in making investments of a *bona fide* debt service fund or may be invested in obligations issued by the United States Treasury. Town shall comply with the procedures and covenants contained in any arbitrage rebate provision or separate agreement executed in connection with the execution and delivery of the Obligation (initially those in subsection (b)) for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of the Interest Portion. In consideration of the purchase and acceptance of the Obligation by the Owner and of retaining such exclusion and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, as amended, Town shall, and the appropriate officials of Town are hereby directed, to take all action required to retain such exclusion or to refrain from taking any action prohibited by the Code which would adversely affect in any respect such exclusion.

(ii) (A) Town shall take all necessary and desirable steps, as determined by the Mayor and Council of Town, to comply with the requirements hereunder in

order to ensure that the Interest Portion is excluded from gross income for federal income tax purposes under the Code; provided, however, compliance with any such requirement shall not be required in the event Town receives a Special Counsel's Opinion (as such term is defined in the next subsection) that either compliance with such requirement is not required to maintain the exclusion from gross income of the Interest Portion or compliance with some other requirement will meet the requirements of the Code. In the event Town receives such a Special Counsel's Opinion, the parties agree to amend this Agreement to conform to the requirements set forth in such opinion.

(B) If for any reason any requirement hereunder is not complied with, Town shall take all necessary and desirable steps, as determined by Town, to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence and Town shall pay any required interest or penalty under hereinafter described Regulations section 1.148-3(h) with respect to the Code.

(C) Written procedures for post-issuance compliance with the requirements of the Code have been adopted, with which the Town will comply.

(iii) Town designates the Obligation as a "qualified tax-exempt obligation" for purposes of section 265(b)(3) of the Code. In that connection, it is hereby represented and covenanted that Town, together with all its subordinate entities or entities that issue obligations on its behalf, or on behalf of which it issues obligations, during the current calendar year have not issued and will not issue tax-exempt obligations designated as qualified tax-exempt obligations in an aggregate amount, including the Obligation, exceeding $10,000,000.

(iv) It is hereby represented and warranted that (i) Town has general taxing powers, (ii) the Obligation is not a "private activity bond" within the meaning of the Code, (iii) 95 percent or more of the net proceeds of the Obligation shall be used for local governmental activities of Town and (iv) the aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds within the meaning of the Code) issued by Town during the 2011 calendar year is not reasonably expected to exceed $5,000,000.

(b) (i) Terms not otherwise defined in paragraph (ii) hereof shall have the meanings given to them in the arbitrage certificate of Town delivered in connection with the execution and delivery of the Obligation.

(ii) The following terms shall have the following meanings:

Bond Year shall mean each one-year period beginning on the day after the expiration of the preceding Bond Year. The first Bond Year shall begin on the date of issue of the Obligation and shall end on the date selected by Town, provided that the first Bond Year shall not exceed one calendar year. The last Bond Year shall end on the date of retirement of the Obligation.

Bond Yield is as indicated in such arbitrage certificate. Bond Yield shall be recomputed if required by Regulations section 1.148-4(b)(4) or 4(h)(3). Bond Yield shall mean the discount rate that produces a present value equal to the Issue Price of all unconditionally payable payments of principal, interest and fees for qualified guarantees within the meaning of Regulations section 1.148-4(f) and amounts reasonably expected to be paid as fees for qualified guarantees in connection with the Obligation as determined under Regulations section 1.148-4(b). The present value of all such payments shall be computed as of the date of issue of the Obligation and using semiannual compounding on the basis of a 360-day year.

Gross Proceeds shall mean:

(i) any amounts actually or constructively received by Town from the sale of the Obligation but excluding amounts used to pay accrued interest on the Obligation within one year of the date of issuance of the Obligation;

(ii) transferred proceeds of the Obligation under Regulations section 1.148-9;

(iii) any amounts actually or constructively received from investing amounts described in (i), (ii) or this (iii) and

(iv) replacement proceeds of the Obligation within the meaning of Regulations section 1.148-1(c). Replacement proceeds include amounts reasonably expected to be used directly or indirectly to pay debt service on the Obligation, pledged amounts where there is reasonable assurance that such amounts will be available to pay principal or interest on the Obligation in the event Town or Trustee encounters financial difficulties and other replacement proceeds within the meaning of Regulations section 1.148-1(c)(4). Whether an amount is Gross Proceeds is determined without regard to whether the amount is held in any fund or account established under the Trust Agreement.

Investment Property shall mean any security, obligation (other than a tax-exempt bond within the meaning of Code section 148(b)(3)(A)), annuity contract or investment-type property within the meaning of Regulations section 1.148-1(b).

Issue Price is as indicated in such arbitrage certificate, which is the initial offering price to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters of wholesalers) at which price a substantial amount of the Obligation was sold, less any bond insurance premium and reserve surety bond premium. Issue price shall be determined as provided in Regulations section 1.148-1(b).

Nonpurpose Investment shall mean any Investment Property acquired with Gross Proceeds and which is not acquired to carry out the governmental purposes of the Obligation.

Payment shall mean any payment within the meaning of Regulations section 1.148-3(d)(1) with respect to a Nonpurpose Investment.

Rebate Requirement shall mean at any time the excess of the future value of all Receipts over the future value of all Payments. For purposes of calculating the Rebate Requirement the Bond Yield shall be used to determine the future value of Receipts and Payments in accordance with Regulations section 1.148-3(c). The Rebate Requirement is zero for any Nonpurpose Investment meeting the requirements of a rebate exception under section 148(f)(4) of the Code or Regulations section 1.148-7.

Receipt shall mean any receipt within the meaning of Regulations section 1.148-3(d)(2) with respect to a Nonpurpose Investment.

Regulations shall mean the sections 1.148-1 through 1.148-11 and section 1.150-1 of the regulations of the United States Department of the Treasury promulgated under the Code, including any amendments thereto or successor regulations.

Special Counsel's Opinion shall mean an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by Town.

(iii) Unless the exception which is the subject of Section 11(a)(iv) or another exception available pursuant to the Regulations applies as indicated in a Special Counsel's Opinion or a written statement of an expert consultant employed pursuant to paragraph (viii) hereof, within 60 days after the end of each Bond Year, Town shall cause the Rebate Requirement to be calculated and shall pay to the United States of America:

(A) not later than 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, an amount which, when added to the future value of all previous rebate payments with respect to the Obligation (determined as of such Computation Date), is equal to at least 90% of the sum of the Rebate Requirement (determined as of the last day of such Bond Year) plus the future value of all previous rebate payments with respect to the Obligation (determined as of the last day of such Bond Year); and

(B) not later than 60 days after the retirement of the Obligation, an amount equal to 100% of the Rebate Requirement (determined as of the date of retirement of the Obligation).

Each payment required to be made under this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date such payment is due, and shall be accompanied by IRS Form 8038-T.

(iv) No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

(v) For purposes of paragraph (iv), whether a Nonpurpose Investment has been purchased or sold or disposed of for its fair market value shall be determined as follows:

(A) The fair market value of a Nonpurpose Investment generally shall be the price at which a willing Town would purchase the Nonpurpose Investment from a willing seller in a bona fide arm's length transaction. Fair market value shall be determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding.

(B) Except as provided in Subsection (vi) or (vii), a Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code section 1273, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(C) If a United States Treasury obligation is acquired directly from or sold or disposed of directly to the United States Treasury, such acquisition or sale or disposition shall be treated as establishing the fair market value of the obligation.

(vi) The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal is considered to be its fair market value if the yield on the certificate of deposit is not less than:

(A) the yield on reasonably comparable direct obligations of the United States; and

(B) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(vii) A guaranteed investment contract shall be considered acquired and disposed of for an amount equal to its fair market value if:

(A) A bona fide solicitation in writing for a specified guaranteed investment contract, including all material terms, is timely forwarded to all potential providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with Town or any other person (whether or not in connection with the Obligation), and that the bid is not being submitted solely as a courtesy to Town or any other person for purposes of satisfying the requirements in the Regulations that Town receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Obligation.

(B) All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.

(C) At least three reasonably competitive providers (i.e. having an established industry reputation as a competitive provider of the type of investments

being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Obligation (e.g., a lead underwriter within 15 days of the issue date of the Obligation or a financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If Town uses an agent to conduct the bidding, the agent may not bid.

(D) The highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees) is purchased.

(E) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the reasonably expected deposit and drawdown schedule for the amounts to be invested.

(F) The terms for the guaranteed investment contract are commercially reasonable (i.e. have a legitimate business purpose other than to increase the purchase price or reduce the yield of the guaranteed investment contract).

(G) The provider of the investment contract certifies the administrative costs (as defined in Regulations section 1.148-5(e)) that it pays (or expects to pay) to third parties in connection with the guaranteed investment contract.

(H) Town retains until three years after the Obligation is retired, (1) a copy of the guaranteed investment contract, (2) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any administrative costs paid by Town and a copy of the provider's certification described in (G) above, (3) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results and (4) the bid solicitation form and, if the terms of the guaranteed investment contract deviates from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose of the deviation.

(viii) Such experts and consultants shall be employed by Town to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with section 148(f) of the Code with respect to the Obligation.

Section 12. Covenant as to Conflict of Interest; Other Statutory Restrictions.

(a) To the extent applicable by provision of law, Trustee acknowledges that this Agreement is subject to cancellation pursuant to Section 38-511, Arizona Revised Statutes, as amended, the provisions of which are incorporated herein and which provides that Town may within three (3) years after its execution cancel any contract (including this Agreement) without penalty or further obligation made by Town if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of Town is at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract. The cancellation shall be effective

when written notice is received by all other parties to the contract unless the notice specifies a later time. Trustee covenants not to employ as an employee, an agent or, with respect to the subject matter of this Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of Trustee within three years from the execution of this Agreement, unless a waiver of Section 38-511, Arizona Revised Statutes, as amended, is provided by Town. No basis exists for Town to cancel this Agreement pursuant to Section 38-511, Arizona Revised Statutes, as amended, as of the date hereof.

(b) To the extent applicable under Section 41-4401, Arizona Revised Statutes, as amended, Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes, as amended. The breach by Trustee of the foregoing shall be deemed a material breach of this Agreement and may result in the termination of the services of Trustee by Town. Town retains the legal right to randomly inspect the papers and records of Trustee to ensure that Trustee is complying with the above-mentioned warranty. Trustee shall keep such papers and records open for random inspection during normal business hours by Town. Trustee shall cooperate with the random inspections by Town including granting Town entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

Section 13. Miscellaneous.

(a) No covenant or obligation herein to be performed by Town may be waived except by the written consent of Trustee, and a waiver of any such covenant or obligation or a forbearance to invoke any remedy on any occasion shall not constitute or be treated as a waiver of such covenant or obligation as to any other occasion and shall not preclude Trustee from invoking such remedy at any later time prior to the cure by Town of the condition giving rise to such remedy.

(b) This Agreement shall be construed and governed in accordance with the laws of the State in effect from time to time.

(c) The recitals set forth at the beginning of this Agreement are incorporated in this Agreement by this reference. This Agreement constitutes the entire agreement between the parties and shall not be modified, waived, discharged, terminated, amended, supplemented, altered or changed in any respect except by a written document signed by both Trustee and Town, subject to the restrictions with regard thereto provided by the Trust Agreement.

(d) Any term or provision of this Agreement found to be prohibited by law or unenforceable or which would cause this Agreement to be invalid, prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without, to the extent reasonably possible, causing the remainder of this Agreement to be invalid, prohibited by law or unenforceable.

(e) The captions set forth herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

(f) Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, assigns and personal representatives, as the case may be. Any person or entity acquiring any interest in or to the right, title or interest of Trustee herein shall be and have the rights of a third party beneficiary hereunder.

(g) This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the first day of May, 2011.

Trustee:

U.S. BANK NATIONAL ASSOCIATION, as seller

By .....
Printed Name: .....
Title: .....

