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AGENDA
REGULAR SESSION
MAYOR AND COUNCIL
COUNCIL CHAMBERS · 473 S. Main Street, Room #106
WEDNESDAY, MAY 4, 2011
at 6:30 P.M.

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Consent Agenda** – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
 - a) **Approval of the Minutes:**
 - 1) Regular Session – April 20, 2011
 - 2) Work Session – April 20, 2011
 - b) **Set Next Meeting, Date and Time:**
 - 1) May 6, 2011 at 9:00 a.m. – Budget Work Session
 - 2) May 11, 2011 at 6:30 p.m. – Public Hearing/P&Z Code Rewrite
 - 3) May 18, 2011 at 6:30 p.m. – Regular Session
 - 4) May 25, 2011 at 6:30 p.m. – Public Hearing/P&Z Code Rewrite
 - c) **Possible appointment of Ronald C. Ramsey, Esq. as Assistant Magistrate for the Camp Verde Municipal Court for a two-year period, effective June 1, 2011 and setting the weekly pay rate at \$38.00 per hour on an as-needed basis with a three hour minimum. This is a budgeted item. Staff Resource: Presiding Magistrate Cipriano**
5. **Special Announcements & Presentations –**
 - **Presentation of Certificates of Election to Council Member-elect Carol German**
 - **Proclamations – Possible approval of Proclamation declaring May, 2011 as Building Safety Month**
6. **Council Informational Reports.** These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.
7. **Call to the Public for items not on the agenda.**
8. **Discussion, consideration, and possible approval of Ordinance 2011-A376, an Ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona approving submission of the escrow papers to Yavapai Title Agency for the purchase of the real property, consisting of 16.76 acres of parcel 403-22-025E, owned by Beta Ventures, L.L.C., located on Industrial Drive, Camp Verde, Arizona. Staff Resource: Ron Long**
9. **Discussion, consideration, and possible approval of a letter to the Coconino and Tonto National Forest Service relative to the proposed Fossil Creek Wild & Scenic Comprehensive River Management Plan. Staff Resource: Russ Martin**
10. **Call to the Public for items not on the agenda.**
11. **Advanced Approvals of Town Expenditures.** There are no advanced approvals.

12. **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.
13. **Adjournment**

Posted by: *O Jones* Date/Time: *4-28-2011* *9:00 a.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
COUNCIL CHAMBERS
WEDNESDAY, APRIL 20, 2011
6:30 P.M.**

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

1. **Call to Order**

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

2. **Roll Call**

Mayor Burnside, Vice Mayor Kovacovich, Councilors Whatley, Garrison, Baker and Roulette were present; Councilor German was absent due to illness..

Also Present: Town Manager Russ Martin, Public Works Director Ron Long, Community Development Director Mike Jenkins, Councilors-Elect Alan Buchanan and Bruce George, Administrative Assistant Valerie House, Town Clerk Debbie Barber, and Recording Secretary Margaret Harper.

3. **Pledge of Allegiance**

The Pledge was led by Garrison.

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) Staff Retreat/Special Session – March 30, 2011
- 2) Work Session – March 23, 2011
- 3) Regular Session – March 16, 2011
- 4) Work Session – March 9, 2011

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

- 1) April 27, 2011 at 6:30 p.m. – Public Hearing/P&Z Code Rewrite
- 2) May 4, 2011 at 6:30 p.m. – Regular Session
- 3) May 6, 2011 at 9:00 a.m. – Budget Work Session
- 4) May 11, 2011 at 6:30 p.m. – Public Hearing/P&Z Code Rewrite
- 5) May 18, 2011 at 6:30 p.m. – Regular Session
- 6) May 25, 2011 at 6:30 p.m. – Public Hearing/P&Z Code Rewrite

c) **Possible approval of Resolution 2011-840, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, pertaining to the submission of projects for consideration in Arizona's 2012 Fiscal Year Highway Safety Plan.** Staff Resource Dave Smith

d) **Possible approval of Resolution 2011-841, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, pertaining to certain Exemptions for Motor Vehicles used by the Marshal's Office.** Staff Resource Dave Smith

e) **Possible approval of a 2-year agreement with Carrie A. Kelly, PLLC, Attorney-at-Law for prosecutorial services in an amount of \$71,000 per year. This is a budgeted item.** Staff Resource: Russ Martin

f) **Possible authorization to proceed with the carpet replacement in the Town Hall building located at 473 S. Main St., as proposed by Continental Flooring Co., State Contract EPS 060077-1, for \$22,677.59. This is a budgeted item.** Staff Resource: Ron Long

On a motion by Baker, seconded by Kovacovich, the Consent Agenda was unanimously approved as presented, with Item 6 of the Minutes of March 16, 2011 clarified to reflect that the comment by Kovacovich was in reference to the Mayor having shaved off his beard.

Kovacovich requested a clarification to the Minutes of March 16, 2011, Item 6; he was concerned about how

the report of a "welcome change in the Mayor's appearance" would be perceived in the future; his comment was in reference to Mayor Burnside shaving off his beard.

5. **Special Announcements & Presentations – Welcome to New Businesses for the month of March**

- Continental Flooring Company – Scottsdale
- Best By Farr Plumbing Inc. – Cottonwood
- Shammy's Crazy Out Hair – Camp Verde
- Verde Valley Archaeology Center, Inc. – Camp Verde
- Meridian Rehabilitation Inc. – Camp Verde
- Ucon Construction – Tempe
- Hold the Fort – Camp Verde
- Sedona Recycles - Sedona

Proclamations:

- Possible approval of Proclamation declaring May 1, 2011 through May 7, 2011 as Municipal Clerks Week.

Presentation of Certificates of Election to:

- Council Member-elect Alan Buchanan
- Council Member-elect Bruce George
- Council Member-elect Carol German
- Mayor-elect Bob Burnside

Presentation of Certificates of Appreciation to the following recipients: Jim Ashton, Ron Brattain, Ray Floyd, Gary Kenfield, Chris Ryneerson, Dick Ryneerson, Teresa Goodwin, Debbie Hughes, Darby Martin, Lynda Moore, The Town Clerk's Office staff, American Legion, Veterans of Foreign Wars, Keith Tucker, and Parker Construction – Clay Parker.

There was no action taken.

Mayor Burnside welcomed to Camp Verde the new businesses listed above, officially proclaimed May 1, 2011 through May 7, 2011 as Municipal Clerks Week, and presented the Certificates of Election as listed; Council Member German was not in attendance because of illness. Burnside then presented a Certificate of Appreciation individually to each of the named recipients who were in attendance at the meeting, describing their valuable services to the community through donating their time, efforts, materials and equipment.

6. **Council Informational Reports.**

Whatley commented on helping with the Dunk Tank at the Safety Fair; it was a fun family affair.

Kovacovich reported on attending the Tourism Roundup in Williams; it was nice to see the transformation of Williams from a little mining town to a developed tourist town now.

Garrison said that the Tourism Committee that she sits on worked for a year to put on that Tourism Forum, an all-day event. The tour of Bearizona was very enjoyable; all the animals were very active and it was really hard keeping Bob K. in line; it was a long day and a good one.

Baker also reported on the fun event at Basha's that was attended by many families and children; she expressed appreciation for Tire Pro and how they give back to the community with a lot of time and effort; dunking the Mayor was lots of fun. In connection with the History of the Soldier, Baker said there were over 100 Fourth Graders on the opening day. Volunteers are always needed at the Fort; Baker related how two little girls from Germany were sworn in as Junior Rangers, speaking in German. Later in the day, Baker and Whatley attended the Afternoon Tea, dressed in period fashions.

Burnside said he also enjoyed the Bigfoot Event; the beauty of it was that with all the kids and family, there

was not one beer sold or asked for. He enjoyed the History of the Soldier; for the first time, the Boy Scouts held the flag as it was being raised. The Verde Valley Ag Council will have a meeting April 25th; the Yavapai County Tax Assessor Pearsall will be present at a subcommittee in Cottonwood on Thursday, April 28 at 5:30 p.m. in the County Administrative Building to answer questions or concerns that anyone might have about property tax reform. For the record, Burnside thanked those who had sent him letters; anyone who might have a problem or questions, send a letter, or call, and those concerns will be forwarded to the appropriate departments; if no answer is forthcoming, call the Mayor and he will follow up on it. Burnside thanked Maintenance for the improvement to the rain gutter at the Visitors Center that he had requested.

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

(Comments from the following individuals are summarized.)

Sandi Ashton said that her property backs up to Forest Service property, there is nothing there; and she asked if the Town could do anything about changing the 50-foot property line requirement so that she could build a barn instead of having to settle for a shed to house her horse. She is trying to get a permit to build a barn, but is requesting that the Town address the situation to see if something could be done.

Fran Arries, speaking in connection with the contract coming up with APS, described at length the problems she has had with power surges that have destroyed her appliances, with no help or any resolution from APS.

There was no further public input.

8. **Discussion, consideration, and possible recommendation to the Arizona Department of Liquor Licenses & Control to approve the following liquor license applications:**

A. **Jason Barclay Morris, Arizona CVS Stores, LLC located at 522 Finnie Flat Road, Camp Verde.** Staff Resource: Deborah Barber

B. **Bruce Wayne Holbrook, Express Stop 4507 located at 1897 W Pueblo Ridge Suite A, Camp Verde.** Staff Resource Deborah Barber

On a motion by Baker, seconded by Garrison, the Council unanimously recommended approval of the liquor license application for Jason Barclay Morris, Arizona CVS Stores, LLC located at 522 Finnie Flat Road, Camp Verde.

On a motion by Baker, seconded by Garrison, the Council unanimously recommended approval of the liquor license application for Bruce Wayne Holbrook, Express Stop 4507 located at 1897 W. Pueblo Ridge, Suite A, Camp Verde.

Town Clerk Barber said that the notices for the two applications had been posted for the required 20-day period, and no comments have been received; the owners have been invited to attend the meeting. The representative from the Arizona CVS Stores spoke briefly to explain that the application for the Camp Verde CVS Store is in essence a formality in connection with the anticipated addition of another CVS store in Yavapai County. There was no representative available from the second applicant, Express Stop 4507.

9. **Presentation by Bob Rothrock, President Verde Valley Land Preservation Institute, Inc. relative to the result of the regional open space study.**

There was no action taken.

Bob Rothrock introduced **Steve Estes**, the Community Outreach Director for the Institute; the two speakers presented the results of the study that was recently completed on open space in the Verde Valley. Mr. Rothrock said he will be contacting the Planning Director to submit a copy of the overlay model illustrating the results, which he demonstrated through use of the overhead screen projection during his presentation. Mr. Rothrock, together with Mr. Estes, outlined some of the achievements as well as the goals of the Land Preservation Institute in its efforts to preserve open space, restore riverside habitat, and plan for

the future. Mr. Rothrock also said that he hoped that the Verde Valley Land Preservation Institute would become a line item on the Town's budget as the economy improves.

10. **Quarterly reports/presentations to include possible discussion of the reports from the following:**

Staff Resource

- **Board of Adjustments**
- **Planning and Zoning Commission**
- **Camp Verde Chamber of Commerce**
- **Fort Verde State Park**

There was no action taken.

The report from the Board of Adjustments was presented by Community Development Director Jenkins. Planning & Zoning Commission Chairman Joe Butner reviewed that Commission's report, and in particular the meeting held on March 3, 2011 to hear an application from John McReynolds for a Use Permit on his property, in perpetuity. Butner explained that through miscommunication with the Planning Department staff, the Commission's understanding was that the Use Permit, although extended in perpetuity, would not be transferable upon a future sale of the property. However, the Commission found that it was mistaken and the Use Permit would be transferable and does run with the land. Reassurances have been received from the Planning Director that the property will be closely watched to make sure it is kept as it has been; Butner said he also is asking Council to also keep a close eye on that sensitive piece of property, especially in the event of a change in ownership.

Tracie Schimikowsky, Executive Director, Chamber of Commerce, gave a detailed presentation on the statistics and results of the Camp Verde Visitor Center activities or the 3rd Quarter for FY2011. The Quarterly Report for the Fort Verde State Park was then presented, together with expressions of appreciation for the hard work on the part of staff and volunteers, and a reminder of the continuing need for volunteers.

11. **Discussion, consideration, and possible direction to staff to proceed with making an application to the AZ Department of Commerce for the Arizona Biofuels Conversion (ABC) Grant Program to install storage and dispensing equipment at the Public Works Yard on Industrial Drive. If approved, this item will be budgeted in the FY 11/12 CIP. Staff Resource: Ron Long**
Burnside announced that this Item 11 has been canceled.

12. **Discussion, consideration, and possible direction to staff relative to adding the Verde Valley Regional Economic Development Organization (VVREO) to the Council Committee Assignments or appointing a staff member to attend the meetings. Staff Resource: Russ Martin**
Staff was directed to contact other municipalities to collect information on the issue of requiring confidentiality, together with other legal opinions, if any, in order to have a brief discussion after the new members have been seated as to whether or not to appoint a member to attend the meetings.

Martin reviewed the request from the Verde Valley Regional Economic Organization to establish a formal association with them by selecting a representative, similar to the liaison the Town has for the Chamber of Commerce, to attend the meetings of the VVREO. Martin suggested that the appointment be included on the list of assignments to be evenly distributed among the members once the new Council has been seated. Martin said he has been attending the meetings on a fairly regular basis, and would plan to continue to do so, but believes it would be appropriate to have an elected official serve in that capacity, as other communities will be doing.

The members discussed at length the issue of the liaison being required to sign a confidentiality statement in order to attend the meetings, and the past understanding on the part of some of them that Council

members would not be allowed to do that. Martin commented that since Town Attorney Sims had given that instruction before, it would still apply; however, a Council member has the authority to do what he or she thinks is right within that. The attorney gives advice, and the member acts accordingly. After some debate on the issue, Martin asked if the Councilors wanted him to solicit a formal opinion from the Town Attorney; the majority were not in favor of incurring that expense. It was suggested that the matter be brought to the new Council for further consideration; in the interim, staff will check with other communities to research how they are handling it as well as the legal input they have obtained, if any.

13. **Discussion, consideration, and possible direction to staff relative to submitting comments to the Coconino and Tonto National Forest Service about the proposed Fossil Creek Wild & Scenic Comprehensive River Management Plan.** Staff Resource: Mayor Burnside
Staff was directed to come back on May 4th after talking with some of the members, with some bullet items to help facilitate some discussion, with perhaps a draft letter to consider.

Burnside said that he and Martin had seen some maps in connection with the plan, and it is an interesting concept. A public meeting has been scheduled for April 27th, 4:30 to 7:30 p.m., at the Ranger Station. Burnside said that in addition to the material provided in the agenda packet, much more information will be available at that meeting; very little time would be required to stop by and review the maps and related material. Burnside believes that the Forest Service is requesting input from the Council, representing the Town, as well as from individual citizens. After discussion, with input from Martin, it was suggested that it would be helpful to have more information in order to provide feedback and/or support for the proposed Forest Service application for the grant funding for the feasibility study. Staff will come back on May 4th with bullet points to consider, including a draft of a possible letter.

14. **Discussion, consideration, and possible approval of Resolution 2011-844, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, adopting and establishing the "Town of Camp Verde Operations and Procedures Guide" and superseding all resolutions or parts of resolutions adopted by the Town of Camp Verde in conflict with the provisions of this resolution or any part of this resolution are hereby repealed, effective as of the day this resolution is effective.** Staff Resource: Debbie Barber

On a motion by Baker, seconded by Roulette, the Council unanimously approved Resolution 2011-844, a resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, adopting and establishing the "Town of Camp Verde Operations and Procedures Guide" and superseding all resolutions or parts of resolutions adopted by the Town of Camp Verde in conflict with the provisions of this resolution or any part of this resolution are hereby repealed, effective as of the day this resolution is effective.

Barber said that the document before the Council for approval tonight has incorporated the changes from the last meeting. Garrison raised a question regarding the residence requirement for the Town Manager having been stricken from the document; Barber explained that it is in the Town Code. The issue of changes regarding the position of Finance Director was discussed; Martin said that at a later time that section will be brought back to Council for further consideration if the new Finance Director wishes to do so. There was discussion about the documents before the Council, including the new Town Code, with concern expressed by Burnside for some apparently incorrect information in the accompanying memo submitted to the Council regarding the documents. During further discussion, Barber and Martin assured the Council that the document before the Council tonight for approval is the whole document with the most recent changes that have been made. For the benefit of the public, Garrison, in summary, stated that the Council will be voting on the subject document knowing that it is not perfect, but it will be a document that all will work through. In addition to Garrison's comments, Burnside stated, for the record, that if errors are found in any of the new Codes, Policies and Procedures, including Town and Zoning, they will be changed or brought back to

readdress. Martin confirmed that they will be brought to the attention of the Council for instructions on what action to take.

15. **Discussion, consideration, and possible approval of Ordinance 2011-A375, an ordinance of the Town of Camp Verde, Yavapai County, Arizona amending Town Code Section 11-1-6 Parks – Alcohol Use.** Staff Resource: Debbie Barber

On a motion by Roulette, seconded by Baker, the Council **voted 5-1** to approve Ordinance 2011-A375, an ordinance of the Town of Camp Verde, Yavapai County, Arizona, amending Town Code Section 11-1-6 Parks-Alcohol Use, with one change to "NO MORE THAN THREE (3) ALCOHOL PERMITS ON TOWN PROPERTY IN A FISCAL YEAR," changing the six to three; **with Garrison opposed.**

On a motion by Baker, seconded by Whatley, the Council **voted 5-1** to amend the original Motion to specify that the Council may approve no more than three (3) alcohol permits on Town property in a fiscal year, noted as follows: Fort Verde Days, Pecan & Wine Festival, and the Corn Fest; **with Garrison opposed.**

Barber explained that because of the time element in connection with upcoming events, and the elimination of the Crawdad Festival, this Ordinance has been prepared separately to amend the Code with regard to alcohol use on Town-owned property, and is now before the Council for consideration. The Council discussion commenced with a question regarding responsibility for making sure that the policies and procedures in place for special events. Martin said that the responsibility ultimately is his, assigned to the Marshal and his staff, and outlined the process that the Marshal's office follows.. Kovacovich pointed out that the proposed increase from three events to six would result in doubling the cost of subsidizing the pay for the deputies on duty. In response to comments about event sponsors and the funds they realize from the events, Roulette strongly objected to an apparent misconception that those who put on the events for the Town are pocketing money, which is untrue; the ultimate benefit is the publicity for the Town. The members renewed the debate on the need to serve alcohol at the events on Town-owned property, and the issue of accountability for enforcing the rules and procedures regulating the sale and use of alcohol.

PUBLIC INPUT

(Comments from the following individuals are summarized in the Minutes.)

Alan Buchanan, Councilor-Elect, agreed that the events are needed and believes that there should not be a limit set on the number ; he commented that with Garrison, everything is wrong, the sky is falling. Prohibition was ended a long time ago. There should not be a limited number of events; the promoters could help pay for the expense of the Marshal's office. If the vote is against the events, then he will make sure the issue comes back after he is seated on Council, if he can get the votes. *(Garrison responded to Buchanan's comment about her, reminding him that he had not been at previous meetings where she had been assured that no more than three events would be considered; she had agreed to be a team player, and now that number is being doubled. Garrison said she is not talking about "the sky is falling," she is talking about people absolutely have the right to sue, and when a tragic accident happens the Town will suffer.)*

Bruce George, Councilor-Elect, said he volunteered at the Pecan & Wine Festival and experienced firsthand that security was well handled; everyone had a good time. The rules and regulations have been well thought out and work.

Lisa Calzadilla described her personal experience with the strict security at the Wine Festival, based on an honest mistake on her part; she added that the opinions of one must be sacrificed for the good of the many.

Henry Tarin reminded the Town that we are a democracy, and what the Council has to do is decide and vote on what is supposed to be done.

There was no further public input.

The Council proceeded to address the request for approval of the Ordinance, first moving to change the number of events to three, and then amending the original motion to specify which three events; votes were taken and the motions passed accordingly.

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

There was no public input.

17. **Advanced Approvals of Town Expenditures.**

There were no advanced approvals.

18. **Manager/Staff Report**

Martin reminded the members to register for the April 29th event. The members will be receiving the budget document the first part of next week; it will be simplified and direct. The May 6 Work Session will be a great opportunity for the public to understand how the Town's money is spent. As changes are made they will be posted on the internet.

19. **Adjournment**

On a motion by Baker, seconded by Garrison, the meeting was adjourned at 9:10 p.m.

Bob Burnside, Mayor

Margaret Harper, Recording Secretary

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Regular Session of the Town Council of Camp Verde, Arizona, held on the 20th day of April 2011. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2011.

Debbie Barber, Town Clerk

4. a.2

**DRAFT MINUTES
WORK SESSION
MAYOR and COMMON COUNCIL
TOWN OF CAMP VERDE
COUNCIL CHAMBERS
Wednesday, APRIL 20, 2011
5:30 p.m.**

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

1. Call to Order

The meeting was called to order at 5:30 p.m.

2. Roll Call

Mayor Burnside, Vice Mayor Kovacovich, Councilors Whatley, Garrison and Baker were present; Councilor Roulette arrived at 6:02 p.m., Councilor German was absent due to illness.

Also Present: Town Manager Russ Martin, Finance Director Mel Preston, Town Clerk Debbie Barber, and Recording Secretary Margaret Harper.

3. Pledge of Allegiance

The Pledge was led by Baker.

Discussion relative to the following:

4. Cash balance and investment options with Stone and Youngberg

Town Manager Russ Martin explained that staff would be working with Stone and Youngberg on two different items; one, about how the Town grows its cash, and the other about how the Town spends it. The presentation today will focus on how to grow the cash. The Town currently uses LGIP as the investment pool; very little return is received on the 4 to 5 million dollars invested. Martin said that Stone and Youngberg had been suggested as an alternate to work with; that firm is being used by Cottonwood, Queen Creek and Florence, among others. Finance Director Preston has contacted those entities and found they are pleased with the results from their association with that firm. The point of the presentation is to show how the Town can put its money to better use. Martin said all he would look for at the end of the discussion tonight is direction to come back to Council with the request to give the Mayor the authority to sign the documents prepared by staff to make the fund transfers, after approval by Council. The main concern for Council to address tonight is the risk-reward ratios; with this type of investment, the horror stories experienced by other municipalities during the recent crises have not happened. The information the Town gives to the presenter will help him decide what kind of portfolio(s) to move forward with to at least begin moving the money towards those proposed investments, if the Council so chooses, based on the information to be presented at this meeting. Martin noted that the Town is currently getting close to 20 basis points, and could be looking at 100-200-plus basis points, or returns of approximately 10 times more; the money needs to be invested somewhere else in order to get those better returns.

Kenton McCarthy, from the firm of Stone and Youngberg gave a Power Point presentation on building investment portfolio(s) that serve a number of purposes, first and foremost safety, or preservation of assets; second, liquidity, access to funds; and then returns, or compensation; the portfolio would be kept basic and simple. During discussion following the presentation, Mr. McCarthy explained that the relationship between his firm and the Town would be a simple broker relationship, no fee, no obligation, no contract; the only mechanism for the firm to pay itself is a small bid-ask spread built into every bond; the market keeps that small fraction for itself. The relationship would consist of listening, providing feedback; the simpler it is kept, the less oversight required.

Martin said that, based on what today and the next couple of weeks look like, Mr. McCarthy will come back and give the Council a couple of options, and feedback, so the Town can further consider a course of action.

5. Adjournment

On a motion by Garrison, seconded by Whatley, the meeting was adjourned at 6:25 p.m.