Town:

TOWN OF CAMP VERDE, ARIZONA, a municipal corporation under the laws of the State of Arizona, as purchaser

By.....
Mayor

ATTEST:

By.....
Town Clerk

SCHEDULE

Payment Date	Principal	Interest	Total Payment
01/01/15	--	$	$
07/01/15	$		
01/01/16	--		
07/01/16			
01/01/17	--		
07/01/17			
01/01/18	--		
07/01/18			
01/01/19	--		
07/01/19			
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07/01/24			
01/01/25	--		
07/01/25			
01/01/26	--		
07/01/26			
01/01/27	--		
07/01/27			
01/01/28	--		
07/01/28			
01/01/29	--		
07/01/29			
01/01/30	--		
07/01/30			
Total	**$**	**$**	**$**

DRAFT
09/08/14

SECOND TRUST AGREEMENT

by and between

U.S. BANK NATIONAL ASSOCIATION,
as Seller

and

THE TOWN OF CAMP VERDE, ARIZONA,
as Purchaser

Dated as of October 1, 2014

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* * *

SECOND TRUST AGREEMENT

THIS SECOND TRUST AGREEMENT, dated as of October 1, 2014 (together with any duly authorized, executed and delivered supplement thereto, this "Trust Agreement"), by and between U.S. BANK NATIONAL ASSOCIATION, a national banking association, as trustee, or any successor thereto acting as trustee pursuant to this Trust Agreement and in its capacity as "Seller" pursuant to the hereinafter described Purchase Agreement (the "Trustee"), and THE TOWN OF CAMP VERDE, ARIZONA, a municipal corporation under the laws of the State of Arizona (the "Town");

WITNESSETH:

WHEREAS, the Mayor and Common Council of the Town have determined that it will be beneficial for the citizens of the Town for the Town to finance the costs to acquire a library facility and the portion of the offices of the Town Marshall and land for _____

_____

_____,

previously financed but not paid for in full (together, the "Property"); and

WHEREAS, for the purpose of financing the costs of the acquisition of the Property, the Mayor and Common Council of the Town requested, and the Trustee sold and executed and delivered, respectively, the Pledged Revenue and Revenue Refunding Obligation, Series 2014, in the principal amount of $_____,000 (the "Obligation"), and the Trustee has, as described in this Trust Agreement, caused deposits to be made as to the funds and for the purposes described herein; and

WHEREAS, the Town and the Trustee will enter into this Trust Agreement to facilitate the administration of the financing of the costs of the Property, and the Trustee has full legal authority and is duly empowered to enter into this Trust Agreement and has taken all actions necessary to authorize the execution and delivery hereof;

NOW, THEREFORE, in consideration for the Obligation executed and delivered under this Trust Agreement; the acceptance by the Trustee of the trusts created herein; the purchase and acceptance of the Obligation by the Owner (as such term and all other terms not otherwise defined hereinabove are hereinafter defined), and to secure the payment of principal of and interest on (to the extent provided herein) the Obligation, the rights of the Owner and the performance and the observance of the covenants and conditions contained in the Obligation, the Purchase Agreement and herein, and the performance and the observance of all of the covenants and conditions contained therein, the Trustee hereby declares an irrevocable trust and acknowledges its acceptance of all right, title and interest in and to the following described trust estate, which shall be administered by the Trustee according to the provisions of this Trust Agreement:

A. All right, title and interest of Seller in, under and pursuant to the Purchase Agreement, the Payments and any other amounts payable by the Town under the Purchase Agreement and the present and continuing right to (i) make claim for, collect or cause to be collected, receive or cause to be received all such revenues, receipts and other sums of

money payable or receivable thereunder, (ii) to bring acts and proceedings thereunder or for the enforcement of such rights, and (iii) to do any and all other things which the Seller is or may become entitled to do thereunder;

B. Amounts on deposit from time to time in the funds created pursuant hereto, subject to the provisions of this Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

C. Any and all other real or personal property of any kind from time to time hereafter by delivery or by writing of any kind specifically conveyed, pledged, assigned or transferred, as and for additional security hereunder for the Obligation, by Seller or by anyone on its behalf or with its written consent, in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof,

TO HAVE AND TO HOLD, all and singular, the trust estate, including all additional property which by the terms hereof has or may become subject to the encumbrance of this Trust Agreement, unto the Trustee and its successors and assigns, forever, subject, however, to the rights of the Town, its successors and assigns, under the Purchase Agreement;

IN TRUST, however, for the benefit and security of the Owner, conditioned, however, that if the Town shall well and truly pay or cause to be paid fully and promptly when due all indebtedness, liabilities, obligations and sums at any time secured hereby, including interest and attorneys' fees, and shall promptly, faithfully and strictly keep, perform and observe or cause to be kept, performed and observed all of its covenants, warranties and agreements contained herein, this Trust Agreement shall be and become void and of no further force and effect; otherwise, the same shall remain in full force and effect, and upon the trust and subject to the covenants and conditions hereafter set forth. For such purposes, the Town and the Trustee hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1. Definitions. In addition to the terms defined in the first paragraph hereof and in the Recitals hereto and in the Purchase Agreement and unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Trust Agreement, have the meanings herein specified.

"Acquisition Fund" means the fund by that name established pursuant to Article III and held by the Trustee.

"Additional Revenue Obligations" means any additional obligations which may hereafter be issued or incurred by the Town (or any financing conduit acting on behalf of the Town) having a lien upon and payable from Excise Tax Revenues and State Shared Revenues on a parity with, and in compliance with the terms of, the Parity IGA, the First Purchase Agreement and the Purchase Agreement.

"Business Day" means any day of the week other than a Saturday, Sunday or a day which shall be in the State a legal holiday or a day on which the Trustee is authorized or obligated by law or executive order to close or a day on which the Federal Reserve is closed as modified by the effect of Section 9.6.

"Certificate of Completion" means the notice of completion, filed with the Trustee by the Town Representative, stating that the Property has been acquired.

"Closing Date" means the day when the Obligation, duly executed by the Trustee, is delivered to the Owner.

"Code" means the Internal Revenue Code of 1986, as amended. References to the Code and Sections thereof include applicable regulations and temporary regulations thereunder and any successor provisions to those Sections, regulations or temporary regulations and any applicable regulations or temporary regulations issued pursuant to the Internal Revenue Code of 1954.

"Completion Date" means the date on which the Certificate of Completion is filed with the Trustee by the Town Representative.

"Corporate Trust Office" means the office of the Trustee designated in Section 12.2 or any successor corporate trust office.

"Costs of Issuance Fund" means the fund of that name established pursuant to Article III and held by the Trustee.

"Defeasance Obligations" means, to the extent permitted by law, (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, (5) securities eligible for "AAA" defeasance under then-existing criteria of S&P or (6) any combination of the foregoing.

"Delivery Costs" means all items of expense directly or indirectly payable by or reimbursable to the Town or the Trustee relating to the sale and execution and delivery, as applicable, of the Purchase Agreement, this Trust Agreement and the Obligation, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee, financing discounts, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies for credit ratings, fees for execution, transportation and safekeeping of the Obligation and charges and fees in connection with the foregoing.

"Depository Trustee" means any bank or trust company, which may include the Trustee, designated by the Town, with a combined capital and surplus of at least Fifty

Million Dollars ($50,000,000) and subject to supervision or examination by federal or State of Arizona authority.

"Designated Office" means the office designated as such by the Trustee in writing to the Town.

"Electronically" means with respect to notice, one transmitted through a timesharing terminal, computer network or facsimile machine, if operative as between any two parties, or if not operative, by telephone (promptly confirmed in writing).

"Event of Default" means an event of default under the Purchase Agreement as provided in Section 9 thereof.

"Excise Tax Revenues" means revenues from the unrestricted transaction privilege (sales) tax, business license and franchise fees, parks and recreation fees and permits and fines and forfeitures which the Town imposes; provided that the Mayor and Council of the Town may impose other transaction privilege taxes in the future, the uses of revenue from which will be restricted, at the discretion of such Council.

"First Purchase Agreement" means the First Purchase Agreement, dated as of May 1, 2011, by and between U.S. Bank National Association, as seller, and the Town, as purchaser.

"Fiscal Year" means the Fiscal Year of the Town, currently the period July through June 30.

"GADA" means the Greater Arizona Development Authority, a body corporate and politic constituting a governmental instrumentality organized and existing within the State under the Constitution and laws of the State.

"Independent Counsel" means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Town or the Trustee.

"Interest Payment Date" means each January 1 and July 1 commencing _____ 1, 2015, provided that, if any such day is not a Business Day, any payment due on such date may be made on the next Business Day, without additional interest and with the same force and effect as if made on the specified date for such payment.

"Market Value" means the indicated bid value of the investment or investments to be valued as shown in The Wall Street Journal or any publication having general acceptance as a source of valuation of the same or similar types of securities or any securities pricing service available to or used by the Trustee and generally accepted as a source of valuation.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if

such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Town by notice to the Trustee.

"Notification" shall have the meaning provided in Section 10.3.

"Owner" or any similar term, when used with respect to an Obligation means _____.

"Parity IGA" means the Amendment to and Restatement of the Intergovernmental Agreement, dated as of July 24, 2009, between the Town and the Camp Verde Sanitary District.

"Parity Obligations" means the Parity IGA, the First Purchase Agreement, the Purchase Agreement and any Additional Revenue Obligations.

"Payment Fund" means the fund by that name established pursuant to Article V hereof and held by the Trustee.

"Payment Request Form" means the form set forth in Exhibit B which is attached hereto and made a part hereof.

"Payments" means the "Payments" required to be paid by the Town pursuant to Section 1(c) of the Purchase Agreement and as set forth in the Schedule to the Purchase Agreement.

"Permitted Investments" means any of the following, to the extent permitted by law:

1. (A) Cash (fully insured by the Federal Deposit Insurance Corporation), (B) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("U.S. Treasury Obligations"), (C) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (D) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (E) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

2. Federal Housing Administration debentures.

3. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

A. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac") Participation Certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts) and Senior debt obligations;

B. Farm Credit Banks (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) Consolidated system-wide bonds and notes;

C. Federal Home Loan Banks (FHL Banks) Consolidated debt obligations and

D. Federal National Mortgage Association (FNMA or "Fannie Mae") Senior debt obligations and Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding the portion of their unpaid principal amounts).

4. Unsecured certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Town, time deposits, and bankers' acceptances (having maturities of not more than 365 days) of any bank, including the Trustee or any of its affiliates, the short-term obligations of which are rated "A-1+" or better by S&P and "Prime-1" or better by Moody's.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $15 million.

6. Commercial paper (having original maturities of not more than 270 days) rated "A-1+" or better by S&P and "Prime-1" or better by Moody's.

7. Money market mutual funds rated "AAm" or "AAm-G" or higher by S&P or, if rated by Moody's, "Prime-1" or better by Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, the Trustee collects fees for services rendered pursuant to this Trust Agreement, which fees are separate from the fees received from such funds and services performed for such funds and pursuant to this Trust Agreement may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee.

8. "State Obligations," which means:

A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state, the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by S&P, or higher, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated;

B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated "A-1+" or better by S&P and "MIG-1" by Moody's and

C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (B) above and rated "AA-" or better by S&P and "Aa-3" or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by S & P and "Aaa" by Moody's meeting the following requirements:

A. The municipal obligations are not subject to redemption prior to maturity or the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

B. The municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

C. The principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

D. The cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

E. No substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification and

F. The cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements: With any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A-" by S&P and "A-3" by Moody's; or any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A-" by S&P and "A-3" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or any other entity rated "A-" or better by S&P and "A-3" for better by Moody's (each a "Provider"), provided that:

A. Permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers), and collateral levels must be at least 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA's and 104% of the total principal when the collateral type is FNMA and FHLMC ("Collateral");

B. The Trustee or a third party acting solely as agent therefore or for the Town (the "Custodian") has possession of the collateral or the collateral has been transferred to the Custodian in accordance with applicable state and federal laws (other than by means of entries on the transferor's books) and such collateral shall be marked to market;

C. The collateral shall be marked to market on a daily basis and the provider or the Custodian shall send monthly reports to the Trustee and the Town setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

D. The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof and

E. The repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A-3" by Moody's, as appropriate, the provider must, notify the Town and the Trustee within five (5) days of receipt of such notice. Within ten (10) days of receipt of such notice, the provider shall either: provide a written guarantee acceptable to the Town, post Collateral or assign the agreement to a Provider. If the provider does not perform a remedy within ten (10) Business Days, the provider shall, at the direction of the Trustee (who shall give such direction if so directed by the Town) repurchase all collateral and terminate the repurchase agreement, with no penalty or premium to the Town or the Trustee.

11. Investment agreements with a domestic or foreign bank or corporation, the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA-" by S&P and "Aa3" by Moody's (each an "Eligible Provider"); provided that:

A. Interest payments are to be made to the Trustee at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the Acquisition Fund, construction draws) on the Obligation;

B. The invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice; the Trustee and the Town hereby agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

C. The provider shall send monthly reports to the Trustee and the Town setting forth the balance the Town or the Trustee has invested with the provider and the amounts and dates of interest accrued and paid by the provider;

D. The investment agreement shall state that is an unconditional and general obligation of the provider, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

E. The Town and the Trustee shall receive an opinion of domestic counsel to the provider that such investment agreement is legal, valid, binding and enforceable against the provider in accordance with its terms;

F. The Town and the Trustee shall receive an opinion of foreign counsel to the provider (if applicable) that the investment agreement has been duly authorized, executed and delivered by the provider and constitutes the legal, valid and binding obligation of the provider, enforceable against the provider in accordance with its terms, the choice of law of the state set forth in the investment agreement is valid under that country's laws and a court in such country would uphold such choice of law, and any judgment rendered by a court in the United States would be recognized and enforceable in such country;

G. The investment agreement shall provide that if during its term:

(1) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," the provider shall, at its option, within ten (10) days of receipt of publication of such downgrade, either (A) provide a written

guarantee acceptable to the Town, (B) post Eligible Collateral (as hereinafter defined) with the Town, the Custodian free and clear of any third party liens or claims, or (C) assign the agreement to an Eligible Provider, or (D) repay the principal of and accrued but unpaid interest on the investment;

(2) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A-3," the provider must, at the direction of the Trustee (who shall give such direction if so directed by the Town), within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Town;

H. In the event the provider is required to collateralize, permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers) and collateral levels must be 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA's and 104% of the total principal when the collateral type is FNMA and FHLMC ("Eligible Collateral"). In addition, the collateral shall be marked to market on a daily basis and the provider or Custodian shall send monthly reports to the Trustee and the Town setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

I. The investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof and

J. the investment agreement must provide that if during its term: the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Trustee (who shall give such direction if so directed by the Town), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Town or the Trustee, as appropriate, and the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Town or the Trustee, as appropriate.

12. Interests in the Local Government Investment Pool established pursuant to Arizona Revised Statutes Section 35-326.

"Reimbursement Request Form" means the form set forth in Exhibit C hereof.

"Responsible Officer" means, when used with respect to the Trustee, the president, any vice president, any assistant vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, any senior associate, any associate or any other officer of the Trustee within the Corporate Trust Office customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred at the Corporate Trust Office because of such person's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Trust Agreement.

"S&P" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Town by notice to the Trustee.

"State" means the State of Arizona.

"State Shared Revenues" means any amounts of excise taxes, transaction privilege (sales) taxes and income taxes imposed by the State or any agency thereof and returned, allocated or apportioned to the Town, except the Town's share of any such taxes which by State law, rule or regulation must be expended for other purposes, such as motor vehicle fuel taxes.

"Town Representative" means the Town Manager, the Town Finance Director or any other person authorized by the Town Manager or the Mayor and Council to act on behalf of the Town with respect to this Trust Agreement.