Bob Burnside, Mayor

Margaret Harper, Recording Secretary

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Work Session of the Town Council of Camp Verde, Arizona, held on the 20th day of April 2011. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this _____ day of _____, 2011.

Debbie Barber, Town Clerk

4.C



**TOWN OF CAMP VERDE
Agenda Action Form**

Meeting Date: May 4, 2011

Meeting Type: Regular Session

Consent Agenda **Regular Business**

Reference Document: Town Code Chapter 5-2-4

Agenda Title: Discussion, consideration, and possible approval of the following:
Appointment for Ronald C. Ramsey, Esq. as an Assistant Magistrate for Camp Verde Municipal Court for a two (2) year term, effective June 1, 2011, and setting an hourly pay rate of \$38.00 per hour on an as need basis with a three hour minimum. Anna Young, Esq. Assistant Magistrate, has been appointed to the Yavapai County Superior Court, and she will be unable to hold the position of Assistant Magistrate for Camp Verde Court.

Purpose and Background Information:

Town Code Chapter 5-2-4 states the Town Magistrate may recommend to the Council the names of individuals qualified to serve as assistant magistrates, subject to the assignment and direction of the Town Magistrate, once appointed.
Ronald C. Ramsey services are needed to cover Court hearings when the Presiding Magistrate is not available due to illness, vacation, training, conflicts etc. and only used on a prescheduled basis.

Recommendation:

1. Move to appoint Ronald C. Ramsey as an Assistant Magistrate for a two (2) year term, to serve under the direction of the Town Magistrate, at the rate of \$38.00 per hour on an as need basis, with a three hour minimum.

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

Finance Director Comments/Fund:

Attorney Review: **Yes** **No** **N/A**

Attorney Comments:

Submitting Department: Camp Verde Magistrate Court

Contact Person: Presiding Magistrate, Harry E. Cipriano

Action Report prepared by: Presiding Magistrate, Harry E. Cipriano

RONALD C. RAMSEY

CURRENT POSITION

Assistant City Attorney, City of Sedona. Assumed this position in September 2004 as part of a job-sharing agreement with current assistant, Gene Neil. Arrangement for 3 days per week (usually Wed-Fri), now that Gene left the city. Primary tasks now are Planning & Zoning Commission; elections; policy reviews; department documentation of agenda items on the Novell GroupWise 7.0 intranet; preparation of new self-teaching modules for new employees on PR requests, email, and basic legal information; scanning of civil memos and forms into TimeMatters 9.0 software, and PR request/e-mail production policy with associated software.

Clarkdale magistrate since June 2010. Completed the New Judge Orientation (NJO) in April 2011.

PRIOR POSITION

City Attorney, City of Bullhead City from April 2002- Sep 2004. Staff of 12 in department, including 5 attorneys (3 prosecutors). Recent civil work included formation of CFDs, annexation, revisions to zoning codes for civil enforcement procedures using ARS 9-500.21, enforcement of wastewater and abatement liens, condemnation for storm water facilities, multi-agency negotiations for Colorado River bridge, coordination with outside litigation counsel on pending cases, obtaining tariff through ACC for water service turnoff on delinquent sewer bills, participation in redistricting lawsuits, development agreements for planned communities, revisions to public records and retention policies

COMPUTER TRAINING

Windows XP, WESTLAW, Lexis, Office XP/2003, Mac OS X, internet browsers, Novell GroupWise 7.0, Blackboard 6.0, Adobe Acrobat Pro 6.0, Lexis TimeMatters 9.0. Prepared first Town of Camp Verde website using FrontPage, and prepared Internet paralegal courses (*Environmental Law*, *Digital Media Copyright Law*, *Native American Law* and *Elder Law*) for Yavapai College (<http://www.yc.edu>). Trademarked "Arizona Public Lawyers" in Arizona to set up online collaboration for public lawyers using Windows SharePoint Services (2003). Continue to work as adjunct with University of Phoenix for online classes in graduate and Axia divisions using proprietary software.

EDUCATION

- Purdue University, B.A., 1967
- J.D., Arizona State University 1974, law review (*Law & Social Order*)
- Completed Masters in Education in Online Instruction [MS.Ed] with

California State University, Hayward, 2003

PROFESSIONAL EXPERIENCE

- Associate with Wolfinger & Lutey, Prescott, 1974-1976
- Private solo practice in Verde Valley, 1976-1996, with focus on real estate, business, and estate planning. Managed two branch offices and supervised paralegal/secretarial staff of up to 5 at a time
- City Attorney, Cottonwood, 1977-80
- Town Attorney, Town of Camp Verde, 1986-June 2001

ADDITIONAL PROFESSIONAL ACTIVITIES

- Adjunct Faculty, Yavapai College, teaching business and paralegal courses, 1976-2007, in classrooms and over the Internet
- Assisted League in drafting new legislation for civil enforcement of municipal ordinances (codified in ARS 9-500.21)
- Received 2001 McClurg Award from Yavapai College as outstanding adjunct faculty
- Teaching graduate business and multiple undergraduate courses online for University of Phoenix/AXIA college last 6 years

PROFESSIONAL MEMBERSHIPS

- Member of State Bar of Arizona (Bar No. 3980), U.S. District Court, Ninth Circuit, U.S. Supreme Court
- Community College teaching certificate for the State of Arizona in law (submitting application to add business) since 1977

COMMUNITY ACTIVITIES

- Kiwanis member 1976- 2002 in Clarkdale/Camp Verde
- High School Youth Group leader with *Young Life* and Calvary Chapel

REFERENCES

- Susan Howery, Prescott Valley Campus Dean, Yavapai College
- Mike Goimarac, City Attorney, Sedona

INTERESTS AND ACTIVITIES

Photography, Grand Canyon hiking, travel, gardening, running events, grandkids, film festivals

Certificate of Election

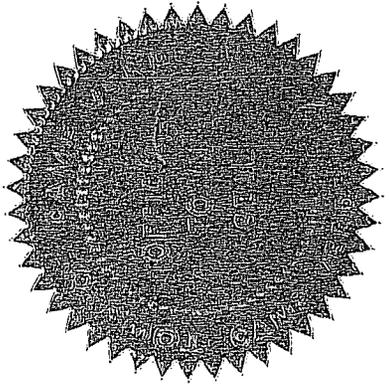
State of Arizona
County of Yavapai
Town of Camp Verde

This is to certify that at the Primary Election held in the Town of Camp Verde on the Eighth day of March 2011,

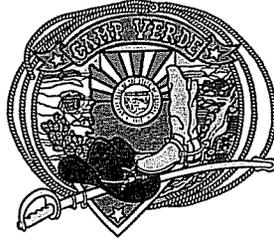
Carol German

was duly elected to the office of Town Council in and for said Town for the term of Four years, beginning June 1, 2011. All of which appears by the official returns canvassed by the Mayor and Common Council of the Town of Camp Verde on March 16, 2011, and filed in the Office of the Clerk of the Town of Camp Verde.

In witness whereof, I have herewith set my hand and affixed the seal of the Town of Camp Verde this Sixteenth day of March 2011.



Deborah Barber
Deborah Barber
Clerk of the Town of Camp Verde



Town of Camp Verde

Proclamation

Building Safety Month – May, 2011

An International Celebration of Safe and Sensible Structures

Whereas, our Town's continuing efforts to address the critical issues of safety, energy efficiency, water conservation and sustainability in the built environment that affect our citizens, both in everyday life and in times of natural disaster, give us confidence that our structures are safe and sound, and;

Whereas, our confidence is achieved through the devotion of vigilant guardians—building safety and fire prevention officials, architects, engineers, builders, laborers and others in the construction industry—who work year-round to ensure the safe construction of buildings, and;

Whereas, these guardians—dedicated members of the International Code Council—develop and implement the highest-quality codes to protect Americans in the buildings where we live, learn, work, worship, play, and;

Whereas, the International Codes, the most widely adopted building safety, energy and fire prevention codes in the nation, are used by most U.S. cities, counties and states; these modern building codes also include safeguards to protect the public from natural disasters such as hurricanes, snowstorms, tornadoes, wildland fires and earthquakes, and;

Whereas, Building Safety Month is sponsored by the International Code Council and International Code Council Foundation, to remind the public about the critical role of our communities' largely unknown guardians of public safety—our local code officials—who assure us of safe, efficient and livable buildings, and;

Whereas, "Building Safety Month: An International Celebration of Safe and Sensible Structures" the theme for Building Safety Month 2011, encourages all Americans to raise awareness of the importance of building safety; green and sustainable building; pool, spa and hot tub safety; and new technologies in the construction industry. Building Safety Month 2011, encourages appropriate steps everyone can take to ensure that the places where we live, learn, work, worship and play are safe and sustainable, and recognizes that countless lives have been saved due to the implementation of safety codes by local and state agencies, and,

Whereas, each year, in observance of Building Safety Month, Americans are asked to consider projects to improve building safety and sustainability at home and in the community, and to acknowledge the essential service provided to all of us by local and state building departments and federal agencies in protecting lives and property.

NOW, THEREFORE, I, _____, Mayor of the Town of Camp Verde, do hereby proclaim the month of May, 2011, as Building Safety Month. Accordingly, I encourage our citizens to join with their communities in participation in Building Safety Month activities.

Bob Burnside, Mayor, Town of Camp Verde



TOWN OF CAMP VERDE
Agenda Action Form

Meeting Date: May 4, 2011

Meeting Type:

Consent Agenda – Special Announcements Regular Business Work or Special Session

Reference Document: Industrial Drive Purchase Agreement

Agenda Title (be exact): DISCUSSION, CONSIDERATION AND POSSIBLE APPROVAL OF ORDINANCE 2011– A376, AN ORDINANCE OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA APPROVING SUBMISSION OF THE PURCHASE AGREEMENT/ESCROW PAPERS TO YAVAPAI TITLE AGENCY FOR THE PURCHASE OF REAL PROPERTY; 16.76 ACRES OF PARCEL 403-22-025E OWNED BY BETA VENTURES, L.L.C. LOCATED ON INDUSTRIAL DRIVE, CAMP VERDE, ARIZONA.

Purpose and Background Information:

October 20, 2010: Special Session of Council wherein designated representatives were given direction relative to the purchase of approximately 17* acres of parcel #403-22-025E, owned by Beta Ventures L.L.C., located on Industrial Drive for use as the Public Works Yard. *Boundary Survey confirms actual acreage is 16.76

January 25, 2011: A Letter of Intent to Purchase was mailed to the owner’s representative, Mr. George Reeve; outlining major terms of the purchase, offering a price \$1,340,800 (Supporting Document #1)

February 10, 2011: Mr. Reeve requests a meeting with Russ Martin, Town Manager, Ron Long, Public Works Director, and Mike Jenkins, Acting Community Development Director to further discuss issues specific to the sale.

February 14 2011: Ron Long provides a summary of the February 10th meeting, via email, to Mr. Reeve and Russ Martin wherein the issues discussed on February 10th are detailed; Access for Oothoudt Trucking, the Gaddis Wash, Water Rights, Donation of Land to the Town, and Development Standards. (Supporting Document #2)

March 8, 2011: Email from George W. Reeve to Ron Long amending the basis for the contract and sale price counter offer of \$1,390,800 (Supporting Document #3)

March 16, 2011: Council voted 5 -1 directing staff to prepare possible financing options and Sales Agreement in order to proceed with the purchase of 16.76 acres on Industrial Drive. (Supporting Document #4)

The Title Company requires a certified copy of a Town of Camp Verde Ordinance authorizing execution and delivery of all instruments necessary to consummate the purchase of 16.76 acres on Industrial Drive for use as the Public Works Yard.

Recommendation (Suggested Motion): Move to **approve Ordinance 2011-A376 for submission of the fully executed Purchase Agreement/Escrow Instructions to Yavapai Title Agency for the purchase of real property; 16.76 acres of parcel 403-22-025E located on Industrial Drive near 803 Industrial Drive in Camp Verde, Arizona**

Finance Review: Budgeted Unbudgeted N/A Refer to Financing presentation by Stone & Youngberg LLC

Finance Director Comments/Fund:

Attorney Review: Yes No N/A

Attorney Comments:

Submitting Department: Public Works

Contact Person: Ron Long

Supporting Documents attached: Yes No N/A (If yes, list detail below)

- 1) Ordinance 2011-A376 # of pages 1
- 2) Letter of Intent to Purchase # of pages 1
- 3) February 14, 2011 E-mail Communication from Ron Long # of pages 1
- 4) March 8, 2011 E-Mail Communication from Georg Reeve Enterprises # of pages 2
- 5) Purchase Agreement/Escrow Instructions # of pages 23
- 6) _____ # of pages _____
- 7) _____ # of pages _____

Instructions to Clerk: Obtain Mayor's & Clerk's Signature on Purchase Agreement and Ordinance 2011-A376; return the original executed documents to Public Works for submission to Yavapai Title Agency

Action Report prepared by: D. Ranney

at the request of YAVAPAI TITLE AGENCY, INC.

when recorded mail to:
TOWN OF CAMP VERDE
473 S. MAIN ST. STE 102

CAPTION HEADING: ORDINANCE

DO NOT REMOVE

THIS IS PART OF THE OFFICIAL DOCUMENT

(THIS FORM IS FOR RECORDER'S USE ONLY)



ORDINANCE 2011-A376

**AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL
OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA APPROVING
SUBMISSION OF ESCROW PAPERS TO YAVAPAI TITLE AGENCY
FOR THE PURCHASE OF REAL PROPERTY CONSISTING OF
16.76 ACRES OF PARCEL 403-22-025E, OWNED BY BETA VENTURES, L.L.C.,
LOCATED ON INDUSTRIAL DRIVE, CAMP VERDE, ARIZONA**

WHEREAS, municipalities may under A.R.S. § 9-241, Purchase Real Property, and

WHEREAS, the Town's intent is to acquire the property captioned above for public purposes and by majority vote the Mayor and Common Council directed staff to proceed with the preparation of the purchase agreement and financing options, and

WHEREAS, Yavapai Title Agency requires a recorded certified copy of a Town of Camp Verde Ordinance authorizing execution and delivery of a purchase agreement/Escrow instructions and such other instruments necessary to consummate this transaction.

**NOW, THEREFORD, BE IT ORDAINED BY THE MAYOR AND COMMON COUNCIL
OF THE TOWN OF CAMP VERDE:**

1. The Town of Camp Verde hereby approves the execution and delivery of the Purchase Agreement/Escrow Instructions and authorizes the execution of such other instruments necessary to consummate the purchase.

**PASSED AND APPROVED by a majority vote of the Town Council of Camp Verde,
Arizona, this _____ day of _____, 2011**

Approved as to Form:

Town Attorney

Date: _____

Bob Burnside, Mayor

Attest:

Deborah Barber, Town Clerk



LETTER OF INTENT TO PURCHASE

January 25, 2011

Mr. George Reeve
George Reeve Enterprises, Inc.
P.O. Box 72586
Phoenix, AZ 85050

Subject:

Approximately 16.76 acres of Industrial property located at: Parcel 403-22-025E, 803 N. Industrial Drive, Camp Verde, Arizona

The following are basic terms upon which we would be prepared to purchase the property. Once negotiated, the terms will be incorporated into a formal agreement.

Vendor:

Beta Ventures, L.L.C.

Purchaser:

Town of Camp Verde
473 South Main Street, Suite 102
Camp Verde, Arizona 86322

Contact: Mr. Russ Martin, Town Manager

Phone: 928-567-6631

Fax: 928-567-8291

Email: russ.martin@campverde.az.gov

Alternate Contact: Mr. Ron Long, Public Works

Phone: 928-567-0534

Fax: 928-567-1540

Email: ron.long@campverde.az.gov

Purchase Offer:

\$1,340,800

The offer is subject to the following terms:

- Approval of all boundary lines and terms
- Determination of all access to and from subject property and adjoining properties
- Finalization of financing

Please Note:

This letter of intent clearly states the major terms of the agreement that the Town is prepared to move forward with. This is not a contract and is in no way a legally binding agreement between the Town and Beta Ventures (Vendor) and is completely conditional depending upon the transaction.

February 14, 2011

Mr. George Reeve
Beta Ventures
P.O. Box 72586
Phoenix, Arizona 85050

Dear Mr. Reeve,

Thank you for your time on Thursday, February 10th; as a result of that meeting, itemized below are several important issues and solutions involved with the sale of the property (parcel 403-22-025E) on Industrial Drive in Camp Verde.

Access for Oothoudt Trucking: both Oothoudt trucking and the Town's Street Yard are accessed from Industrial Drive. The Town and Beta Ventures will agree to record a 30-foot wide temporary access easement in the current alignment from the end of Industrial Drive to Oothoudt's property. The easement will be prepared and recorded by the Town. Beta Ventures and the Town will agree that upon the development of parcel 403-22-025E by Beta Ventures, a permanent alignment of the temporary easement will be determined by the developer to provide access from Industrial Drive to the Street Yard and Oothoudt Trucking across the Gaddis Wash.

Property Boundary along the Gaddis Wash: the Northwest Street Yard boundary would lie down the center line of Gaddis Wash as shown on the Geometrix Boundary Survey dated December 12, 2010. The Town will prepare and record a 30-foot wide Drainage Easement for Beta Ventures; the Drainage Easement will allow the Town to improve and maintain the Gaddis Wash channel. The 30-foot easement can be counted as a buffer and landscape area for any development of Beta Venture's parcel no. 403-22-025E.

Water Rights: Beta Ventures will transfer all water rights related to the portion of parcel 403-22-025E associated with the purchase of the land.

Donation of land: Beta Ventures will donate the portion of Parcel 403-22-029N that lies on the Southeast side of the Gaddis Wash to the town. The Town agrees to prepare, approve, and record the reconfiguration of the resulting two parcels of property for the donated land. The Southeast portion of parcel 403-22-029N will be combined with the 16.76 acres of parcel 403-22-025E purchased by the Town and recorded as parcel 403-22-029N. The remaining Northwest portion of parcel 403-22-029N will be combined with Beta Ventures' parcel 403-22-025E and recorded as parcel 403-22-025E.

Development Standards: The Town Engineer will write a letter to Beta Ventures describing the Development Standards for any roads within Beta Ventures' parcel 403-22-025E when it is developed. The letter will state the requirement of a 50-foot wide Right of Way with a 24-foot wide road section and a 6-foot wide gravel foot path on one side of the road to be built to Town Engineering Standards.

I believe this addresses all topics discussed in our meeting, if you have any questions please contact me. We look forward to completing the work associated with the purchase of the Street Yard and supporting issues.

Sincerely,
Ron Long P.E.
Public Works Director

Cc: Russ Martin, Town Manager

GWR
George W. Reeve Enterprises, Inc.

March 8, 2011

Ron Long
Public Works Director
Town of Camp Verde
395 S. Main St.
Camp Verde, AZ 86322

Dear Mr. Long,

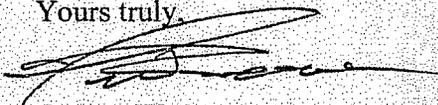
This letter is to clarify and confirm Beta Ventures willingness to sell 16.76 acres of its property located on Industrial Dr.

The following documents along with the additional modifications that follow are to form the basis for the contract:

1. Letter from the Town of Camp Verde (along with its attachment entitled "Letter of Intent to Purchase") dated January 25, 2011 and signed by Ron Long.
2. Letter addressed to me dated February 14, 2011 that includes five (5) paragraphs as conditions of purchase. (unsigned but sent by Ron Long).
3. Email from Archer Shelton, managing partner of Beta Ventures dated March 1, 2011 approving the sale to the Town of Camp Verde.
4. The additional modifications are as follows:
 - a. Sale price is \$1,390,800.00
 - b. Mutually agreeable improvement of the Gaddis Wash.
 - c. Close of escrow on or before April 29, 2011.

I look forward to assisting you in this transaction.

Yours truly,


George W. Reeve

P. O. Box 72586
Phoenix, AZ 85050
Office: 623-587-5615 Fax: 623-434-1597

**AGREEMENT OF PURCHASE AND SALE OF REAL ESTATE
WITH ESCROW INSTRUCTIONS**

THIS AGREEMENT OF PURCHASE AND SALE OF REAL ESTATE WITH ESCROW INSTRUCTIONS (“**Agreement**”), dated as of May 4, 2011 (the “**Effective Date**”), is entered into by and between Beta Ventures L.L.C. an Arizona Limited Liability Company, (“**Seller**”) and The Town of Camp Verde, an Arizona Municipality (“**Buyer**”).

ARTICLE 1 RECITALS

1.1 The Property. Seller owns approximately 16.76 acres of unimproved real property identified as Yavapai County Assessor’s Parcel No.403-22-025E located at 803 Industrial Drive, Camp Verde, Yavapai County, Arizona and legally described in Exhibit A attached hereto (the “**Land**”). The Land, together with the following is collectively referred to herein as the “**Property**”: (i) all of Seller’s right, title and interest in and to any easements, privileges, rights of way and other rights, including but not limited to air rights, mineral, water and riparian rights appurtenant to the Land; (ii) all tangible personal property, if any, affixed to the Property and used in connection with the ownership, operation or maintenance of the Property, including without limitation all installed and uninstalled sign poles, signs, landscaping and all licenses, permits, plans and specifications, all warranties, guaranties, sureties; and (iii) to the extent transferable at no cost to Seller, all permits, land use entitlements, development rights, sewer capacity, map approvals, density allocations and other rights or approvals relating to or authorizing the development, construction, ownership, or the operation of the Property.

1.2 Intention of the Parties. Seller desires to sell to Buyer and Buyer desires to purchase from Seller the Property on the terms and subject to the conditions of this Agreement.

ARTICLE 2 DEFINITIONS

2.1 Definitions. Unless the context otherwise indicates, whenever used in this Agreement:

2.1.1 “Broker’s Indemnity” shall have the meaning set forth in Paragraph 12.5 of this Agreement.

2.1.2 “Business Day” means any day when Town’s administration offices are open for the transaction of business by members of the general public.

2.1.3 “Cash” means (i) legal United States currency, (ii) cashier’s check currently dated, payable to Escrow Holder constituting immediately available funds, or (iii) funds wire-transferred into Escrow Holder’s general escrow account.

2.1.4 “Closing” or “Close of Escrow” means the date Seller’s Warranty Deed is recorded with the County Recorder of Yavapai County, conveying the Land from Seller to Buyer.

2.1.5 "Closing Date" shall mean May 31, 2011, which date may be extended by mutual agreement of both parties and as expressly set forth herein.

2.1.6 "Contingency Date" means the date that is twenty-five (25) days after the Effective Date.

2.1.7 "County" means Yavapai County, Arizona.

2.1.8 "Earnest Money Deposit" means the sum of Five Thousand Dollars (\$5,000.00), which shall be delivered by Buyer to Escrow Holder concurrently with a mutually executed Agreement and which (with any interest accrued thereon) shall be applicable to the Purchase Price upon Closing.

2.1.9 "Effective Date" means the date on which both Buyer and Seller have signed this Agreement, or if signed on different dates, the date this Agreement was signed by the later signing signatory.

2.1.10 "Entry Indemnity" shall have the meaning set forth in Paragraph 11.4 of this Agreement.

2.1.11 "Escrow" means the escrow created hereby.

2.1.12 "Escrow Holder" means Yavapai Title Company.

2.1.13 "Permitted Exceptions" means those covenants, conditions, reservations, restrictions, easements and other matters listed as exceptions to coverage in the Preliminary Report (as amended) that are approved by Buyer or deemed to have been approved by Buyer pursuant to Paragraph 6.1.1 of this Agreement.

2.1.14 "Preliminary Report" means that certain preliminary report (as amended) to be issued by Title Insurer pursuant to Paragraph 6.1.1 of this Agreement, together with legible copies of all recorded documents referred to therein.