Words importing persons include firms, associations and corporations, and the singular and plural forms of words shall be deemed interchangeable wherever appropriate.

ARTICLE II
SPECIAL REVENUE OBLIGATION

Section 2.1. Authorization of the Obligation. The Trustee is hereby authorized and directed to execute and deliver to the Owner, the Obligation in the form of a single, certificated Obligation, registered in the name of the Owner in the principal amount of $_____,000, evidencing one hundred percent (100%) proportionate ownership interest in the Purchase Agreement and the Payments. In no event shall the Obligation be deemed a liability, debt or obligation of the Trustee.

Section 2.2. Date; Interest Accrual. The Obligation shall be dated the Closing Date, and interest with respect thereto shall be payable from such date or from the most

recent Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Obligation.

Section 2.3. Maturities and Interest Rates. The Obligation shall mature on July 1, 2030, and interest with respect thereto shall be computed at the rate of two and eighty-four one-hundredths percent (2.84%)

Section 2.4. Interest on the Obligation. Interest on the Obligation shall be payable semiannually on the Interest Payment Dates, to and including the date of maturity or prior redemption of the Obligation. Said interest shall represent the portion of the Payments designated as interest and coming due during the six-month period preceding each Interest Payment Date with respect to the Obligation. The proportionate share of the portion of the Payments designated as interest with respect to the Obligation shall be computed by multiplying the portion of Payments designated as principal with respect to the Obligation by the rate of interest applicable to the Obligation (on the basis of a 360-day year of twelve 30-day months).

Section 2.5. Form. The Obligation shall be in the form of one fully registered, certificated Obligation registered in the name of the Owner. The form of the Obligation shall be substantially in the form set forth in Exhibit A.

Section 2.6. Execution. The Obligation shall be executed by and in the name of the Trustee by the manual signature of an authorized representative of the Trustee. If any representative whose signature appears on the Obligation ceases to be such representative before the Closing Date, such signature shall nevertheless be as effective as if the representative had remained in office until the Closing Date. The Obligation may be executed on behalf of the Trustee by such person as at the actual date of the execution of the Obligation shall be the proper authorized representative of the Trustee although at the nominal date of the Obligation such person shall not have been such authorized representative of the Trustee. The Obligation shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under this Trust Agreement unless and until executed and delivered by the Trustee. The execution by the Trustee of the Obligation shall be conclusive evidence that the Obligation has been duly authorized and delivered hereunder and is entitled to the security and benefit of this Trust Agreement.

Section 2.7. Application of Proceeds. The proceeds received by the Trustee from the sale of the Obligation shall forthwith be applied by the Trustee as follows, in the following order of priority:

(1) $_____ shall be deposited in the Costs of Issuance Fund,

(2) $_____ shall be deposited in a temporary fund established by the Trustee which will be kept separate and apart from all other funds and moneys held by the Trustee and, as soon as possible, paid pursuant to Section 9(b) of the Loan Repayment Agreement, dated as of February 1, 2005, by and between the Town and GADA as payment in full of all amounts due pursuant thereto, and

(3) $_____ shall be deposited in the Acquisition Fund.

Section 2.8. Transfer and Exchange. The Obligation may not be transferred or exchanged except as described in the next Section. However, the Town and the Trustee shall, within 30 days after a written request to the Town Representative and a Responsible Officer from an authorized representative of the Owner, enter into a supplement pursuant to Article VII hereof to amend this Trust Agreement to provide for transfer of the Obligations to another party responsibly acceptable to the Town.

Section 2.9. Obligation Mutilated, Lost, Destroyed or Stolen. If the Obligation shall become mutilated, the Trustee, at the expense of the Owner, shall execute and deliver a new Obligation of like tenor and amount in exchange and substitution for the Obligation so mutilated, but only upon surrender to the Trustee of the Obligation so mutilated. Any mutilated Obligation so surrendered to the Trustee shall be cancelled by it and redelivered to the Owner. If the Obligation shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and, if an indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Owner, shall execute and deliver a new Obligation to the Owner of like tenor and amount and numbered as the Trustee shall determine in lieu of and in substitution for the Obligation so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new Obligation delivered under this Section and of the expenses which may be incurred by the Trustee in carrying out the duties under this Section. The Trustee shall not be required to treat both the original Obligation and any replacement Obligation as being outstanding. Notwithstanding any other provision of this Section, in lieu of delivering a new Obligation for an Obligation which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Obligation upon receipt of the aforementioned indemnity.

Section 2.10. Payment. The principal (except the final payment thereof whether because of maturity or redemption) and interest due with respect to the Obligation (except that due upon such final payment) shall be payable in lawful money of the United States of America by wire transfer as instructed by the Owner by written request of the Trustee at least twenty (20) days before the Interest Payment Date specifying the account address. The final payment of principal of the Obligation plus accrued interest to the date of payment thereof shall be paid in lawful money of the United States of America upon surrender when due at the Designated Office.

Section 2.11. Execution of Documents and Proof of Ownership.

(a) Any request, direction, consent, revocation of consent or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by the Owner may be in any number of concurrent instruments of similar tenor, and may be signed or executed by the Owner in person or by its attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of the Obligation shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if the fact and date of the execution by the Owner or the attorney or agent thereof of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which

need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, that the persons signing such instruments acknowledged the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(b) Nothing contained in this Article II shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which the Trustee may deem sufficient.

ARTICLE III
APPLICATION OF PROCEEDS RECEIVED BY TRUSTEE; ACQUISITION FUND; COSTS OF ISSUANCE FUND

Section 3.1. Establishment and Application of Acquisition Fund.

(a) The Trustee shall establish a special trust fund designated as the "Town of Camp Verde Acquisition Fund" (herein referred to as the "Acquisition Fund"); shall keep such fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided in this Trust Agreement.

(b) Pursuant to the Purchase Agreement and subject to the terms and conditions thereof, the Town has irrevocably been appointed as the sole and exclusive agent to act for and on behalf of the Trustee in the acquisition of the Property. Except as provided in Subsections (c)(3) and (4), moneys in the Acquisition Fund shall be expended only for costs of acquiring the Property. It is understood and agreed that the Trustee shall have no responsibility or liability for the performance of the Town under this Trust Agreement, the Purchase Agreement, and any other documents executed in connection herewith or therewith.

(c) (1) The amount in the Acquisition Fund shall be applied to the payment of the costs of acquiring the Property, as hereinafter provided, upon receipt of a duly executed Payment Request Form (upon which the Trustee is entitled to rely) in substantially the form attached hereto as Exhibit B, certified to by the Town Representative. The Trustee shall remit to the payee designated in the Payment Request Form, the amount requested to be paid in such Payment Request Form within three (3) Business Days following submission of such Payment Request Form. Notwithstanding the foregoing, the Trustee shall apply moneys on deposit in the Acquisition Fund to reimburse the Town for any costs of acquiring the Property incurred or advanced by the Town within three (3) Business Days of receipt of a duly executed Reimbursement Request Form in substantially the form attached hereto as Exhibit C duly certified by the Town Representative. The Town shall not submit, in the aggregate, more than four (4) Payment Request Forms and/or Reimbursement Request Forms in any one calendar month.

(2) Should any shortfall or deficiency occur in the Acquisition Fund, the Town shall immediately pay such amounts to the Trustee in addition to the Payments otherwise due pursuant to the Purchase Agreement.

(3) Amounts in the Acquisition Fund shall be used to pay principal of and interest on the Obligation if insufficient funds are otherwise available to make such payments when due.

(4) On the Completion Date, all remaining moneys in the Acquisition Fund shall be transferred to the Payment Fund and applied by the Trustee to the Payments due from the Town on the next succeeding Interest Payment Date.

(5) Any amount remaining in the Acquisition Fund upon the occurrence of an Event of Default shall not be disbursed as provided in this Section, but shall be immediately transferred to the Payment Fund and used to pay principal and interest with respect to the Obligation.

Section 3.2. Establishment and Application of Costs of Issuance Fund.

(a) The Trustee shall establish a special trust fund designated as the "Town of Camp Verde Costs of Issuance Fund" (herein referred to as the "Costs of Issuance Fund"), shall keep such fund separate and apart from all other funds and moneys held by it and shall administer such fund as provided in this Trust Agreement.

(b) Amounts in the Costs of Issuance Fund shall be disbursed for Delivery Costs. Disbursements from the Costs of Issuance Fund shall be made by the Trustee upon receipt of a requisition for disbursement (on which the Trustee is entitled to rely) executed or approved by the Town Representative. Each such certificate shall set forth the amounts to be disbursed for payment, or reimbursement of previous payments, of Delivery Costs and the person or persons to whom said amounts are to be disbursed.

(c) On the earlier of January 1, 2015, or when all Delivery Costs associated with the Obligation have been paid (as shown by a certificate of a Town Representative, if requested by the Trustee), the Trustee shall transfer any amounts remaining in the Costs of Issuance Fund to the Payment Fund and the Costs of Issuance Fund shall be closed.

ARTICLE IV
REDEMPTION OF OBLIGATION

Section 4.1. Redemption Provisions.

(a) The Obligation is subject to redemption on and after July 1, 2019, from prepayments made at the option of the Town pursuant to Section 7 of the Purchase Agreement, in whole or in part on any date, at a redemption price equal to the portion thereof to be redeemed, together with accrued interest to the date fixed for redemption, without a premium.

(b) The Obligation shall be redeemed on July 1 of the years indicated and in the principal amounts indicated at a price equal to the principal amount thereof plus interest accrued to the date of redemption, but without premium:

Year Redeemed	Principal Amount Redeemed
2015	$
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	

The principal amount of the Obligation optionally redeemed shall satisfy and be credited against the mandatory redemption requirements therefor in any order specified by the Town.

Section 4.2. Notice of Redemption; Effect.

(a) The Trustee shall cause notice of any redemption of the Obligation hereunder, other than by mandatory redemption, to be transmitted Electronically. Each such notice shall (1) be sent no more than 60 nor less than 30 calendar days prior to the redemption date, (2) specify with respect to the Obligation redemption date, (3) set forth the name, address and telephone number of the person from whom information pertaining to the redemption may be obtained and (4) state that from the redemption date interest will cease to accrue.

(b) If at the time of notice of an optional redemption of the Obligation, there has not been deposited with the Trustee moneys or Defeasance Obligations sufficient to redeem the portions of the Obligation subject to such redemption and the requirements of (e) below are not satisfied, then such notice shall state that the redemption is conditional upon the deposit of moneys or Defeasance Obligations sufficient for the redemption with the Trustee and satisfaction of such requirements not later than the opening of business on the redemption date, and such notice will be of no effect and the Obligation shall not be redeemed unless such moneys or Defeasance Obligations are so deposited and such requirements in (d) below are met.

(c) A certificate of the Trustee shall conclusively establish the delivery of any such notice for all purposes.

(d) Notice having been provided in (b) above, the portions of the Obligation called for redemption shall become due and payable on the redemption date, and shall be paid at the redemption price, plus interest accrued to the redemption date. The principal amount of the Obligation from time to time shall be reduced by the amount of principal paid from time to time for such purpose.

(e) If the money or Governmental Obligations for the redemption of portions thereof to be redeemed, together with interest accrued thereon to the redemption date, is held by the Trustee on the redemption date, so as to be available therefor on that date, then from and after the redemption date those portions thereof to be redeemed shall cease to bear interest and no longer shall be considered to be outstanding hereunder. If those moneys shall not be so available on the redemption date, those portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

(f) All moneys deposited in the Payment Fund and held by the Trustee for the redemption shall be held in trust for the account of the Owner and shall be paid for such purpose.

ARTICLE V
PAYMENT FUND

Section 5.1. Trustee's Rights in Purchase Agreement. The Trustee holds in trust hereunder all of its rights and duties in the Purchase Agreement, including but not limited to all of the rights to receive and collect all of the Payments and all other amounts required to be deposited in the Payment Fund pursuant to the Purchase Agreement or pursuant hereto. All of the Payments and such other amounts to which the Seller may at any time be entitled shall be paid directly to the Trustee in trust, and all of the Payments collected or received by the Trustee shall be held by the Trustee in trust hereunder in the Payment Fund for the benefit of the Owner.

Section 5.2. Establishment and Application of Payment Fund.

(a) The Trustee shall establish a special trust fund designated as the "Series 2014 Pledged Revenue Payment Fund" (herein referred to as the "Payment Fund"). So long as the Obligation is outstanding, the Town shall have no beneficial right or interest in the Payment Fund or the moneys deposited therein, except only as provided in this Trust Agreement, and such moneys shall be used and applied by the Trustee as hereinafter set forth.

(b) Subject to the limitations pursuant to the Purchase Agreement with respect to the Excise Tax Revenues and the State Shared Revenues, the Town shall be required to make the Payments, taking into account any funds on deposit in the Payment Fund as a credit towards any Payment then due. The Trustee, not less than ten (10) Business Days prior to each Interest Payment Date, shall notify the Town of the amount required to be paid after taking into account earnings on investments which will be transferred to the Payment Fund in accordance herewith, on or before such Interest Payment Date for both principal and interest with respect to the Obligation. All amounts received by the Trustee as Payments pursuant to the Purchase Agreement shall be deposited in the Payment Fund.

(c) All amounts in the Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and interest and redemption premiums, if any, with respect to the Obligation as the same shall become due and payable, in accordance with the provisions of Articles II and IV.

Section 5.3. Transfers of Investment Earnings to Payment Fund. Except as otherwise directed by the Town, the Trustee shall, on or before the next Interest Payment Date occurring on July 1, transfer any income or profit on the investment of moneys in the funds hereunder to the Payment Fund.

Section 5.4. Surplus. Any surplus remaining in any of the funds created hereunder, after redemption and payment or provision for redemption and payment of the Obligation, including accrued interest and redemption premium, if any, and payment of any applicable fees, expenses or indemnities to the Trustee, or provision for such redemption and payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the Town.

ARTICLE VI
MONEYS IN FUNDS; INVESTMENT; CERTAIN TAX COVENANTS

Section 6.1. Held in Trust. The moneys and investments held by the Trustee under this Trust Agreement are irrevocably held in trust for the benefit of the Owner and for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Trust Agreement and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the Town or the Owner.

Section 6.2. Investments Authorized. Upon written order of the Town Representative, moneys held by the Trustee hereunder shall be invested and reinvested by the Trustee, to the maximum extent practicable in Permitted Investments having the highest yield reasonably obtainable. The Town Representative shall direct such investment in specific Permitted Investments. Such investments, if registrable, shall be registered in the name of the Trustee and shall be held by the Trustee. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section. Such investments and reinvestments shall be made giving full consideration to the time at which funds are required to be available. The Trustee may act as purchaser or agent in the making or disposing of any investment. The Trustee shall have no obligation to invest and reinvest any cash held by it hereunder in the absence of timely and specific written direction from the Town Representative. In no event shall the Trustee be liable for the selection of investments. The Trustee may conclusively rely upon such written direction from the Town Representative as to both the suitability and legality of the directed investments. The Town acknowledges that regulations of the Comptroller of the Currency grant the Town the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, the Town specifically waives compliance with Code of Federal Regulations 12 and hereby notifies the Trustee that no brokerage confirmations need be sent relating to the security transactions as they occur.

Section 6.3. Accounting. The Trustee shall furnish to the Town, not less than semiannually, an accounting (which may be in the form of its customary statement) of all investments made by the Trustee. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with Section 6.2.

Section 6.4. Allocation of Earnings. Any income, profit or loss on such investments shall be deposited in or charged to the respective funds from which such investments were made, and any interest on any deposit of funds shall be deposited in the fund from which such deposit was made, except as otherwise provided herein. At the direction of the Town Representative, any such income, profit or interest shall be transferred and applied if necessary to pay amounts due pursuant to section 148 of the Code.

Section 6.5. Valuation and Disposition of Investments. For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at Market Value. The Trustee may sell or present for redemption, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

Section 6.6. Limitation of Investment Yield. In the event the Town is of the opinion that it is necessary to restrict or limit the yield on the investment of any amounts paid to or held by the Trustee hereunder in order to avoid the Obligation being considered an "arbitrage bond" within the meaning of section 148 of the Code, the Town Representative may issue to the Trustee a written certificate to such effect (along with appropriate instructions), in which event the Trustee will take such action as is instructed so to restrict or limit the yield on such investment in accordance with the specific instructions contained in such certificate, irrespective of whether the Trustee shares such opinion.

Section 6.7. Other Tax Covenants. In consideration of the acceptance and execution of the Purchase Agreement by the Trustee and the purchase by the Owner, and in consideration of retaining the exclusion of the portion of each Payment denominated as and comprising interest pursuant to the Purchase Agreement and received by the Owner for federal income tax purposes, the Town shall, from time to time, neither take nor fail to take any action, which action or failure to act is within its power and authority and would result in such portion of each such Payment becoming subject to inclusion in gross income for federal income tax purposes under either laws existing on the date of execution of the Purchase Agreement or such laws as they may be modified or amended or tax laws later adopted. The Town shall comply with such requirement(s) and will take any such action(s) as are necessary to prevent such portion of each such Payment from becoming subject to inclusion in gross income for federal income tax purposes. Such requirements may include but are not limited to making further specific covenants; making truthful certifications and representations and giving necessary assurances; complying with all representations, covenants and assurances contained in certificates or agreements to be prepared by special counsel; to pay to the United States of America any required amounts representing rebates of arbitrage profits relating to the Obligation; filing forms, statements and supporting documents as may be required under the federal tax laws;

limiting the term of and yield on investments made with moneys held pursuant to this Trust Agreement and limiting the use of the proceeds of the Obligation and property financed thereby.

ARTICLE VII
THE TRUSTEE

Section 7.1. Appointment of Trustee. The Town hereby authorizes and directs the Trustee to, and the Trustee shall, execute and deliver the Purchase Agreement, as Seller, and receive all moneys required to be deposited with the Trustee hereunder and shall allocate, use and apply the same as provided in this Trust Agreement. The Town shall maintain as the Trustee a bank or trust company with a combined capital and surplus of at least Fifty Million Dollars ($50,000,000), and subject to supervision or examination by federal or State authority, so long as any of the Obligation is outstanding. If such bank or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Section 7.2. Liability of Trustee; Standard of Care. Except with respect to its authority and power generally and authorization to execute this Trust Agreement, the recitals of facts, covenants and agreements herein, in the Purchase Agreement and in the Obligation shall be taken as statements, covenants and agreements of the Town, and the Trustee assumes no responsibility for the correctness of the same, or makes any representations as to the validity hereof or sufficiency of this Trust Agreement, the Purchase Agreement or of the Obligation or shall incur any responsibility in respect hereof or thereof, other than in connection with the duties or obligations herein or in the Obligation assigned to or imposed upon them, respectively. Prior to the occurrence of an Event of Default, or after the timely cure of an Event of Default, the Trustee shall perform only such duties as are specifically set forth in this Trust Agreement and no implied obligations or covenants should be read into this Trust Agreement against the Trustee. After the occurrence of an Event of Default, the Trustee shall exercise such of the rights and powers vested in it, and use the same degree of care and skill in such exercise, as a prudent person would exercise under the circumstances in the conduct of the affairs of the Trustee.

Section 7.3. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall be eligible under Section 7.1, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 7.4. Protection and Rights of the Trustee.

(a) The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, request, consent, waiver, certificates, statements, affidavit, voucher, bond, requisition or other paper or document which it

shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Trust Agreement, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to take any action at the request of the Owner unless the Obligation shall be deposited with the Trustee. The Trustee may consult with counsel with regard to legal questions, and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith in accordance therewith.

(b) Whenever in the administration of its duties under this Trust Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by the certificate of the Town Representative and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions of this Trust Agreement upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

(c) The recitals, statements and representations by the Town contained in this Trust Agreement, the Purchase Agreement and the Obligation shall be taken and construed as made by and on the part of the Town and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

(d) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under this Trust Agreement or for anything whatever in connection with the funds and accounts established hereunder, except only for its own willful misconduct or gross negligence.

(e) No provision in this Trust Agreement shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability (including, without limitation, any and all environmental liability) in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not reasonably assured to it.

(f) The Trustee shall not be accountable for the use or application by the Town or any other party of any funds which the Trustee has released in accordance with the terms of this Trust Agreement.

(g) The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements,

quality, durability, operation, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the Town of the Property. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Purchase Agreement or this Trust Agreement for the acquisition of the Property.

(h) Notwithstanding any provision in this Trust Agreement or the Purchase Agreement to the contrary, the Trustee shall not be required to take notice or be deemed to have notice of an Event of Default, except an Event of Default under Section 9(a)(i)(A) of the Purchase Agreement, unless a Responsible Officer of the Trustee has actual notice thereof or is specifically notified in writing of such default by the Town or the Owner.

(i) The Trustee shall accept and act upon instructions of directions pursuant to this Trust Agreement sent by unsecured email, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Town elects to give the Trustee email or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Town agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(j) The Trustee shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

(k) The Trustee shall have no responsibility or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Obligation.

(l) The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty, and the Trustee shall not be answerable for other than its gross negligence or willful default. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the Property.

(m) Before taking any action under this Trust Agreement relating to an Event of Default or in connection with its duties under this Trust Agreement other than making payments of principal and interest on the Obligation as they become due, the Trustee may require

that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated, to have resulted from its gross negligence or willful default in connection with any action so taken.

(n) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owner relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Trust Agreement.

Section 7.5. Compensation of Trustee. The Town shall from time to time, pursuant to a fee schedule agreed to between the Town and the Trustee (which schedule may be amended in writing), pay to the Trustee reasonable compensation for its services, including but not limited to advances to, and reasonable fees and expenses of, independent appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties hereunder. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 7.6. Removal and Resignation of Trustee.

(a) The Town (but only if no Event of Default has occurred and is continuing) or the Owner, at any time upon thirty (30) days' prior written notice, and for any reason, may remove the Trustee and any successor thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars ($50,000,000) and subject to supervision or examination by federal or State authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or the requirements of any supervising or examining authority above referred to, then, for the purposes of this Section, the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) The Trustee may at any time resign by giving written notice to the Town. Upon receiving such notice of resignation, the Town shall promptly appoint a successor trustee by an instrument in writing; provided, however, that in the event that the Town does not appoint a successor trustee within thirty (30) days following receipt of such notice of resignation or its giving notice of removal, the retiring Trustee may petition the appropriate court having jurisdiction to appoint a successor trustee. Any resignation or removal of the Trustee and appointment of a successor trustee shall become effective upon acceptance of appointment by the successor trustee. The Trustee and the Town shall execute any documents reasonably required to effect the transfer of rights and obligations of the Trustee to the successor trustee subject, however, to the terms and conditions herein set forth, including, without limitation, the right of the predecessor Trustee to be paid and reimbursed in full for its reasonable charges and expenses

(including reasonable fees and expenses of its counsel) and the indemnification under Sections 7.4 and 10.3. Upon such acceptance, the successor trustee shall mail notice thereof to the Owner at its address set forth initially in Section 12.2.

Section 7.7. Appointment of Agent. The Trustee may appoint an agent or agents to exercise any of the powers, rights or remedies granted to the Trustee under this Trust Agreement and to hold title to property or to take any other action which may be desirable or necessary.

Section 7.8. Commingling. The Trustee may commingle any of the funds held by it pursuant to this Trust Agreement in a separate fund or funds for investment purposes only; provided, however, that all funds or accounts held by the Trustee hereunder shall be accounted for separately notwithstanding such commingling by the Trustee.

Section 7.9. Records. The Trustee shall keep complete and accurate records of all moneys received and disbursed under this Trust Agreement, which shall be available for inspection by the Town, or any of its agents, at any time, upon reasonable prior notice, during regular business hours. The Trustee shall provide the Town Representative with semiannual reports of funds transactions and balances.

ARTICLE VIII
MODIFICATION OR AMENDMENT OF AGREEMENTS

Section 8.1. Amendments Permitted.

(a) This Trust Agreement and the rights and obligations of the Owner and the Purchase Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental or amending agreement which shall become effective when the written consent of the Owner shall have been filed with the Trustee. Any such supplemental or amending agreement shall become effective as provided in Section 8.2.

(b) This Trust Agreement and the rights and obligations of the Owner, and the Purchase Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental or amending agreement, without the consent of the Owner, but only (1) to provide for additions or modifications to the Property, (2) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power herein reserved to the Trustee (for its own behalf) or the Town, (3) to secure additional revenues or provide additional security or reserves for payment of the Obligation, (4) to comply with the requirements of any state or federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder, (5) to provide for the appointment of a successor trustee pursuant to the terms hereof, (6) to preserve the exclusion of the interest on the Obligation from gross income for purposes of federal or State income taxes and to preserve the power of the Town to continue to issue bonds or other obligations the interest on which is likewise exempt from federal and State income taxes, (7) to cure, correct or supplement any ambiguous or defective provision contained herein or therein, (8) with respect to rating matters or (9) in regard to questions arising hereunder or

thereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not materially adversely affect the interests of the Owner as evidenced by an opinion of counsel delivered by the Town to the Trustee. Any such supplemental or amending agreement shall become effective upon execution and delivery by the parties hereto or thereto as the case may be. The Trustee may rely upon an opinion of Independent Counsel which is also nationally recognized bond counsel as conclusive evidence that any such supplemental or amending agreement complies with this Section.

Section 8.2. Procedure for Amendment With Written Consent of Owner.

(a) This Trust Agreement and the Purchase Agreement may be amended by supplemental or amending agreement as provided in this Section in the event the consent of the Owner is required pursuant to Section 8.1. A copy of such supplemental or amending agreement, together with a request to the Owner for its consent thereto, shall be mailed by the Trustee to the Owner.

(b) Such supplemental or amending agreement shall not become effective unless there shall be filed with the Trustee the written consent of the Owner (exclusive of any Obligation disqualified as provided in Section 8.3) and a notice shall have been mailed as hereinafter in this Section provided.

(c) After the Owner shall have filed consent to such supplemental or amending agreement, the Trustee shall mail a notice to the Owner in the manner hereinbefore provided in this Section for the mailing of such supplemental or amending agreement of the notice of adoption thereof, stating in substance that such supplemental or amending agreement has been consented to by the Owner and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of such supplemental agreement or consents thereto). A record, consisting of the papers required by this Section to be filed with the Trustee, shall be conclusive proof of the matters therein stated. Such supplemental or amending agreement shall become effective upon the mailing of such last-mentioned notice, and such supplemental or amending agreement shall be deemed conclusively binding upon the parties hereto and the Owner at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty (60) day period.

Section 8.3. Effect of Supplemental Trust Agreement. From and after the time any supplemental or amending agreement becomes effective pursuant to this Article VIII, this Trust Agreement or the Purchase Agreement, as the case may be, shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and the Owner, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental or amending agreement shall be deemed to be part of the terms and conditions of this Trust Agreement or the Purchase Agreement, as the case may be, for any and all purposes.

Section 8.4. Endorsement or Replacement of Obligations Delivered After Amendments. The Trustee may determine that any Obligation delivered after the effective

date of any action taken as provided in this Article shall bear a notation, by endorsement or otherwise, in form approved by the Trustee, as to such action. In that case, upon demand of the Owner, a suitable notation shall be made on such Obligation. The Trustee may determine that the delivery of a substitute Obligation, so modified as in the opinion of the Trustee is necessary to conform to the Owner's action, which substitute Obligation shall thereupon be prepared, executed and delivered. In that case, upon demand of the Owner, such substitute Obligation shall be exchanged at the Designated Office of the Trustee, without cost to the Owner, for an Obligation of the same character then outstanding, upon surrender of such Obligation.