2.1.15 "Property Documents" means all reports, studies and information relating to the Property, including without limitation the items described in Paragraph 7.2 of this Agreement.

2.1.16 "Property Taxes" means charges against the Land evidenced by the property tax statement issued by the Yavapai County Treasurer, including, but not limited to, amounts allocated to (i) County or Town general governmental purposes, (ii) bonded indebtedness of County or Town, (iv) bonded or other indebtedness and operating expenses of any school, college, sewer, water, irrigation, hospital, library, utility, county service or other district, and (v) any other lawful purpose.

2.1.17 "Purchase Price" means the sum of One Million, Three Hundred Ninety Thousand, and Eight Hundred Dollars (\$1,390,800).

2.1.18 "Seller's Warranty Deed" means a special warranty deed to be approved by the Buyer and prepared by the Escrow Holder.

2.1.19 "Settlement Statement" shall mean a "closing" or "pre-audit settlement" statement prepared by Escrow Holder and approved by Seller and Buyer in form and substance consistent with this Agreement.

2.1.20 "Survey" means an ALTA survey of the Land ordered and purchased by Buyer and certified to Seller, Buyer and Title Insurer.

2.1.21 "Title Insurer" means Yavapai Title Insurance Company.

2.1.22 "Title Policy" means an ALTA owner's policy of title insurance issued by the Title Insurer, in the amount of the Purchase Price, insuring that the fee title to the Land vests in Buyer subject only to the Permitted Exceptions and other matters described in Paragraph 8.1.2 of this Agreement and including such endorsements and extended coverage as Buyer may specify.

2.1.23 "Town" means Town of Camp Verde.

ARTICLE 3 AGREEMENT OF PURCHASE AND SALE

3.1 Agreement of Purchase and Sale. In consideration of the covenants contained in this Agreement, Buyer shall purchase the Property from Seller, and Seller shall sell the Property to Buyer, for the Purchase Price and upon the terms and subject to the conditions of this Agreement.

3.2 Agreement for Purchase is Contingent Upon Inspection of the Property. Buyer shall have twenty-five (25) days from the Effective Date in which to complete any and all inspections that Buyer deems necessary, as well as any other due diligence relating to this purchase. Prior to the Contingency Date, Buyer shall have the right to terminate the Escrow for any reason (in the exercise of its sole discretion) by written notice to Escrow Holder and Seller. Upon such termination, the Buyer shall receive a refund of the Earnest Money Deposit and interest accrued thereon, and neither party shall have any further obligation of liability to the other hereunder except for the Entry Indemnity and the Broker's Indemnity. On the Contingency Date, the Earnest Money Deposit shall become non-refundable (except as expressly provided herein).

3.3 Printed Form Escrow Instructions. This Agreement constitutes escrow instructions to the Escrow Holder and a fully executed counterpart of this Agreement shall be deposited with Escrow Holder for that purpose. The Escrow Holder is hereby engaged to administer the Escrow in accordance with this Agreement. If required by Escrow Holder Buyer and Seller agree to execute Escrow Holder's usual form of printed escrow instructions for transactions of this type; provided, however, that such printed form escrow instructions (i) shall be for the sole purpose of implementing this Agreement, (ii) shall incorporate this Agreement by

reference, and (iii) shall specifically provide that no provision thereof shall have the effect of modifying this Agreement unless it is so expressly stated and initialed on behalf of both Buyer and Seller. Buyer and Seller shall also execute such additional instructions as may be reasonably required by Escrow Holder, so long as such instructions are not inconsistent with this Agreement. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF ANY PRINTED FORM ESCROW INSTRUCTIONS AND THE PROVISIONS OF THIS AGREEMENT, THE PROVISIONS OF THIS AGREEMENT SHALL CONTROL.

ARTICLE 4 BUYER'S DELIVERIES TO ESCROW HOLDER

4.1 Earnest Money Deposit. Buyer shall, concurrently with delivery of this Agreement, deliver to Escrow Holder the Earnest Money Deposit in Cash. The Earnest Money Deposit shall be invested by Escrow Holder pursuant to Paragraph 10.1 of this Agreement, and both the Earnest Money Deposit and all interest accrued thereon shall be applicable to the Purchase Price upon Closing.

(a) If Buyer cancels/terminates this Agreement as provided in this Agreement due to Seller's wrongful failure to perform Seller's obligations under this Agreement, or due to the failure of any of conditions precedent to be satisfied by Seller set forth in this Agreement, the Earnest Money Deposit must be paid immediately to Buyer.

(b) If Seller cancels this Agreement as provided in this Agreement due to Buyer's failure to perform all of Buyer's obligations under this Agreement, the Earnest Money Deposit must be paid to Seller as Seller's liquidated damages as provided herein.

4.2 Deliveries On or Before Closing Date. Subject Paragraph 4.3, Buyer shall, no later than 1:00 p.m. of the last regular Business Day before the Closing Date (or, with respect to Cash being delivered to Escrow Holder, no later than 11:00 a.m. on the Closing Date), deliver to Escrow Holder each of the following:

4.2.1 Cash for Purchase Price. In Cash, the balance of the Purchase Price after crediting the Earnest Money Deposit and interest accrued thereon.

4.2.2 Additional Documents. Buyer shall as a condition to the effectiveness of this Agreement and at Buyer's sole cost and expense, concurrently with delivery of this Agreement, deliver to Escrow Holder for recordation at Closing the following documents which have been approved by Seller, in Seller's sole reasonable discretion: (i) Lot Line Adjustment, ALTA Survey and Legal Description of the resulting 16.76 acres from parcel 403-22-025E; (ii) legal description and 30-foot wide Temporary Access Easement from Industrial Drive to 403-22-010C; (iii) legal description of a 60-foot wide Gaddis Wash Drainage Easement, (Buyer and Seller agree that 30' of the Drainage Easement is to be counted as a landscape buffer for Beta Ventures; allowing the Town to improve and maintain the Gaddis Wash Channel); (iv) Buyer shall provide, for Seller's use, a letter to Seller from the Town Engineer describing the Development Standards of a 50-foot Right of Way with a minimum 24-foot wide road section,

one 6-foot wide roadside gravel foot path, built to Town Standards for any roads within the remaining acreage of parcel 403-22-025E.

4.2.3 Any additional documents that Escrow Holder or Title Insurer may reasonably require that are not inconsistent with the other provisions of this Agreement, including without limitation the Affidavit of Value.

4.2.4 Buyer's Charges. In cash, the charges to Buyer under Article 9 of this Agreement

4.2.5 Settlement Statement. The Settlement Statement approved by Buyer.

4.2.6 Authority. Written evidence that this Agreement and the transaction contemplated hereby have been authorized and approved by all necessary municipal action of Buyer.

4.3 Condition to Delivery. Buyer's obligation under the preceding Paragraph to deliver funds is conditional upon Buyer's receipt of written or telephonic notification by Escrow Holder that, except for the delivery of such funds, this Escrow is in condition to be closed. Escrow Holder is instructed to give the notification to Buyer when this Escrow can, except as to the receipt and disbursement of Cash and the recording of documents, be closed.

ARTICLE 5 SELLER'S DELIVERIES TO ESCROW HOLDER

5.1 Deliveries Before Closing Date. Seller shall (i) convey to Buyer the fee estate to the Land free of all encumbrances and matters except those permitted by Paragraph 8.1.2 of this Agreement and (ii) no later than 1:00 p.m. of the last regular Business Day before the Closing Date deliver to Escrow Holder:

5.1.1 Seller's Warranty Deed. Seller's Warranty Deed, conveying the Land to Buyer, signed and acknowledged by Seller and such person(s) as Title Insurer requires in order to issue the Title Policy.

5.1.2 FIRPTA Affidavit. A FIRPTA affidavit stating that Seller is not a "foreign person" as defined in the federal Foreign Investment in Real Property Tax Act of 1980 and any similar affidavit to comply with the tax withholding requirements of the State of Arizona.

5.1.3 Additional Documents. Seller's instructions and authorization to Escrow Holder to facilitate the transfer of Verde Ditch water shares to the Town as applicable to the 16.75 acres of parcel 403-22-025E. Any additional documents that Escrow Holder or Title Insurer may reasonably require that are not inconsistent with the other provisions of this Agreement.

5.1.4 Seller's Charges. Charges allocable to Seller under the Escrow shall be deducted from the Purchase Price.

5.1.5 Settlement Statement. The Settlement Statement approved by Seller.

ARTICLE 6 SPECIAL CONDITIONS; WAIVER; TERMINATION

6.1 Special Conditions. The Close of Escrow is subject to the following special conditions:

6.1.1 Title. Buyer's approval of the covenants, conditions, reservations, restrictions, easements and other matters described in the Preliminary Report (as amended) and depicted on the Survey (if ordered by Buyer). Buyer, at Buyer's expense shall obtain a Preliminary Report pertaining to the Property, with legible copies of all listed exceptions. This contingency and resulting conditions to Closing shall be conclusively deemed to have been satisfied, if Buyer fails to object prior to the Contingency Date. If the title objections are made within the time specified, Seller may attempt to eliminate the matters covered by the title objections by or before the Closing Date. If Seller is unable or unwilling to eliminate the matters covered by the title objections by or before the Closing Date upon terms acceptable to Seller and Buyer, Seller will so notify Buyer within 10 business days after receipt of the title objections, and Buyer shall either waive the title objections that Seller was unable to cure and authorize Closing or cancel/terminate this Agreement in which case the Earnest Money Deposit and any interest thereon shall be returned to Buyer in accordance with Section 4.1(a). Buyer's unconditional approval, if given in writing shall mean that all covenants, conditions, reservations, restrictions, easements and other matters (excepting taxes, deeds of trust or other liens, and lis pendens notices) listed as exceptions to coverage in the Preliminary Report (as amended) shall be conclusively deemed to be Permitted Exceptions. Notwithstanding anything in the foregoing to the contrary, in no event will any taxes, deeds of trust or other liens, and lis pendens notices be deemed to be Permitted Exceptions.

~~6.1.2~~

~~6.1.2~~ ~~6.1.3~~ Continuing Validity of Representations and Warranties. Buyer's confirmation that the representations and warranties of Seller as set forth in Article 12 of this Agreement remain true and correct in all material respects. This condition shall be conclusively deemed satisfied unless Buyer delivers written notice of disapproval to Seller and to Escrow Holder, on or before 4:30 p.m. on the second (2nd) day before the Closing Date. Buyer's notice of disapproval shall specify the representation and/or warranty that is no longer correct and a detailed statement of the grounds for so concluding. Seller may adjourn the Closing Date and it shall not be a default under this Agreement so long as Seller cures the breach of representation or warranty that is identified as incorrect or untrue within a reasonable time period after written notice from Buyer.

6.2 Waiver. The special conditions described in Paragraph 6.1 of this Agreement are for the benefit of Buyer, and if not timely satisfied may thereafter be waived unilaterally by Buyer unless and until such time as either party elects to terminate the Escrow pursuant to the following Paragraph. Any waiver will be effective only if it is (i) in writing, (ii) signed by the waiving party(ies), and (iii) delivered to Escrow Holder prior to delivery by either party of a written notice of termination pursuant to the following Paragraph.

ARTICLE 7 PRE-CLOSING RIGHTS AND OBLIGATIONS

7.1 Limit on Escrow Holder's Responsibilities. Escrow Holder shall have no concern with, nor liability nor responsibility for, this Article 7.

7.2 Delivery of Property Documents. As soon as practicable after the Effective Date, Seller shall make available for Buyer's inspection or deliver to Buyer originals or copies, as applicable, of each of the following items ("**Property Information**") to the extent such items are in Seller's possession or not already made available to Buyer: (i) existing topography maps and surveys, (ii) all existing current reports pertaining to the Property, (iii) all warranties and guaranties relating to the Property; (iv) all permits and governmental correspondence and notices relating to the Property; (v) the Preliminary Report (as amended), together with copies of all exceptions to title; (vi) preliminary grading plans, building design concepts and elevations; (vii) all reports concerning the physical condition of the Property; (viii) all soil reports relating to the Property; and (ix) any environmental site assessments relating to the Property. In addition to the foregoing, Seller shall, upon reasonable advance notice by Buyer from time to time before the Close of Escrow, permit Buyer and its agents and consultants access to all other studies, reports and other documents and materials pertaining to the Property in the possession of Seller.