Section 8.5. Amendatory Endorsement of Obligations. The provisions of this Article shall not prevent the Owner from accepting any amendment or supplement, provided that proper notation thereof is made on the Obligation.

ARTICLE IX
COVENANTS, NOTICES

Section 9.1. Compliance With and Enforcement of Purchase Agreement. The Town shall perform all obligations and duties imposed on it under the Purchase Agreement and shall not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be an Event of Default. The Town, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting any such action will deliver the same, or a copy thereof, to the Trustee.

Section 9.2. Observance of Laws and Regulations. The Town shall well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the Town, including its right to exist and carry on business as a political subdivision, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 9.3. Recordation and Filing. The Town shall file this Trust Agreement (or a memorandum thereof or a financing statement with respect thereto), and all such documents as may be required by law (and shall take all further actions which may be necessary or be reasonably required by the Trustee), all in such manner, at such times and in such places as may be required by law in order fully to preserve, protect and perfect the security of the Trustee and the Owner.

Section 9.4. Further Assurances. The Trustee (at the reasonable request of the Town) and the Town shall make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement and the Purchase Agreement and for the better assuring and confirming unto the Owner the rights and benefits provided herein.

Section 9.5. Notification to the Town of Failure to Make Payments. The Trustee shall notify the Town of any failure by the Town to make any Payment or other payment required under the Purchase Agreement to be made to the Trustee, in writing and within one (1) Business Day of any such failure. Such notice shall not be a prerequisite for the occurrence of an Event of Default.

Section 9.6. Business Days. Except as otherwise required herein, if this Trust Agreement or the Purchase Agreement requires any party to act on a specific day and such day is not a Business Day, such party need not perform such act until the next succeeding Business Day, and such act shall be deemed to have been performed on the day required.

Section 9.7. Providing Budgets and Audits; Other Information. The Town shall provide notice to the Owner when the budget of the Town for the next Fiscal Year and the audited financial statements of the Town for the preceding Fiscal Year are available on the website of the Town. The former shall be available within 30 days after the beginning of such Fiscal Year, and the latter shall be available within 270 days of the end of such Fiscal Year. Upon request and to the extent available, the Town shall provide unaudited financial statements to such Owner for any Fiscal Year for which audited financial statements are not yet available. The Town shall also provide such other information with respect to the financial condition of the Town as the Owner may from time to time reasonably request and is reasonably available to the Town.

ARTICLE X
LIMITATION OF LIABILITY

Section 10.1. Limited Liability of the Town. Except for the payment of Payments from the revenues from the Excise Tax Revenues and the State Shared Revenues when due in accordance with the Purchase Agreement and the performance of the other covenants and agreements of the Town contained in the Purchase Agreement and herein, the Town shall have no pecuniary obligation or liability to any of the other parties or to the Owner with respect to this Trust Agreement or the terms, execution or delivery of the Obligation or the distribution of Payments to the Owner by the Trustee.

Section 10.2. No Liability of the Town for Trustee Performance. The Town shall have no obligation or liability to any of the other parties or to the Owner with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement.

Section 10.3. Indemnification of the Trustee.

(a) To the extent permitted by law, the Town shall indemnify and save the Trustee and its officers, directors, agents and employees, harmless for, from and against all claims, losses, costs, expenses, liability and damages, including legal fees and expenses, arising out of: (1) the use, maintenance, condition or management of, or from any work or thing done on, the Property or any portion thereof or interest therein by the Town; (2) any breach or default on the part of the Town in the performance of any of its obligations under this Trust Agreement and any other agreement made and entered into for purposes of the Property or any interest therein; (3) any act of negligence of the Town or of any of its agents, contractors, servants,

employees or licensees with respect to the Property; (4) any act of negligence of any assignee of, or purchaser from, the Town or of any of its or their agents, contractors, servants, employees or licensees with respect to the Property; (5) the acquisition of the Property or any interest therein; (6) the actions of any other party, including but not limited to the operation or use of the Property or interest therein by the Town; (7) the ownership of the Property or interest therein, (8) the exercise and performance by the Trustee of its powers and duties hereunder, under the Purchase Agreement or the Obligation or in connection with any document or transaction contemplated herewith or therewith, or (9) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other offering circular utilized in connection with the sale of the Obligation, including the costs and expenses of defending itself against any claim of liability arising under this Trust Agreement. No indemnification will be made under this Section or elsewhere in this Trust Agreement for willful misconduct, gross negligence or breach of duty under this Trust Agreement by the Trustee, or by its officers, agents, employees, successors or assigns. As security for the payment of amounts under Section 7.5 and this Section, the Trustee shall be secured under this Trust Agreement by a lien prior to the Obligation. The obligations of the Town hereunder for indemnification under this Section shall remain valid and binding notwithstanding, and shall survive, the maturity and payment or redemption of the Obligation or resignation or removal of the Trustee or the termination of this Trust Agreement.

(b) The Trustee, promptly after determining that any event or condition which requires or may require indemnification by the Town hereunder exists or may exist, or after receipt of notice of the commencement of any action in respect of which indemnity may be sought hereunder, shall notify the Town in writing of such circumstances or action (the "Notification"). Failure to give such notification shall not affect the right of the Trustee to receive the indemnification provided for herewith. Upon giving of the Notification, the Trustee shall cooperate fully with the Town in order that the Town may defend, compromise or settle any such matters or actions which may result in payment by the Town hereunder. The Town shall give the Trustee notice of its election within fifteen (15) days after receiving the Notification whether the Town, at its sole cost and expense, shall represent and defend the Trustee in any claim or action which may result in a request for indemnification hereunder. If the Town timely gives the notice that it will represent and defend the Trustee thereafter, the Trustee shall not settle or compromise or otherwise interfere with the defense or undertakings of the Town hereunder. The Town shall not settle or compromise any claim or action against the Trustee without the written approval of the Trustee, except to the extent that the Town shall pay all losses and the Trustee shall be fully released from such claim or action. If the Town either fails to timely give its notice or notifies the Trustee that the Town will not represent and defend the Trustee, the Trustee may defend, settle, compromise or admit liability as it shall determine in the reasonable exercise of its discretion, at the expense of the Town. In the event the Town is required to and does indemnify the Trustee as herein provided, the rights of the Town shall be subrogated to the rights of the Trustee to recover such losses or damages from any other person or entity.

Section 10.4. Opinion of Counsel. Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee, which

opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying thereon.

ARTICLE XI
EVENTS OF DEFAULT AND REMEDIES OF OWNER

Section 11.1. Seller's Rights held in Trust. As provided herein, the Trustee holds in trust hereunder all of the Seller's rights in and to the Purchase Agreement, including without limitation all of the Seller's rights to exercise such rights and remedies conferred on the Seller pursuant to the Purchase Agreement as may be necessary or convenient to enforce payment of the Payments and any other amounts required to be deposited in the Payment Fund and enforcement of the pledge of the Excise Revenues and the State Shared Revenues for the payment of the Obligation.

Section 11.2. Remedies Upon Default; No Acceleration. If an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may, or upon request of the Owner and receiving indemnity satisfactory to it shall, exercise one or more of the remedies granted pursuant to the Purchase Agreement; provided, however, that notwithstanding anything herein or in the Purchase Agreement to the contrary, there shall be no right under any circumstances to accelerate the maturity of the Obligation or otherwise to declare any of the Payments not then past due or in default to be immediately due and payable.

Section 11.3. Application of Funds. All moneys received by the Trustee pursuant to any right given or action taken pursuant to the provisions of this Article XI or Section 9 of the Purchase Agreement shall be applied by the Trustee in the order following, upon presentation of the Obligation, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the fees, costs and expenses of the Trustee and then of the Owner in declaring such Event of Default, including reasonable compensation to its or their agents, attorneys and counsel and

Second, to the payment of the whole amount then owing and unpaid with respect to the Obligation and, with interest on the overdue principal and installments of interest at the rate of twelve percent (12%) per annum (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Obligation, then to the payment of such principal and interest without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Section 11.4. Institution of Legal Proceedings. If one or more Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Owner, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owner by a suit in equity or action at law for the specific performance of any covenant or agreement contained herein.

Section 11.5. Non-waiver. Except as otherwise provided in this Article, the Owner has the right to institute suit to enforce and collect the Payments as provided in the Purchase Agreement. No delay or omission of the Trustee or of the Owner to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article to the Trustee or the Owner may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owner.

Section 11.6. Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owner, it shall have full power, in the exercise of its discretion for the best interests of the Owner, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, without the consent of the Owner.

Section 11.7. Limitation on Owner's Right to Sue. The Owner shall not have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Trust Agreement, unless (1) the Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default hereunder; (2) the Owner shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (3) the Owner shall have tendered to the Trustee indemnity satisfactory to it against the costs, expenses, and liabilities to be incurred in compliance with such request and (4) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

ARTICLE XII
MISCELLANEOUS

Section 12.1. Defeasance.

(a) If and when any portion of the Obligation shall be paid and discharged in any one or more of the following ways:

(1) By paying or causing to be paid the principal of and interest and redemption premium, if any, with respect to the Obligation, as and when the same become due and payable;

(2) By depositing with a Depository Trustee, in trust for such purpose, at or before maturity, money which, together with the amounts then on deposit in the Payment Fund is fully sufficient to pay or cause to be paid such principal, interest and redemption premium, if any; or

(3) By depositing with a Depository Trustee, in trust for such purpose, any Defeasance Obligations which are noncallable in such amount as shall be certified to the Trustee and the Town in a report (the "Verification") by an independent firm of nationally recognized certified public accountants acceptable to the Trustee and the Town, as being fully sufficient, together with the interest to accrue thereon and moneys then on deposit in the Payment Fund together with the interest to accrue thereon, to pay and discharge or cause to be paid and discharged all principal, interest and redemption premium, if any at their respective maturity or prior redemption dates, which deposit may be made in accordance with the provisions of Section 7 of the Purchase Agreement;

notwithstanding that the Obligation shall not have been surrendered for payment, all obligations of the Trustee and the Town shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid, from funds deposited pursuant to subsections (2) or (3) of this Section and paid to the Trustee by the Depository Trustee, to the Owner sums due with respect thereto, and in the event of deposits pursuant to subsections (2) or (3), the Obligation shall continue to represent direct and proportionate interests of the Owner in such funds.

(b) Any funds held by the Trustee, at the time of one of the events described in paragraph (a) of this Section, which are not required for the payment to be made to Owner or for the payment of any other amounts due and payable by the Town hereunder or under the Purchase Agreement, shall be paid over to the Town.

(c) Any portion of the Obligation may be paid and discharged as provided in this Section; provided however, that if any such portion thereof is to be redeemed, notice of such redemption shall have been given in accordance with the provisions hereof or the Town shall have submitted to the Trustee instructions expressed to be irrevocable as to the date upon which such portion thereof is to be redeemed and as to the giving of notice of such redemption; and provided further, that if any such Obligation or portion thereof will not mature within sixty (60) days of the deposit referred to in subsections (ii) or (iii) of this Section, the Trustee shall give notice of such deposit Electronically to the Owner.

(d) No Obligation may be provided for as described in this Section if, as a result thereof, or of any other action in connection with which the provisions for payment of such Obligation is made, the interest payable on any Obligation is thereby made includable in gross income for federal income tax purposes. The Trustee, the Depository Trustee, and the Town may rely upon an opinion of Independent Counsel which is nationally recognized bond counsel to the effect that the provisions of this subsection will not be breached by so providing for the payment of the Obligation.

Section 12.2. Notices. All written notices to be given under this Trust Agreement shall be given by overnight delivery or courier or by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to

the other party in writing from time to time. Notice shall be effective upon deposit in the United States of America mail, postage prepaid or, in the case of personal delivery, upon delivery to the address set forth below:

If to the Town: Town of Camp Verde, Arizona
473 South Main Street
Camp Verde, Arizona 86322
Attention: Town Manager

If to the Trustee: U.S. Bank National Association
101 North First Avenue, Suite 1600
Phoenix, Arizona 85003
Attention: Corporate Trust Services

If to the Owner: _____
_____
_____
Attention: _____

Section 12.3. Incorporation of State Statutes.

(a) As required by the provisions of Section 38-511, Arizona Revised Statutes, as amended, notice is hereby given that the Town may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the Town if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice is received by all other parties to the contract unless the notice specifies a later time. The Trustee covenants not to employ as an employee, an agent or, with respect to the subject matter of this Trust Agreement, a consultant, any person significantly involved in initiating, negotiating, securing, drafting or creating this Trust Agreement on behalf of the Town within three years from the execution of this Trust Agreement, unless a waiver of Section 38-511, Arizona Revised Statutes, as amended, is provided by the Town. No basis exists for the Town to cancel this Trust Agreement pursuant to Section 38-511, Arizona Revised Statutes, as amended, as of the date hereof.

(b) To the extent applicable under Section 41-440, Arizona Revised Statutes, as amended, the Trustee shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the "e-verify" requirements under Section 23-214(A), Arizona Revised Statutes, as amended. The breach by the Trustee of the foregoing shall be deemed a material breach of this Trust Agreement and may result in the termination of the services of the Trustee. The Town retains the legal right to randomly inspect the papers and records of the Trustee to ensure that the Trustee is complying with the above-mentioned warranty. The Trustee shall keep such papers and records open for random inspection during normal business hours by the Trustee. The Trustee shall cooperate with the random inspections

by the Town including granting the Town entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

Section 12.4. Governing Law. This Trust Agreement shall be construed and governed in accordance with the laws of the State.

Section 12.5. Binding Effect and Successors. This Trust Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Trust Agreement either the Town or the Trustee is named or referred to, such reference shall be deemed to include successors or assigns thereof, and all the covenants and agreements in this Trust Agreement contained by or on behalf of the Town or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 12.6. Execution in Counterparts. This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Trust Agreement.

Section 12.7. Destruction of Cancelled Obligations. Whenever in this Trust Agreement provision is made for the surrender to or cancellation by the Trustee and the delivery to the Town of the Obligation, the Trustee may destroy the Obligation and deliver a certificate of such destruction to the Town instead.

Section 12.8. Headings. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. All references herein to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Trust Agreement; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 12.9. Parties Interested Herein. Nothing in this Trust Agreement or the Obligation, expressed or implied, is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Town, the Trustee and the Owner, any legal or equitable right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, provisions and agreements in this Trust Agreement contained by and on behalf of the Town shall be for the sole and exclusive benefit of the Town, the Trustee and the Owner.

Section 12.10. Waiver of Notice. Whenever in this Trust Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 12.11. Severability of Invalid Provisions. In case any one or more of the provisions contained in this Trust Agreement or in the Obligation shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or

unenforceability shall not affect any other provision of this Trust Agreement, and this Trust Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Trust Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Obligation pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Trust Agreement may be held illegal, invalid or unenforceable.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties have executed this Trust Agreement as of the day and year first above written.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By .....
Printed Name: .....
Title: .....

TOWN OF CAMP VERDE, ARIZONA

By .....
Mayor

ATTEST:

.....
Town Clerk

AGREED TO BY:

_____

By .....

Printed Name: .....

Title: .....

331250006.1-9/11/2014

EXHIBIT A

(Form of Obligation)

Number: R-..... Principal Amount: $.....

PLEDGED REVENUE AND REVENUE
REFUNDING OBLIGATION, SERIES 2014
Evidencing a Proportionate Interest of the Owner
Hereof in Payments to be Made by

THE TOWN OF CAMP VERDE, ARIZONA

to

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Interest Rate:	Maturity Date:	Dated Date:
2.84%	July 1, 2030	_____, 2014

REGISTERED OWNER: .....

PRINCIPAL AMOUNT: ..... DOLLARS

THIS IS TO CERTIFY THAT the registered owner identified above of this Pledged Revenue and Revenue Refunding Obligation, Series 2014 (this "Obligation") is the owner of all of the undivided, participatory, proportionate interests in the right to receive all of the "Payments" under and defined in that certain Second Purchase Agreement, dated as of October 1, 2014 (the "Purchase Agreement"), by and between U.S. Bank National Association (the "Trustee"), and the Town of Camp Verde, Arizona, a municipal corporation under the laws of the State of Arizona (the "Town"), which Payments and other rights and interests under the Purchase Agreement are held by the Trustee in trust under that certain Second Trust Agreement, dated as of October 1, 2014 (the "Trust Agreement"), by and between the Town and the Trustee. The Trustee maintains a corporate trust office for payment and transfer of this Obligation (the "Designated Office").

The registered owner of this Obligation is entitled to receive, subject to the terms of the Purchase Agreement, on the maturity date set forth above, the principal amount set forth above, representing all of the payments due designated as principal coming due and to receive semiannually on January 1 and July 1 of each year commencing _____ 1, 20__ (the "Interest Payment Dates"), until payment in full of said principal or redemption prior thereto, all of the Payments designated as interest coming due during the period commencing on the last date on which interest was paid and ending on the day prior to the Interest Payment Date or, if no interest has been paid, from the Dated Date specified above. Said interest is the result of the multiplication of said principal by the interest rate per annum set forth above. Interest shall be

calculated on the basis of a 360-day year composed of twelve (12) months of thirty (30) days each.

Said amounts representing the registered owner's share of the Payments are payable in lawful money of the United States of America as provided in the Trust Agreement.

The Trustee has no obligation or liability to the registered owners of this Obligation for the payment of interest or principal pertaining to this Obligation. The Trustee's sole obligations are to administer, for the benefit of the registered owner of this Obligation, the various funds and accounts established pursuant to the Trust Agreement. (The recitals, statements, covenants and representations made in this Obligation shall be taken and construed as made by and on the part of the Town, and not by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.)

This Obligation has been executed and delivered by the Trustee pursuant to the terms of, and for the purposes described in, the Trust Agreement. The Town is authorized to enter into the Purchase Agreement and the Trust Agreement under the laws of the State of Arizona and by resolution of the Mayor and Council of the Town adopted _____, 2014 (the "Resolution"). Reference is hereby made to the Purchase Agreement and the Trust Agreement (copies of which are on file at the Designated Office) for further definitions, the terms, covenants and provisions pursuant to which this Obligation is delivered, the rights thereunder of the registered owner of this Obligation, the terms under which the Trust Agreement or the Purchase Agreement may be modified or supplemented, the rights, duties and immunities of the Trustee and the security for, and the rights and obligations of the Town under the Purchase Agreement (including with respect to certain obligations secured by, and to be secured on a parity with, the security for the Payments and to certain limitations on such security), to all of the provisions of which Purchase Agreement and Trust Agreement the registered owner of this Obligation, by acceptance hereof, assents and agrees. (To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement and the Purchase Agreement may be amended by the parties thereto with the written consent of the owner of this Obligation, and may be amended without such consent under certain circumstances.)

The obligation of the Town to make the Payments does not represent or constitute a general obligation of the Town for which the Town is obligated to levy or pledge any form of taxation nor does the obligation to make the Payments under the Purchase Agreement constitute an indebtedness of the Town, the State of Arizona or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction or otherwise.

Neither the Trustee nor the registered owner of this Obligation shall have any right under any circumstances to accelerate the maturities of this Obligation or otherwise declare any of the Payments not then past due or in default to be immediately due and payable. (This Obligation represents an interest in a limited obligation of the Town (as described herein), and no member of the Mayor and Council, officer or agent, as such, past, present or future, of the Town shall be personally liable for the payment hereof.)

This Obligation shall not be transferable or exchangeable, except as provided in the Trust Agreement.

The registered owner of this Obligation shall have no right to enforce the provisions of the Trust Agreement or the Purchase Agreement or to institute any action to enforce the covenants thereof, or to take any action with respect to a default thereunder or hereunder, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Trust Agreement.

The Obligation is subject to redemption on and after July 1, 2019, from prepayments made at the option of the Town pursuant to Section 7 of the Purchase Agreement, in whole or in part on any date, at a redemption price equal to the portions thereof to be redeemed, together with accrued interest to the date fixed for redemption, without a premium.

This Obligation shall be redeemed on July 1 of the years indicated and in the principal amounts indicated at a price equal to the principal amount thereof plus interest accrued to the date of redemption, but without premium:

Year Redeemed	Principal Amount Redeemed
2015	$
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	

Whenever this Obligation is redeemed in part (other than by mandatory redemption) or the principal amount of this Obligation so retired shall satisfy and be credited against the mandatory redemption requirements therefor in any order specified by the Town.

The Trustee shall give notice of any redemption of this Obligation as provided above no more than 60 nor less than 30 calendar days prior to the redemption date as provided by the Trust Agreement. A certificate of the Trustee shall conclusively establish the mailing of any such notice for all purposes.

If at the time of mailing of the notice of redemption there has not been deposited with the Trustee moneys or eligible securities sufficient to redeem the portion of this Obligation subject to redemption and other requirements set forth in the Trust Agreement are not met, such notice shall state that it is conditional, subject to the deposit of moneys sufficient for the redemption and satisfaction of such conditions. If such portion thereof is subject to redemption and if on the redemption date moneys for the redemption thereof is held by the Trustee and those other conditions are met, thereafter such portion thereof to be redeemed shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under, the Trust Agreement.

This Obligation shall not be entitled to any security or benefit under the Trust Agreement until executed by the Trustee.

IN WITNESS WHEREOF, this Obligation has been executed and delivered by the Trustee, acting pursuant to the Trust Agreement.

Date of Execution: .....

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By.....
Authorized Representative

EXHIBIT B

Payment Request Form

Application No. .....

The Trustee is hereby requested to pay from the "Acquisition Fund" established by the Second Trust Agreement, dated as of October 1, 2014 (the "Trust Agreement"), between the Town of Camp Verde, Arizona (the "Town"), and U.S. Bank National Association, as trustee (the "Trustee") to the person or corporation designated below as "Payee," the sum set forth below such designation, in payment of the costs of acquisition of the Property (as such term and other undefined terms used herein are defined in the Trust Agreement) described below. The amount shown below is due and payable under a purchase order or contract with respect to such costs described below and has not formed the basis of any prior request for payment.

Payee: .....

Address or Wiring Instructions: .....

Amount: .....

Description of costs or portion thereof authorized to be paid to the Payee: .....

The Town acknowledges that it has received and inspected items related to such costs and has found each item thereof so described to be in good condition, in conformity with the Town's specifications and satisfactory for the Town's purposes and in accordance with the applicable purchase order or contract. Notwithstanding anything herein to the contrary, the Town shall not be deemed to have waived or released the Payee from any liability or obligation to the Town in the event the Town's acknowledgment herein is discovered to be inaccurate in any respect as to any item described above.

By execution of this Payment Request Form, the Town requests and approves the payment of the amount stated above to Payee set forth above.

DATED: ....., 20....

.....
Town Representative

Please forward payment to Payee at the following address:

EXHIBIT C

Reimbursement Request Form

Application No. .....

The Trustee is hereby requested to pay from the "Acquisition Fund" established by the Second Trust Agreement, dated as of October 1, 2014 (the "Trust Agreement"), between the Town of Camp Verde, Arizona (the "Town"), and U.S. Bank National Association, as trustee (the "Trustee"), to the Town, the sum set forth below as reimbursement of (all/a portion) of the costs of acquisition of the Property (as such term and all other undefined terms used herein are defined in the Trust Agreement) described below. Payment of the amount, shown below was made by the Town on ....., 20...., as evidenced by ....., attached hereto, as full/partial payment of ....., also attached hereto. The amount shown below was paid by the Town and has not formed the basis of any prior request for payment.

The Town acknowledges that it has received and has inspected items related to such costs and has found each item thereof so described to be in good condition, in conformity with the Town's specifications and satisfactory for the Town's purposes. Notwithstanding anything herein to the contrary, the Town shall not be deemed to have waived or released any entity named on the attached documentation, from any liability or obligation to the Town in the event the Town's acknowledgment herein is discovered to be inaccurate in any respect as to any item described below.

Amount: .....

Description of costs or portion thereof for which reimbursement is hereby requested:

DATED: ....., 20....

.....
Town Representative

Dated Received: ....., 20....

DRAFT
09/08/14

PLACEMENT AGENT AGREEMENT

_____, 2014

MAYOR AND COMMON COUNCIL
TOWN OF CAMP VERDE, ARIZONA

Re: Town of Camp Verde, Arizona Pledged Revenue and Revenue Refunding Obligation, Series 2014

Upon the terms and conditions and based upon the representations, warranties and covenants set forth herein, Stifel, Nicolaus & Company, Incorporated (the "Placement Agent") offers to enter into this Placement Agent Agreement (this "Placement Contract") with the Town of Camp Verde, Arizona (the "Town"), which, upon acceptance of this offer and subject to Paragraph 5 hereof, shall be binding upon the Town and the Placement Agent. This offer is made subject to acceptance of this Placement Contract by the Town before or on _____, 2014, and, if not so accepted, will be subject to withdrawal by the Placement Agent upon notice delivered to your office at any time prior to acceptance hereof. If the obligations of the Placement Agent shall be terminated for any reason permitted hereby, neither the Placement Agent nor the Town shall be under further obligation hereunder.

The above-captioned obligation (the "Obligation") is to be executed and delivered pursuant to a Resolution of the Mayor and Common Council of the Town adopted on September 17, 2014 (the "Resolution"), and the hereinafter defined Trust Agreement.

1. The Placement Agent shall use its best efforts to locate purchasers for all, but not less than all, of the Obligation (the "Purchasers") at a purchase price determined as provided in the Resolution (the "Purchase Price") and on terms consistent with the Resolution. If the Purchasers purchase the Obligation on the hereinafter defined Closing Date, the Town will pay a placement fee equal to $_____ (the "Fee") to the Placement Agent.

2. The undersigned, on behalf of the Town, but not individually, hereby represents and warrants to the Placement Agent (and it shall be a condition of the obligation of the Placement Agent to perform under this Purchase Contract that it shall be represented and warranted on the Closing Date) that:

(a) The Town is duly organized and validly existing under the laws of the State of Arizona (the "State") with power to adopt the Resolution, perform the agreements on its part contained therein and in the agreements approved thereby and cause the execution and delivery of the Obligation.

(b) The Town has complied and, in all respects on the Closing Date will be in compliance, with all of the provisions of applicable law of the State.

(c) The Town has duly adopted the Resolution, and the Town has duly authorized and approved the execution and delivery of this Placement Contract and the Purchase Agreement and the Trust Agreement (as such terms are defined in the Resolution and, with this Purchase Contract, collectively, the "Documents"), as well as the performance of its obligations contained in the Obligation and the consummation by it of all other transactions contemplated hereby.

(d) The Town is not in breach of or default under any applicable law or administrative regulation of the State or any department, division, agency or instrumentality thereof, or of the United States, or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Town is a party or is otherwise subject, which breach or default would materially and adversely affect the Town or its ability to perform its duties and obligations under the Documents, and the execution and delivery of the Documents, the adoption of the Resolution and the execution and delivery of the Obligation and compliance with the provisions of each will not conflict materially with or constitute a material breach of or default under any applicable law or administrative regulation of the State or under any certificate, agreement or other instrument to which the Town is a party or is otherwise subject, which breach or default would materially and adversely affect the Town or its ability to perform its duties and obligations under the Documents.