7.3 Management of Property. Seller shall manage the Property through the Close of Escrow in a reasonable manner consistent with its current practices, and shall not take any action or omission which would cause any of the representations or warranties of Seller contained herein to become inaccurate or any of the covenants of Seller to be breached. Seller shall comply with all of its obligations imposed by law relating to the operation of the Property. Seller shall continue to carry its existing insurance through the Closing, and shall not terminate or cancel any such insurance policies. Without Buyer's prior consent, which shall not be unreasonably withheld or delayed, during the term of this Agreement Seller shall not enter into any contracts that will be an obligation affecting the Property subsequent to the Closing, except for contracts entered into in the ordinary course of business that are not chargeable against Buyer, and that are terminable without cause on thirty (30) days' notice without penalty or cancellation fee.

ARTICLE 8 THE CLOSING

8.1 Conditions to Closing. Escrow Holder shall close this Escrow on the Closing Date by (i) recording Seller's Warranty Deed (and such other documents as may be necessary to procure the Title Policy), and (ii) delivering funds and documents to the parties pursuant to Article 10 of this Agreement WHEN AND ONLY WHEN each of the following conditions has been satisfied:

8.1.1 Deliveries. All funds and documents described in Articles 4 and 5 of this Agreement have been delivered to Escrow Holder.

8.1.2 The Title Policy. Title Insurer is irrevocably committed to issue the Title Policy with liability in the amount of the Purchase Price, insuring that the fee title to the Property vests in Buyer subject only to:

8.1.2.1 The exclusions listed in the standard "Schedule of Exclusions from Coverage" in the Title Policy;

8.1.2.2 Property Taxes that are, as of the Close of Escrow, not delinquent;

8.1.2.3 The Permitted Exceptions; and

8.1.2.4 Any liens voluntarily imposed by Buyer.

8.1.3 Special Conditions. The special conditions set forth in Paragraph 6.1 herein have been either satisfied or waived.

8.2 Delayed Closing; Termination.

8.2.1 Delayed Closing. If Escrow Holder cannot close this Escrow on or before the Closing Date, it shall, nevertheless, close this Escrow when all conditions have been satisfied or waived, unless after the Closing Date and prior to the Close of Escrow, Escrow Holder receives a written notice to terminate this Agreement and this Escrow from a party who, at the time the notice is delivered, is not in default under this Agreement. The right to terminate this Agreement and the Escrow shall be optional, not mandatory. Escrow Holder shall have no liability or responsibility for determining that a party giving a notice of termination is not in default under this Agreement.

8.2.2 Termination of Escrow. If the Escrow fails to close on the Closing Date, then within two (2) Business Days after receipt of a notice from one party of such party's request to terminate the Escrow, Escrow Holder shall deliver one copy of such notice to the other party. Unless written objection to termination of this Escrow is received by Escrow Holder within three (3) Business Days after Escrow Holder delivers such notice to the other party, Escrow Holder shall promptly terminate the Escrow and disburse the Earnest Money Deposit in accordance with Section 4.1(a). If written objection to the termination of this Escrow is delivered to Escrow Holder within such three (3) day period, Escrow Holder is authorized to hold all funds and documents delivered to it in connection with this Escrow and Escrow Holder may, in Escrow Holder's sole discretion, take no further action until otherwise directed, either by the parties' mutual written instructions or by a final order or judgment of a court of competent jurisdiction. Upon delivery of Earnest Money Deposit and return of documents by Escrow Holder, this Agreement and the Escrow will be deemed cancelled and terminated, and except as provided in this Agreement, neither party will have any further liability or obligation under this Agreement.

ARTICLE 9 PRORATIONS, FEES AND COSTS

9.1 Property Taxes. Escrow Holder shall prorate Property Taxes to the Close of Escrow, based on the latest information available to Escrow Holder from the appropriate Town

or County office; provided, however, that the prorations shall be made by Escrow Holder without regard to any supplemental assessments levied pursuant to the tax laws of the State of Arizona, which shall be prorated pursuant to Paragraph 9.2 below. All prorations shall be made as of the Closing Date without regard to the payment due date.

9.2 Special Assessments. Buyer agrees that it is taking the Property subject to any special assessments listed in the Permitted Exceptions. Escrow Holder shall prorate special assessments to the Close of Escrow. Seller shall not be obligated to prepay any portion of any special assessments except as may be due and payable on or before the Close of Escrow.

9.3 Supplemental Taxes. With respect to supplemental tax bills, the following shall apply:

9.3.1 Through Escrow. A supplemental tax bill representing the tax due on any supplemental assessment relating to a date prior to the Close of Escrow may be issued either before the Close of Escrow or subsequent thereto. If a supplemental tax bill is received by Seller and delivered to Escrow Holder prior to the Closing Date, Escrow Holder shall prorate the bill as specified in Paragraph 9.1 hereof.

9.3.2 Post-Closing. If no supplemental tax bill has been delivered to Escrow Holder by the Closing Date, the parties agree after the Close of Escrow to prorate the amount of the supplemental assessment relating to the times before and after the Close of Escrow. Within ten (10) working days after written demand by Buyer for Seller's pro rata share of such supplementary tax bill, Seller shall pay Buyer therefor. As a post-closing covenant, (i) Buyer agrees to hold Seller harmless from and indemnify it against any and all Property Taxes which may be imposed on the Property which relate to any period after the Close of Escrow (including any increased tax imposed because of increased assessed valuation resulting from the sale hereunder and relating to the period after the Close of Escrow), and (ii) Seller agrees to hold Buyer harmless from and indemnify it against any and all Property Taxes which may be imposed on the Property which relate to any period prior to the Close of Escrow.

9.4 Other Prorations. With respect to other prorations, the following shall apply:

9.4.1 Through Escrow. The following items shall also be prorated between Buyer and Seller as of the Close of Escrow: (i) utility payments, if any, for which purpose Seller agrees to use its best efforts to obtain final meter readings as of the Closing Date; (ii) sums payable under any contracts assumed by Buyer and remaining in force after the Close of Escrow; and (iii) amounts payable pursuant to any recorded restrictions.

9.4.2 Post-Closing. All amounts due on contracts and other debts pertaining to the Property that relate to the period prior to the Close of Escrow shall be paid by Seller, whether or not bills have been received prior to the Close of Escrow.

9.5 Post-Closing Adjustments. Buyer and Seller agree to re-prorate any of the above-referenced prorations if, after the Close of Escrow, more accurate or definitive information becomes available with respect thereto. The party receiving such information shall deliver

written notice thereof to the other party within five (5) days of such receipt and, within five (5) days thereof, the parties shall re-prorate the affected matter and a party which is thereby shown to have received an excess credit shall to the extent of such excess immediately reimburse the other party. The foregoing obligation shall terminate on the first anniversary of the Closing Date.

9.6 Basis of Prorations. All prorations called for in this Agreement shall be made as of the Closing Date.

9.7 Seller's Charges. Seller shall pay (i) the cost of a standard coverage owner's policy of title insurance; and (ii) usual Seller's document-drafting and recording charges.

9.8 Buyer's Charges. Buyer shall pay (i) the cost of any additional premium for an ALTA extended coverage owner's title policy; (ii) the cost of any Endorsements; (iii) the cost of Phase I environmental report, ALTA survey and any other reports or studies obtained by Buyer; (iv) the cost of any additional premium for a lender's policy; and (iv) usual buyer's document-drafting and recording charges.

9.9 Other Charges. All Escrow fees shall be divided equally between Buyer and Seller. Any other costs or expenses shall be paid by the party to whom they are specifically allocated hereunder or, if not specifically allocated hereunder, shall be allocated in accord with the customary practices of Escrow Holder in Yavapai County, Arizona.

ARTICLE 10 DISTRIBUTION OF FUNDS AND DOCUMENTS

10.1 Interest. Any sums delivered by Buyer to Escrow Holder pursuant to this Agreement shall be deposited by Escrow Holder into a federally insured time deposit account with such financial institution in which Escrow Holder maintains its trust accounts, to bear interest at the highest rate available for similar deposits from time to time. Interest earned on Buyer's deposits shall be credited to Buyer and shall apply to the Purchase Price upon Closing.

10.2 Disbursements. All disbursements by Escrow Holder shall be made by checks of Escrow Holder or, at the request of the party to whom disbursement is made, by wire transfer.

10.3 Payment of Encumbrances. Upon the Close of Escrow, from funds to which Seller shall be entitled, Escrow Holder shall pay to the appropriate obligees all encumbrances other than those permitted by Paragraph 8.1.2 of this Agreement.

10.4 Return After Recording. Escrow Holder shall provide Seller's Warranty Deed (and each other instrument that is herein expressed to be, or by general usage is, recorded) after recordation, to the Buyer, beneficiary or person (i) acquiring rights under said document, or (ii) for whose benefit the instrument was acquired.

10.5 Delivery of Instruments. Upon the Close of Escrow, Escrow Holder shall deliver each non-recorded instrument received by Escrow Holder, to the payee or person (i) acquiring rights under the instrument, or (ii) for whose benefit the instrument was acquired.

10.6 Delivery of Cash. Upon the Close of Escrow, Escrow Holder shall deliver as instructed by the respective party (i) to Seller the balance of the Purchase Price to which Seller shall be entitled, and (ii) to Buyer, or order, any excess funds delivered to Escrow Holder by Buyer.

10.7 Reporting to Internal Revenue Service. Any returns, statements or reports required to be filed under §6045(e) of the Internal Revenue Code of 1986 (or any similar reports required by state or local law) or relating to the Property shall be filed by Escrow Holder. In no event shall this Agreement be construed so as to require that such returns, reports or statements be filed by Buyer, Buyer's counsel, Seller or Seller's counsel. Within five (5) days after the date Escrow Holder receives a written request from Seller and/or Buyer to do so, Escrow Holder shall provide evidence to Seller and/or Buyer that it has complied with the provisions of this Paragraph.

ARTICLE 11 POSSESSION; ENTRY BY BUYER

11.1 Limit on Escrow Holder's Responsibilities. Escrow Holder shall have no concern with, nor liability nor responsibility for, this Article.

11.2 Possession. Possession of the Property shall pass to Buyer at the Close of Escrow, subject to the Permitted Exceptions.

11.3 Entry by Buyer. Buyer may, prior to the Close of Escrow, reasonably go upon the Property for purposes of inspecting, testing and the like, subject to the following terms and conditions:

11.3.1 Permits. Before undertaking any activity on the Property that requires a permit from any governmental authority, Buyer or Buyer's agent shall obtain such permit and pay any fee or expense required to obtain or carry out the permit and notify Seller.

11.4 Indemnity. Buyer, its agents and designees shall have the right to enter upon the Property at all times prior to the Close of Escrow for the purpose of performing any additional engineering, surveying or related work, and conducting geological, soil, drainage, engineering, archaeological, and environmental tests and such other studies and investigations as Buyer deems necessary or appropriate. To the extent permitted by law, Buyer shall defend, indemnify and hold Seller harmless for, from and against all claims, demands, actions, liabilities and obligations (including, but not limited to, mechanics' and materialmen's liens) arising from any exercise of the rights granted under this Paragraph (the "**Entry Indemnity**"), which Entry Indemnity shall survive the Close of Escrow or the termination or cancellation of this Agreement. Buyer shall promptly restore the Property to its condition existing immediately prior to any entry upon the Property as provided herein.

11.4.1 Prior to entering onto the Property or causing any physical tests or studies on the Property, Buyer shall provide Seller with twenty-four (24) hours written notice thereof. Seller or Seller's representatives shall have the right to accompany Buyer at, and be present at,

any such physical inspection and/or testing or studies. Seller may object to any invasive physical testing of the Property.

ARTICLE 12 ACKNOWLEDGMENTS, WARRANTIES AND REPRESENTATIONS

12.1 Limit on Escrow Holder's Responsibilities. Escrow Holder shall have no concern with, nor liability nor responsibility for, this Article.

12.2 Except as specifically provided in this Agreement, Seller, its employees, representatives, agents and attorneys have not made, nor has Buyer relied on, any representations, warranties or promises regarding the condition of the Property or the suitability of the Property for Buyer's intended use or any other use.

12.3 "AS IS" Purchase. Prior to Closing, Buyer shall have made its own examination, inspection and investigation of the condition of the Property (including, without limitation, the subsurface thereof, all soil, engineering and other conditions which may affect development or construction thereon) and all matters as it deems necessary or appropriate, and Buyer is entering into this Agreement and purchasing the Property based upon the results of such inspections and investigations and not in reliance on any statements, representations or agreements of Seller (except as specifically provided in this Agreement), and is acquiring the Property in "AS IS" and "WHERE IS" condition as of the Closing Date, except as specifically provided in this Agreement. Buyer acknowledges that it will conduct a thorough review of the Property during prior to the Contingency Date and will rely upon its own investigation in deciding whether or not to acquire the Property.

12.4 Seller Not a Foreign Person. Seller warrants that no individual or entity which, under the terms of this Agreement, will transfer United States Real Property Interests, as defined in § 897(c) of the Internal Revenue Code, is a "foreign person" within the meaning of § 1445(f) of the Internal Revenue Code. Seller also warrants that Buyer as transferee will not be required to withhold tax pursuant to the tax laws of the state of Arizona.

12.5 Brokerage Commissions. Seller has employed and will pay a commission to George Reeve Enterprises, Inc. ("**Seller's Broker**") pursuant to a separate written agreement between Seller and Seller's Broker. Seller's Broker will be paid from Seller's proceeds directly from Escrow upon Closing. Each party warrants to the other that other than as set forth above, the warranting party has incurred no obligation by reason of this Agreement or the transaction contemplated by this Agreement, for any real estate brokerage commission or finder's fee for which the other party would be liable. Each party will hold the other party free and harmless from and against any damage or expense the other party may incur by reason of the untruth as to the warranting party of the foregoing warranty, including expenses for attorneys' fees and court costs (the "**Broker Indemnity**").

12.6 Seller's Other Representations and Warranties. In addition to any other express agreements of Seller contained in this Agreement, the matters set forth in this Paragraph

constitute representations and warranties by Seller which shall survive the close of this escrow and recordation of Seller's Warranty Deed for a period of 180 days after Closing.

12.6.1 Agreements Affecting the Property. Except as reflected in the Property Documents delivered or made available to Buyer pursuant to Paragraph 7.2 hereinabove, Seller has no knowledge of any commitments to or agreements with any federal, state or local governmental agencies, public utilities, adjacent landowners or other parties affecting the Property that are not included in the Preliminary Report (as amended).

12.6.2 No Defaults. To Seller's current actual knowledge, Seller is not in default with respect to any of its obligations or liabilities pertaining to the Property, nor to Seller's current actual knowledge are there any facts, circumstances, conditions or events which, but for notice or lapse of time or both, would constitute or result in any such default, which would have an adverse effect on the Buyer or the Property after Closing.

12.6.3 No Actions or Violations. Seller has received no notice of any actions, proceedings or investigations pending or, to the current actual knowledge of Seller, threatened against Seller or the Property, before or by any court, arbitrator, administrative agency or other governmental authority, which would affect the ability of Seller to convey the Property to Buyer or would otherwise affect the Property after the Closing. Seller has received no notices from governmental authorities pertaining to violations of law or governmental regulations with respect to the Property with which Seller has not fully complied or which Seller has not corrected.

12.6.4 No Condemnation Proceedings. Seller has received no notice of any pending or threatened eminent domain proceedings or other actions or regulatory proceedings filed by any federal, state or local governmental agency or authority, which will affect any portion of the Property after the Closing.

12.6.5 Free of Liens and Claims of Possession. Buyer will take the Property free from all claims, including any claims for rights of possession (other than Buyer's existing claim of possession by virtue of its existing lease),, any easements and/or rights of way for private or public, other than as set forth in the Permitted Exceptions.

12.6.6 Contracts. As of the Close of Escrow, there will be in place no contracts that will be an obligation affecting the Property subsequent to the Closing, except for (i) the obligation of Buyer with respect to the development of the remaining 28.24 acres of parcel 403-22-025E, pursuant to Section 4.2.2 herein (ii) the obligation by Seller and Buyer to cooperate with each other to determine and record a permanent alignment of the Temporary Easement to provide access from Industrial Drive to the Public Works Yard and 403-22-010C, (ii) contracts entered into in the ordinary course of business that are not chargeable against Buyer, and are terminable without cause on thirty (30) days' notice without penalty or cancellation fee.

12.7 Authorization; No Breach. Buyer and Seller each represent and warrant to the other and the Escrow Holder that each person executing this Agreement on behalf of such party is duly and validly authorized to do so, and that if such party is a partnership, corporation,

limited liability company or trustee, that said partnership, corporation, limited liability company or trustee has full power and authority to enter into this Agreement and consummate the transactions contemplated hereunder. Neither the execution and delivery of this Agreement and the instruments and documents referenced herein, nor the consummation of the transaction contemplated herein conflict with or result in the material breach of any terms, conditions or provisions of any contract or other agreement or instrument to which Buyer or Seller is a party or which affects the Property.

12.8 No Oral Representations. Buyer hereby acknowledges that neither Seller nor any person acting on behalf of Seller has made any representation, warranty, guaranty or promise concerning the Property, whether oral or written, except as set forth in this Agreement.

ARTICLE 13 REMEDIES IN THE EVENT OF DEFAULT

13.1 Limit on Escrow Holder's Responsibilities. Escrow Holder shall have no concern with, nor liability nor responsibility for, this Article.

13.2 Sellers's Remedies

13.2.1 If Buyer shall breach any of the terms or provisions of this Agreement or otherwise default prior to the Close of Escrow, and shall fail to cure such breach within ten (10) days following written notice thereof given by Seller to Buyer, Seller's sole remedy shall be to terminate this Agreement and to be paid the Earnest Money Deposit as liquidated damages; provided, however, that in no event shall the deadline for Close of Escrow be extended by more than two (2) business days as a result of the giving of notice by Seller of Buyer's default as required in this Paragraph. Seller and Buyer acknowledge that it would be extremely difficult if not impossible to ascertain Seller's actual damages and that the Earnest Money Deposit is a reasonable forecast of just compensation to Seller resulting from Buyer's breach. Upon default of Buyer and expiration of the applicable grace period, and upon receipt of a written notice from Seller that Buyer is in breach of one or more of its obligations under this Agreement and, as a consequence thereof, Seller has elected to terminate this Agreement, Escrow Agent shall (if Buyer does not contest such notice of termination) disburse to Seller all of the Earnest Money Deposit then held in Escrow. Upon termination of this Agreement by Seller and payment to Seller of the sum of liquidated damages pursuant to this Paragraph 13.2.1, neither party shall have any further obligation or liability hereunder, except for the Broker Indemnity and the Entry Indemnity.

13.2.2 If, after Closing, Buyer shall breach any of the terms or provisions of this Agreement and fail to cure such breach within ten (10) business days after receipt of notice thereof given by Seller, or if it shall be determined that Buyer breached any of the representations, warranties or covenants made by Buyer at, or as of, the Closing, Seller shall have, in addition to the rights and remedies set forth in this Agreement or instruments, any right or remedy available at law or in equity, except that Seller waives any claim for incidental, consequential or punitive damages.

13.3 Buyer's Remedies. If Seller shall breach any of the terms or provisions of this Agreement or otherwise default prior to the Close of Escrow, and shall fail to cure such breach within ten (10) days following written notice thereof given by Buyer to Seller, Buyer may, as Buyer's sole remedy for Seller's failure, either: (i) waive the effects of such failure and proceed to consummate the purchase and sale transaction; (ii) cancel this Agreement and direct the Escrow Agent to (if Seller does not contest) return to Buyer all of the Earnest Money Deposit then held in Escrow; or (iii) bring an appropriate action for specific performance of this Agreement.

ARTICLE 14 ASSIGNMENT

14.1 Assignment. Neither party shall assign to any person(s) or entities any or all of that party's rights in this Agreement without the prior written consent of the other party, which shall not be unreasonably withheld; provided, however, that Buyer shall have the right without Seller's consent to assign this Agreement to any entity that controls, is controlled by, or is under common control with Buyer. Any permitted assignment may be exercised only by written assignment executed by the assigning party and accepted in writing by the assignee (which must, in such written acceptance, obligate itself to perform the assignor's obligations under this Agreement), and delivered to Escrow Holder and the other party prior to the Close of Escrow. Any assignment of a party's rights made or attempted without such written assignment and acceptance shall be void.

14.2 Effect of Approved Assignment by Buyer. In the event of any approved assignment by Buyer, the assignee will be and become: (i) the grantee of Seller's Warranty Deed; (ii) the insured owner under the Title Policy; and (iii) the person(s) having the right or obligation to (a) deliver statements, (b) deliver documents, (c) give approvals, (d) waive conditions, or (e) make demands, all as may be permitted or required by this Agreement and not then already accomplished by Buyer or another approved assignee.

ARTICLE 15 DAMAGE OR CONDEMNATION

15.1 Damage or Condemnation. Risk of loss resulting from any condemnation or eminent domain proceeding that is commenced or has been threatened before the Closing, and risk of loss to the Property due to fire, flood or any other cause before the Closing, shall remain with Seller. If before the Closing the Property or any portion thereof should be materially damaged, or if the Property or any portion thereof should be subjected to a bona fide threat of condemnation or shall become the subject of any proceedings, judicial, administrative or otherwise, with respect to the taking by eminent domain or condemnation, then Buyer may terminate this Agreement and Escrow by written notice to Seller and Escrow Holder given within five (5) days after Buyer learns of the damage or taking. If the Closing Date is within the five-day period, then the Closing Date shall be extended to the next Business Day following the end of the five-day period. If no such election is made by Buyer, and in any event if the damage is not material, this Agreement shall remain in full force and effect and the transfer of the Property, less any interest taken by eminent domain or condemnation, shall be effected with no further adjustment (except as provided in this Paragraph), and upon the Closing, Seller shall assign, transfer and set over to Buyer all of the right, title and interest of Seller in and to any awards that

have been or that may thereafter be made for such taking, and Seller shall assign, transfer and set over to Buyer any insurance proceeds that may thereafter be paid for such damage or destruction giving Buyer a credit against the Purchase Price at Closing for any deductible under such policies. For the purposes of this Paragraph, the phrases "material damage" and "materially damaged" means damage for which the cost of repair is reasonably expected to exceed five percent (5%) of the Purchase Price. If this Agreement terminates pursuant to this Paragraph, then the Deposits and all interest accrued thereon shall be refunded to Buyer.

ARTICLE 16 NOTICES

16.1 Time of Delivery; Addresses. Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly delivered upon personal delivery, or by Federal Express (or similar reputable express delivery service), or by facsimile transmission with back-up copy mailed the same day, or as of the second (2nd) Business Day after mailing by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Seller, to:	Mr. Archer Sheldon 11639 S. 7st Street Tempe, Arizona 85284 602-390-2000
With a copy to:	Mr. George Reeve Beta Ventures P.O. Box 72586 Phoenix, Arizona 85050 602-768-6716
	Mr. Richard Goldsmith Lewis and Roca LLP 40 North Central Avenue 602-262-5341
If to Buyer, to:	Mr. Russ Martin Town of Camp Verde 473 South Main Street, #102 Camp Verde, Arizona 86322 928-567-6631
If to Escrow Holder to:	Ms. Kimberly K. Stone Yavapai Title Agency 527 Main Street, #1 Camp Verde, Arizona 86322 928-567-05910

or to such other address or to such other person as any party shall designate to the others for such purpose in the manner set forth above.