(e) No litigation is pending or overtly threatened in any court in any way affecting the existence of the Town or the title of the members of the Council of the Town to their respective offices or seeking to restrain or to enjoin the sale, execution or delivery of the Obligation, or the collection or pledge of any revenues pledged or to be pledged under the Documents to pay the principal of and interest on the Obligation, or in any way contesting or affecting the validity or enforceability of the Obligation, the Resolution or the Documents, or contesting the powers of the Town or the members of the Council with respect to the Obligation.

3. (a) At or prior to 11 a.m. M.S.T. on _____, 2014, or such other date agreed to by the Town and the Placement Agent ("the Closing Date"), the Obligation will be delivered, in definitive fully registered form, duly executed, and, if to be delivered through The Depository Trust Company, New York, New York ("DTC"), registered in the name of Cede & Co., as the nominee of DTC, in denominations specified by the Purchasers, together with the other documents hereinabove mentioned, upon payment of the Purchase Price by wire transfer, in immediately available funds, to the Town. Delivery as aforesaid shall be made at a time and place, as shall have been mutually agreed upon by authorized representatives of the Placement Agent and the

Town, and such payment shall be made simultaneously therewith. This payment and delivery is herein called the "Closing."

(b) On the Closing Date, the Placement Agent shall receive a copy of each of the following documents, each dated the Closing Date:

(i) a certified copy of the Resolution;

(ii) an opinion of Special Counsel, Greenberg Traurig, LLP ("Special Counsel") in form and substance satisfactory to the Placement Agent;

(iii) a certificate, signed by an authorized officer of the Town, to the effect that (i) the representations, warranties and covenants of the Town contained herein are true and correct in all material respects on and as of the Closing Date, with the same effect as if made on the Closing Date; (ii) no litigation is pending or, to the knowledge of such officer, threatened in any court in any way affecting the existence of the Town or the titles of its officers or directors to their respective positions, or seeking to restrain or to enjoin the sale, execution or delivery of the Obligation, or the collection of any revenues or assets of the Town pledged or to be pledged to pay the principal of and interest on the Obligation, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Obligation, the Resolution or the Documents, or contesting the powers of the Town or its authority with respect to the Obligation, the Resolution or the Documents (but in lieu of or in conjunction with such certificate, the Placement Agent may, in the sole discretion of an authorized representative thereof, accept certificates or opinions of counsel to the Town, acceptable to such representative, that in the opinion of such counsel the issues raised in any pending or threatened litigation are without substance or that the contentions of all plaintiffs therein are without merit) and (iii) the Town has complied in all material respects with the Resolution and the terms of the Obligation and the Documents and satisfied all material conditions on its part to be performed or satisfied at or prior to the delivery of the Obligation and

(iv) such additional certificates, instruments or opinions as Special Counsel, the Town or the Placement Agent may deem necessary or desirable.

All certificates, instruments, opinions and documents referred to above and any resolutions shall be in form and substance satisfactory to authorized representatives of Special Counsel, the Town and the Placement Agent.

4. The obligation of the Placement Agent to use its best efforts to place the Obligation shall be subject to the performance by the Town of the obligations thereof provided hereby in all material respects at or prior to the Closing, and the accuracy in all material respects of the representations and warranties of the Town contained herein and shall also be subject to the following conditions:

(a) The Documents shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to by the Placement Agent;

(b) The Town shall have arranged for payment of the Fee at the time of the Closing and

(c) All of the other obligations of the Town required under or specified in this Placement Contract and the Resolution to be performed at or prior to the Closing shall have been performed in all material respects.

5. This Placement Contract may be terminated by the Placement Agent by notification in writing to you at your office if at any time subsequent to the date hereof and at or prior to the Closing: (i) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the State legislature or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Obligation or, with respect to State taxation, of the interest on the Obligation or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences or State income tax consequences of any of the transactions contemplated herein; (ii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the offering, sale and execution and delivery of the Obligation without registration thereof or obligations of the general character of the Obligation is in violation of any provision of the Securities Act of 1933 or of the Trust Indenture Act of 1939; (iii) in the Congress of the United States, legislation shall be enacted or a bill shall be favorably reported out of committee of either house, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that securities of the Town or of any similar body are not exempt from the registration, qualification or other requirements of the Securities Act of 1933 or the Trust Indenture Act of 1939; (iv) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency; (v) there shall have occurred a general suspension of trading on the New York Stock Exchange; (vi) a general banking moratorium shall have been declared by the United States, State of New York, or the State authorities; (vii) there shall have occurred since the date of this Placement Contract any materially adverse change in the affairs or financial condition of the Town or (viii) the purchase of and payment for the Obligation on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

6. There shall be paid solely from the proceeds of the sale of the Obligation, upon or promptly after the Closing: (a) the cost of the preparation and printing of the Obligation; (b) the fees and disbursements of Special Counsel and of any other counsel or consultants retained by the Town and (c) the Fee. The Placement Agent shall be under no obligation to pay any expenses incident to this Placement Contract.

7. The agreements and all representations and warranties herein set forth have been and are made for the benefit of the Placement Agent and the Town, and no other person shall acquire or have any right under or by virtue of this Placement Contract.

8. This Placement Contract shall become effective upon the execution of the acceptance hereof by an authorized officer of the Town and shall be valid and enforceable as of the time of such acceptance. This Placement Contract may be executed in several counterparts, each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

9. This Placement Contract shall be governed by and construed in accordance with the law of the State. As required by the provisions of Section 38-511, Arizona Revised Statutes, as amended, notice is hereby given that the State, its political subdivisions (including the Town) or any department or agency of either may, within three (3) years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either is, any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time. The State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract. This Section is not intended to expand or enlarge the rights of the Town hereunder except as required by such Section. Each of the parties hereto hereby certifies that it is not presently aware of any violation of such Section which would adversely affect the enforceability of this Placement Contract and covenants that it shall take no action which would result in a violation of such Section.

10. If any provision of this Placement Contract shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance or of rendering any other provision or provisions of this Placement Contract invalid, inoperative or unenforceable to any extent whatever.

Respectfully submitted,

STIFEL, NICOLAUS & COMPANY, INCORPORATED

.....
B. Mark Reader, Managing Director

ACCEPTED this _____ day of _____, 2014.

TOWN OF CAMP VERDE, ARIZONA

By.....
Mayor

ATTEST:

.....
Town Clerk

DRAFT
09/08/14

WRITTEN POLICIES AND PROCEDURES FOR TAX-ADVANTAGED OBLIGATIONS

The Town of Camp Verde, Arizona (the "Issuer"), has issued and may in the future issue tax-exempt obligations (including, without limitation, bonds, notes, loans, leases and certificates) (together, "tax-advantaged obligations") that are subject to certain requirements under the Internal Revenue Code of 1986. as amended (the "Code").

The Issuer has established the policies and procedures contained herein (the "Procedures") as of September 17, 2014, in order to ensure that the Issuer complies with the requirements of the Code that are applicable to its tax-advantaged obligations. The Procedures, coupled with requirements contained in the arbitrage and tax certificate or other operative documents (the "Tax Certificate") executed at the time of issuance of the tax-advantaged obligations, are intended to constitute written procedures for ongoing compliance with the federal tax requirements applicable to the tax-advantaged obligations and for timely identification and remediation of violations of such requirements.

A. GENERAL MATTERS.

1. Responsible Officer. The _____ of the Issuer will have overall responsibility for ensuring that the ongoing requirements described in the Procedures are met with respect to tax-advantaged obligations (the "Responsible Officer").

2. Establishment of Procedures. The Procedures will be included with other written procedures of the Issuer.

3. Identify Additional Responsible Employees. The Responsible Officer shall identify any additional persons who will be responsible for each section of the Procedures, notify the current holder of that office of the responsibilities, and provide that person a copy of the Procedures. (For each section of the Procedures, this may be the Responsible Officer or another person who is assigned the particular responsibility.)

    a. Upon employee or officer transitions, new personnel should be advised of responsibilities under the Procedures and ensure they understand the importance of the Procedures.

    b. If employee or officer positions are restructured or eliminated, responsibilities should be reassigned as necessary to ensure that all Procedures have been appropriately assigned.

4. Training Required. The Responsible Officer and other responsible persons shall receive appropriate training that includes the review of and familiarity with the contents of the Procedures, review of the requirements contained in the Code applicable to each tax-advantaged obligation, identification of all tax-advantaged obligations that must be monitored, identification of all facilities (or portions thereof) financed with proceeds of tax-advantaged obligations, familiarity with the requirements contained in the Tax Certificate or other operative documents contained in the transcript, and familiarity with the procedures that must be taken in order to correct noncompliance with the requirements of the Code in a timely manner.

5. Periodic Review. The Responsible Officer or other responsible person shall periodically review compliance with the Procedures and with the terms of the Tax Certificate to determine whether any violations have occurred so that such violations can be timely remedied through the "remedial action" regulations or the Voluntary Closing Agreement Program available through the Internal Revenue Service ("IRS") (or successor guidance). Such periodic review shall occur at least annually.

6. Change in Terms. If any changes to the terms of the tax-advantaged obligations are contemplated, bond counsel should be consulted. Such modifications could jeopardize the status of tax-advantaged obligations.

B. IRS INFORMATION RETURN FILING. The Responsible Officer will confirm that bond counsel has filed the applicable information reports (such as Form 8038-G) for such issue with the IRS on a timely basis, and maintain copies of such form including evidence of timely filing as part of the transcript of the issue. The Responsible Officer shall file the IRS From 8038-T relating to the payment of rebate or yield reduction payments in a timely manner as discussed in Section F.12. below. The Responsible Officer shall also monitor the extent to which the Issuer is eligible to receive a refund of prior rebate payments and provide for the timely filing for such refunds using an IRS Form 8038-R.

C. USE OF PROCEEDS. The Responsible Officer or other responsible person shall:

1. Consistent Accounting Procedures. Maintain or confirm maintenance of clear and consistent accounting procedures for tracking the investment and expenditures of proceeds, including investment earnings on proceeds.

2. Reimbursement Allocations at Closing. At or shortly after closing of an issue, ensure that any allocations for reimbursement expenditures comply with the Tax Certificate.

3. Timely Expenditure of Proceeds. Monitor that sale proceeds and investment earnings on sale proceeds of tax-advantaged obligations are spent in a timely fashion consistent with the requirements of the Tax Certificate.

4. Requisitions. Utilize or confirm the utilization of requisitions to draw down proceeds, and ensure that each requisition contains (or has attached to it) detailed information in order to establish when and how proceeds were spent; review requisitions carefully before submission to ensure proper use of proceeds to minimize the need for reallocations.

5. Final Allocation. Ensure that a final allocation of proceeds (including investment earnings) to qualifying expenditures is made if proceeds are to be allocated to project expenditures on a basis other than "direct tracing" (direct tracing means treating the proceeds as spent as shown in the accounting records for draws and project expenditures). An allocation other than on the basis of "direct tracing" is often made to reduce the private business use of bond proceeds that would otherwise result from "direct tracing" of proceeds to project expenditures. *This allocation must be made within 18 months after the later of the date the expenditure was made or the date the project was placed in service, but not later than five years and 60 days after the date the tax-advantaged obligations are issued (or 60 days after the issue is retired, if earlier).* Bond counsel can assist with the final allocation of proceeds to project costs. Maintain a copy of the final allocation in the records for the tax-advantaged obligation.

6. Maintenance and Retention of Records Relating to Proceeds. Maintain or confirm the maintenance of careful records of all project and other costs (e.g., costs of issuance, credit enhancement and capitalized interest) and uses (e.g., deposits to a reserve fund) for which proceeds were spent or used. These records should be maintained separately for each issue of tax-advantaged obligations for the period indicated under Section H. below.

D. MONITORING PRIVATE BUSINESS USE. The Responsible Officer or other responsible person shall:

1. Identify Financed Facilities. Identify or "map" which outstanding issues financed which facilities and in what amounts.

2. Review of Contracts with Private Persons. Review all of the following contracts or arrangements with non-governmental persons or organizations or the federal government (collectively referred to as "private persons") with respect to the financed facilities which could result in private business use of the facilities:

   a. Sales of financed facilities;

   b. Leases of financed facilities;

   c. Management or service contracts relating to financed facilities;

   d. Research contracts under which a private person sponsors research in financed facilities; and

e. Any other contracts involving "special legal entitlements" (such as naming rights or exclusive provider arrangements) granted to a private person with respect to financed facilities.

3. Bond Counsel Review of New Contracts or Amendments. Before amending an existing agreement with a private person or entering into any new lease, management, service, or research agreement with a private person, consult bond counsel to review such amendment or agreement to determine whether it results in private business use.

4. Establish Procedures to Ensure Proper Use and Ownership. Establish procedures to ensure that financed facilities are not used for private use without written approval of the Responsible Officer or other responsible person.

5. Analyze Use. Analyze any private business use of financed facilities and, for each issue of tax-advantaged obligations, determine whether the 10 percent limit on private business use (5 percent in the case of "unrelated or disproportionate" private business use) is exceeded, and contact bond counsel or other tax advisors if either of these limits appears to be exceeded.

6. Remediation if Limits Exceeded. If it appears that private business use limits are exceeded, immediately consult with bond counsel to determine if a remedial action is required with respect to nonqualified tax-advantaged obligations of the issue or if the IRS should be contacted under its Voluntary Closing Agreement Program. If tax-advantaged obligations are required to be redeemed or defeased in order to comply with remedial action rules, such redemption or defeasance must occur within 90 days of the date a deliberate action is taken that results in a violation of the private business use limits.

7. Maintenance and Retention of Records Relating to Private Use. Retain copies of all of the above contracts or arrangements (or, if no written contract exists, detailed records of the contracts or arrangements) with private persons for the period indicated under Section H. below.

E. **LOAN OF BOND PROCEEDS.** Consult bond counsel if a loan of proceeds of tax-advantaged obligations is contemplated. If proceeds of tax-advantaged obligations are permitted under the Code to be loaned to other entities and are in fact so loaned, require that the entities receiving a loan of proceeds institute policies and procedures similar to the Procedures to ensure that the proceeds of the loan and the facilities financed with proceeds of the loan comply with the limitations provided in the Code. Require the recipients of such loans to annually report to the Issuer ongoing compliance with the Procedures and the requirements of the Code.

F. **ARBITRAGE AND REBATE COMPLIANCE.** The Responsible Officer or other responsible person shall:

1. Review Tax Certificate. Review each Tax Certificate to understand the specific requirements that are applicable to each tax-advantaged obligation issue.

2. Arbitrage Yield. Record the arbitrage yield of the issue, as shown on IRS Form 8038-G or other applicable form. If the tax-advantaged obligations are variable rate, yield must be determined on an ongoing basis over the life of the tax-advantaged obligations as described in the Tax Certificate.

3. Temporary Periods. Review the Tax Certificate to determine the "temporary periods" for each issue, which are the periods during which proceeds of tax-advantaged obligations may be invested without yield restriction.

4. Post-Temporary Period Investments. Ensure that any investment of proceeds after applicable temporary periods is at a yield that does not exceed the applicable yield, unless yield reduction payments can be made pursuant to the Tax Certificate.

5. Monitor Temporary Period Compliance. Monitor that proceeds (including investment earnings) are expended promptly after the tax-advantaged obligations are issued in accordance with the expectations for satisfaction of three-year or five-year temporary periods for investment of proceeds and to avoid "hedge bond" status.

6. Monitor Yield Restriction Limitations. Identify situations in which compliance with applicable yield restrictions depends upon later investments (e.g., the purchase of 0 percent State and Local Government Securities from the U.S. Treasury for an advance refunding escrow). Monitor and verify that these purchases are made as contemplated.

7. Establish Fair Market Value of Investments. Ensure that investments acquired with proceeds satisfy IRS regulatory safe harbors for establishing fair market value (e.g., through the use of bidding procedures), and maintaining records to demonstrate satisfaction of such safe harbors. Consult the Tax Certificate for a description of applicable rules.

8. Credit Enhancement, Hedging and Sinking Funds. Consult with bond counsel before engaging in credit enhancement or hedging transactions relating to an issue, and before creating separate funds that are reasonably expected to be used to pay debt service. Maintain copies of all contracts and certificates relating to credit enhancement and hedging transactions that are entered into relating to an issue.

9. Grants/Donations to Governmental Entities. Before beginning a capital campaign or grant application that may result in gifts that are restricted to financed projects

(or, in the absence of such a campaign, upon the receipt of such restricted gifts), consult bond counsel to determine whether replacement proceeds may result that are required to be yield restricted.

10. Bona Fide Debt Service Fund. Even after all proceeds of a given issue have been spent, ensure that debt service funds, if any, meet the requirements of a "bona fide debt service fund," i.e., one used primarily to achieve a proper matching of revenues with debt service that is depleted at least once each bond year, except for a reasonable carryover amount not to exceed the greater of: (i) the earnings on the fund for the immediately preceding bond year; or (ii) one-twelfth of the debt service on the issue for the immediately preceding bond year. To the extent that a debt service fund qualifies as a bona fide debt service fund for a given bond year, the investment of amounts held in that fund is not subject to yield restriction for that year.

11. Debt Service Reserve Funds. Ensure that amounts invested in reasonably required debt service reserve funds, if any, do not exceed the least of: (i) 10 percent of the stated principal amount of the tax-advantaged obligations (or the sale proceeds of the issue if the issue has original issue discount or original issue premium that exceeds 2 percent of the stated principal amount of the issue plus, in the case of premium, reasonable underwriter's compensation); (ii) maximum annual debt service on the issue; or (iii) 125% of average annual debt service on the issue.

12. Rebate and Yield Reduction Payment Compliance. Review the arbitrage rebate covenants contained in the Tax Certificate. Subject to certain rebate exceptions described below, investment earnings on proceeds at a yield in excess of the yield (i.e., positive arbitrage) generally must be rebated to the U.S. Treasury, even if a temporary period exception from yield restriction allowed the earning of positive arbitrage.

    a. Ensure that rebate and yield reduction payment calculations will be timely performed and payment of such amounts, if any, will be timely made. Such payments are generally due 60 days after the fifth anniversary of the date of issue, then in succeeding installments every five years. The final rebate payment for an issue is due 60 days after retirement of the last obligation of the issue. The Issuer should hire a rebate consultant if necessary.

    b. Review the rebate section of the Tax Certificate to determine whether the "small issuer" rebate exception applies to the issue.

    c. If the 6-month, 18-month, or 24-month spending exceptions from the rebate requirement (as described in the Tax Certificate) may apply to the tax-advantaged obligations, ensure that the spending of proceeds is monitored prior to semiannual spending dates for the applicable exception.

d. Make rebate and yield reduction payments and file Form 8038-T in a timely manner.

e. Even after all other proceeds of a given issue have been spent, ensure compliance with rebate requirements for any debt service reserve fund and any debt service fund that is not exempt from the rebate requirement (see the Arbitrage Rebate covenants contained in the Tax Certificate).

13. Maintenance and Retention of Arbitrage and Rebate Records. Maintain records of investments and expenditures of proceeds, rebate exception analyses, rebate calculations, Forms 8038-T, and rebate and yield reduction payments, and any other records relevant to compliance with the arbitrage restrictions for the period indicated in Section H. below.

G. RECORD RETENTION. The Responsible Officer or other responsible person shall ensure that for each issue of obligations, the transcript and all records and documents described in these Procedures will be maintained while any of the obligations are outstanding and during the three-year period following the final maturity or redemption of that issue, or if the obligations are refunded (or re-refunded), while any of the refunding obligations are outstanding and during the three-year period following the final maturity or redemption of the refunding obligations.

Town of Camp Verde

Meeting Date: September 17, 2014

☐ *Consent Agenda* ☒ *Decision Agenda* ☐ *Executive Session Requested*

☐ *Presentation Only* ☐ *Action/Presentation*

Staff Resource/Contact Person: Russ Martin

Agenda Title (be exact): Discussion, consideration, and possible direction to staff regarding the appointment of a new Magistrate judge.

List Attached Documents: N/A

Estimated Presentation Time: 5 min

Estimated Discussion Time: 10 min

Reviews Completed by: N/A

☐ ***Department Head:*** ☐ ***Town Attorney Comments:***

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

Finance Director Comments/Fund:

Fiscal Impact:
Budget Code: *N/A* ***Amount Remaining:*** *N/A*
Comments:

Background Information: Staff was informed on Sept 4th that the previously selected Judge John Lamb is unable to commit to the Magistrate position at this time. This is Town Council's hire and therefore a decision from the Council is necessary to proceed to the next step. Town Council can:

1. Re-interview previous candidates or additional candidates it did not interview and then select.
2. Start a new recruitment.
3. Select from previously interviewed candidates.

Recommended Action (Motion): Move to direct staff to forward other candidates from previous preliminary interviews or others that Council may consider for an interview(s) as soon as possible.

Instructions to the Clerk: N/A

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Town of Camp Verde

Meeting Date: September 3, 2014

☐ Consent Agenda ☒ Decision Agenda ☐ Executive Session Requested

☐ Presentation Only ☐ Action/Presentation ☐ Work Session Agenda

Requesting Department: Administration

Staff Resource/Contact Person: Russ Martin

Agenda Title (be exact): Discussion, consideration, and possible selection of an independent attorney to review employees complaints and Council Conduct as it relates to Town Council Policies, Rules, and Procedures.

List Attached Documents:

1. Bios and statements from Attorneys

Estimated Presentation Time: 5 minutes

Estimated Discussion Time: 15 minutes

Reviews Completed by:

☐ **Department Head: Russ Martin** (comments included in report)

☒ **Town Attorney Comments:** Attorney and Manager have discussed the individuals included and agree they provide highly qualified services.

☐ **Finance Department: N/A**

Background Information:

Per Town Council direction the Manager and Attorney are supplying 3 names for consideration for the independent investigation requested.

Recommended Action (Motion):

Move to direct the Town Manager to enter into a Professional Services Contract with_____ for this independent investigation.

MEMORANDUM

GAMMAGE & BURNHAM, P.L.C.

September 11, 2014

TO: Russ Martin
Camp Verde Town Manager

FROM: Cameron C. Artigue

RE: Potential Engagement

The following information is in response to our telephone conversation of August 27, 2014. The law firm of Gammage & Burnham is ready, willing, and able to conduct the tasks we described. Our firm has 30+ years of experience in representing municipalities in a variety of specialized matters. Our primary expertise runs to land use issues, but also includes municipal government and affairs. In particular, we have experience dealing with Council-Manager municipal government issues arising in the City of Phoenix. I have enclosed the biographies of myself and Manjula Vaz.

An engagement for "educational" purposes would be relatively straightforward. We would be happy to prepare written materials and make a presentation regarding the do's and don'ts of municipal form of government. This could be done for a budget of approximately $2,500.

On the other hand, an investigation of prior events and the potential consequences thereof is a much larger scope of work. This would require a careful review of municipal records as well as an interview of the parties concerned, and the preparation of a solid written report. In such situations, it is imperative to insist upon high standards so that everybody can be assured of the integrity and thoroughness of the process. It is hard to estimate the effort that would be involved in such an endeavor because of my limited knowledge. However, I believe that the conduct of the investigation would involve expenditures of at least $10,000.

I would be happy to provide additional information to you or anyone on the Town's Staff should it be requested. Please let me know.

GAMMAGE & BURNHAM

Manjula M. Vaz
Two North Central Avenue, Fifteenth Floor, Phoenix, AZ 85004
(602) 256-4461
mvaz@gblaw.com

Areas of Practice
Business Organizations and Commercial Transactions
Elections, Government and Public Affairs
Real Estate
Zoning and Land Use

Ranked In CHAMBERS USA 2014 Manjula Vaz

Education
J.D., Arizona State University, 1999
B.S., Arizona State University, 1989

Court Admissions and Other Interests
State Bar of Arizona
Maricopa County Bar Association
American Bar Association

MANJULA M. VAZ Listed in Best Lawyers

Profile
Manjula is a member in the Zoning and Land Use Planning and Real Estate areas of the firm. Her practice focuses on zoning-related services, including master planned zoning approvals (specific plans, planned area developments, planned community developments), rezoning approvals, general plan amendments, variances, conditional and special use permits, zoning interpretations and violations, and zoning due diligence.

In addition, Manjula assists clients with the negotiation and implementation of development agreements, GPLETs and other development-related agreements. She frequently appears before planning commissions and city councils on behalf of clients regarding zoning and development projects.

Prior to attending law school, Manjula was a Legislative Assistant to U.S. Rep. John J. Rhodes III and chief of staff to Maricopa County Supervisor Tom Rawles (D-1). She is also a former member of the Tempe Planning Commission.

GAMMAGE & BURNHAM

Cameron C. Artigue

Two North Central Avenue, Fifteenth Floor, Phoenix, AZ 85004
(602) 256-4418
cartigue@gblaw.com

Areas of Practice

Elections, Government and Public Affairs
Health Care
Litigation
Real Estate
Zoning and Land Use

Education

J.D., University of California, Berkeley, 1987
B.A., *summa cum laude*, Claremont McKenna College, 1984

Court Admissions and Other Interests

State Bar of Arizona
U.S. District Court, District of Arizona
U.S. Court of Appeals for the Ninth Circuit
U.S. Supreme Court
Maricopa County Bar Association
Rated by Super Lawyers

Profile

Cameron specializes in solving hard problems. He has spent his entire career at Gammage & Burnham, and has handled over 100 appeals in state and federal courts. His experience and expertise span many of the firm's practice areas: health care, administrative law, and land use litigation.

Cameron has helped shape public policy through leading court decisions in constitutional law and government affairs. He is an Adjunct Professor of Law at the Sandra Day O'Connor College of Law at ASU.

Cameron is a strong supporter of the arts and has been elected 2014 President of the Arizona Theatre Company. He is a movie buff and struggling golfer. Cameron can talk about anything without being boring.

AT TIME OF PREPARING AGENDA PACKET

STAFF HAD NOT RECEIVED ALL

ATTORNEYS RESPONSES.

MORE INFORMATION WILL BE PROVIDED PRIOR TO THE MEETING

13/

Town of Camp Verde

Agenda Item Submission Form – Section I

Meeting Date: September 17, 2014

☐ *Consent Agenda* ☐ *Decision Agenda* ☐ *Executive Session Requested*

☐ *Presentation Only* ☒ *Action/Presentation*

Requesting Department: Mayor & Council

Staff Resource/Contact Person: Councilor Carol German

Agenda Title (be exact): Discussion, consideration, and possible direction to staff to research the costs associated with replacing the sound system and to bring this information back to Council at the next regular meeting.

List Attached Documents:

Estimated Presentation Time: 5 minutes

Estimated Discussion Time: 10 minutes

Reviews Completed by:

☐ ***Department Head:***

☒ ***Town Attorney Comments:*** N/A.

☒ ***Finance Department***
Fiscal Impact:
Budget Code: _____ ***Amount Remaining:*** _____
Comments:

Background Information: At every meeting, we struggle with hearing each other and we have at least one or more members of the audience tell us that they cannot hear us either. In addition, I have had several calls and have witnessed for myself that the recordings on the web are 'choppy' and/or inaudible, making it nearly impossible for people to hear our discussions during meetings.

The Clerk informed us during the budget hearings that the current sound system is over 15 years old and that repairs and replacement parts are difficult. To remedy this problem, I would like to see us replacing the current sound system. If a new sound system does not improve the quality of the recordings of the meetings on our website, I would also like to look into replacing that software during our next budget cycle.

Recommended Action (Motion): Direct staff to bring back recommendations for the replacement of the sound system in Council Chambers.

Instructions to the Clerk: N/A