ARTICLE 17 ESCROW HOLDER EXCULPATORY PROVISIONS

17.1 Neglect, Misconduct. Escrow Holder shall not be liable for any of its acts or omissions unless the same constitutes negligence or willful misconduct.

17.2 Information. Escrow Holder shall have no obligation to inform any party of any other transaction or of facts within Escrow Holder's knowledge, even though the same concerns the Property, provided such matters do not prevent Escrow Holder's compliance with this Agreement.

17.3 Form, Validity and Authority. Escrow Holder shall not be responsible for (i) the sufficiency or correctness as to form or the validity of any document deposited with Escrow Holder, (ii) the manner of execution of any such deposited document, unless such execution occurs in Escrow Holder's premises and under its supervision, or (iii) the identity, authority or rights of any person executing any document deposited with Escrow Holder unless under Escrow Holder's supervision or control.

17.4 Conflicting Instructions. Upon receipt of any conflicting instructions, Escrow Holder shall have the right to take no further action until otherwise directed, either by the parties' mutual written instructions or a final order or judgment of a court of competent jurisdiction.

17.5 Interpleader. Escrow Holder shall have the absolute right, at its election, to file an action in interpleader requiring the parties to answer and litigate their several claims and rights among themselves, and Escrow Holder is authorized to deposit with the clerk of the court all documents and funds held in this Escrow. If such action is filed, the parties shall jointly and severally pay Escrow Holder's termination charges and costs and reasonable attorney's fees which Escrow Holder is required to expend or incur in the interpleader action, the amount thereof to be fixed and judgment therefor to be rendered by the court. Upon the filing of such action, Escrow Holder shall be and become fully released and discharged from all obligations to further perform any obligations imposed by this Agreement.

17.6 Miscellaneous. Recordation of any instruments delivered through this Escrow, if necessary or proper in the issuance of the Title Policy, is authorized. No examination or insurance as to the amount or payment of real or personal property taxes is required unless the real property tax is payable on or before the date of the Title Policy. If any party is seeking to obtain a loan secured by the Property, then, during the pendency of the Escrow, Escrow Holder is authorized to furnish the lender, or anyone acting on its behalf, any information concerning this Escrow, including, but not limited to, a certified copy of this Agreement and any amendments thereto. If any party uses facsimile-transmitted signed documents, Escrow Holder is authorized to rely upon such documents as if they bore original signatures; provided, however, that facsimile-transmitted signed documents will not be accepted for recordation by the Yavapai County Recorder.

17.7 Additional Instructions. Escrow Holder may request that Buyer and Seller sign additional instructions related to the Escrow created by this Agreement. Buyer and Seller agree to be reasonable in reviewing, commenting on, proposing changes to, approving and entering into any such additional instructions; provided, however, Seller, Buyer and Escrow Holder agree that in the event of any conflict or inconsistency between this Agreement and such additional instructions, the terms, conditions and provisions of this Agreement shall govern and control.

ARTICLE 18 GENERAL PROVISIONS

18.1 Attorneys' Fees. If either party commences litigation for the judicial interpretation, reformation, enforcement or rescission of this Agreement, the prevailing party will be entitled to a judgment against the other for an amount equal to reasonable attorneys' fees and court and other costs incurred. The "prevailing party" shall be the party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment. A party not entitled to recover its costs shall not recover attorneys' fees. No sum for attorneys' fees shall be counted in calculating the amount of a judgment for the purposes of determining whether a party is entitled to recover its costs or attorneys' fees.

18.2 Gender, Number. Whenever the context requires, the use herein of (i) the neuter gender includes the masculine and the feminine, and (ii) the singular number includes the plural.

18.3 Business Days. If the (i) stated Closing Date (as extended, if applicable), or (ii) last day for performance of an act falls upon a day during which Escrow Holder is not open for business, the Closing Date (as extended, if applicable) or such last day, as the case may be, shall be the next following regular Business Day of Escrow Holder.

18.4 Time of the Essence. Time is of the essence of each covenant of this Agreement for which a date of performance is specified.

18.5 Survival of Provisions. The representations, warranties, agreements and indemnities set forth in this Agreement shall remain operative, shall be deemed made at the Close of Escrow, and shall survive the closing and the execution and delivery of Seller's Grant Deed for the time periods expressly set forth herein and shall not be merged in Seller's Grant Deed.

18.6 Authority of Signatories. Each individual signing this Agreement on behalf of a corporation, partnership, limited liability company or other entity warrants that he or she is duly authorized to sign and deliver this Agreement on behalf of the entity, either in accordance with a duly adopted resolution of the board of directors or management group of the entity, or in accordance with the bylaws, partnership agreement, operating agreement or other organizational documents of the entity, or as the entity's duly authorized agent with authority to bind the entity. Each individual signing also warrants that this Agreement is binding upon the entity in accordance with its terms.

18.7 Captions. Captions in this Agreement are inserted for convenience of reference only and do not define, describe or limit the scope or the intent of this Agreement.

18.8 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Arizona and is subject to termination pursuant to A.R.S. § 38-511.

18.9 Entire Agreement. This Agreement contains the entire agreement between the parties relating to the transaction contemplated hereby and all prior or contemporaneous agreements (including without limitation any letter of intent signed by either or both parties), understandings, representations and statements, oral or written, are merged herein.

18.10 Modifications. No modification, waiver or discharge of this Agreement shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver or discharge is or may be sought.

18.11 Successors. All terms of this Agreement shall be binding upon and inure to the benefit of the parties and their respective administrators or executors, successors and assigns; nothing contained in this Paragraph shall affect the Article of this Agreement entitled "Assignment by Buyer".

18.12 Invalidity of Material Provision. If any material covenant, condition or provision herein contained is held to be invalid, void or unenforceable by a final judgment of any court of competent jurisdiction, this Agreement shall become rescinded unless the party benefited by such covenant, condition or provision delivers to the other party and Escrow Holder, within five (5) days after the judgment becomes final, a written waiver of the covenant, condition or provision, in which case the remainder of this Agreement shall be enforceable.

18.13 Further Assurances. Each party to this Agreement, for itself and its successors and assigns, agrees to take such additional actions and execute such additional instruments as may be reasonably requested by Escrow Holder or the other party in order to give effect to the transaction contemplated hereby.

18.14 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one instrument.

This Agreement has been executed at Phoenix, Arizona, as of the date set forth at the beginning hereof.

SELLER:

BUYER:

BETA VENTURES, L.L.C., an Arizona limited liability company

TOWN OF CAMP VERDE, an Arizona municipality

By: Archer V. Shelton
Name: Archer V. Shelton
Its: Managing Member

By: _____
Name: _____
Its: _____

CONSENT OF ESCROW HOLDER:

The undersigned Escrow Holder hereby agrees this _____ day of _____, 2011, to (i) accept the foregoing Agreement, (ii) be Escrow Holder under the Agreement, and (iii) be bound by the Agreement in the performance of its duties as Escrow Holder; provided, however, the undersigned shall have no obligations, liability or responsibility under (a) this Consent or otherwise, unless and until the Agreement, fully signed by the parties, has been delivered to the undersigned, or (b) any amendment to said Agreement unless and until the same is accepted by the undersigned in writing.

YAVAPAI TITLE COMPANY,
a _____

By: _____
Name: _____
Its: _____

EXHIBIT A

Legal Description of Property

LEGAL DESCRIPTION

**TOWN of CAMP VERDE
PUBLIC WORKS
PROPOSED ROAD YARD**

A parcel of land situated in a portion of the Northeast Quarter of Section 25, Township 14 North, Range 4 East of the Gila and Salt River Meridian, Town of Camp Verde, Yavapai County, Arizona, being more particularly described as follows:

COMMENCING at a found concrete nail and washer stamped "ALS 27238" monumenting the Center of said Section 25, from which a found aluminum capped iron bar stamped "LS 12218" monumenting the East Quarter corner of said Section 25 bears South 89°52'06" East, a measured geodetic bearing and basis of bearings for this description (record South 89°28'00" East per Results of Survey plat recorded at Book 8 of Land Surveys, Page 71, records of said Yavapai County, herein referenced as record source "R1" and South 89°28'00" East per Results of Survey plat recorded at Book 9 of Land Surveys, Page 39, records of said Yavapai County, herein referenced as record source "R2"), a distance of 2,648.76 feet (record 2,648.76 feet per "R1" and "R2");

THENCE North 01°46'50" East (record North 02°11'50" East per "R1"), along the North-South mid-Section line of said Section 25, a distance of 636.90 feet (record 637.00 feet per "R1" and "R2") to a found 1/2" iron bar (affixed plastic cap stamped "FOUND PT ALS 37401") monumenting the Southwesternmost corner of that certain parcel of land described as Tax Parcel No. 403-22-025C in Exhibit "A" at Book 3539 of Official Records, Page 522, records of said Yavapai County herein referenced as record source "AL") said Southwesternmost corner being the TRUE POINT OF BEGINNING.

THENCE North 85°35'04" East (record North 86°00' East per "AL"), a distance of 558.91 feet (record 558.54 feet per "AL") to a found 1/2" iron bar (affixed plastic cap stamped "FOUND PT ALS 37401");

THENCE North 00°24'46" West (record North per "AL"), a distance of 36.95 feet (record 44.6 feet per "AL") to a found aluminum capped 1/2" iron bar stamped "LS 12218";

THENCE South 84°23'02" East (record South 85°32' East per "AL"), a distance of 188.92 feet to a found aluminum capped 1/2" iron bar stamped "LS 12218";

THENCE South 27°20'57" East, a distance of 4.62 feet to a found 1/2" iron bar (affixed plastic cap stamped "FOUND PT ALS 37401");

THENCE South 86°02'30" East, a distance of 432.37 feet to a found 1/2" iron bar (affixed plastic cap stamped "FOUND PT ALS 37401");

THENCE North 38°49'23" East (record North 38°08' East per "AL"), a distance of 55.24 feet (record 49.9 feet per "AL") to a found aluminum capped 1/2" iron bar stamped "LS 11281";

THENCE North 27°10'15" West (record North 26°49' West per "AL"), a distance of 269.58 (record 269.0 feet per "AL") to a found aluminum capped 1/2" iron bar stamped "LS 11281";

THENCE North 32°02'52" West, a distance of 332.91 feet to a found 1/2" iron bar (affixed plastic cap stamped "FOUND PT ALS 37401");

THENCE North 35°39'39" West (record North 35°41' West per "AL"), a distance of 343.20 feet (record 343.2 feet per "AL") to a found 1/2" iron bar (affixed plastic cap stamped "FOUND PT ALS 37401");

THENCE South 59°18'21" West, a distance of 33.93 feet to a set plastic capped 1/2" iron bar stamped "GEOMETRIX ALS 37401";

THENCE North 42°37'53" West, a distance of 40.09 feet to a set plastic capped 1/2" iron bar stamped "GEOMETRIX ALS 37401" monumenting a point in the approximate center of Gaddis Wash;

THENCE South 59°21'01" West, along said approximate center of said Gaddis Wash, a distance of 102.08 feet to a set plastic capped 1/2" iron bar stamped "GEOMETRIX ALS 37401";

THENCE South 79°50'28" West, along said approximate center of said Gaddis Wash, a distance of 115.17 feet to a set plastic capped 1/2" iron bar stamped "GEOMETRIX ALS 37401";

THENCE South 55°53'21" West, along said approximate center of said Gaddis Wash, a distance of 143.19 feet to a set plastic capped 1/2" iron bar stamped "GEOMETRIX ALS 37401";

THENCE South 67°40'41" West, along said approximate center of said Gaddis Wash, a distance of 262.17 feet to a set plastic capped 1/2" iron bar stamped "GEOMETRIX ALS 37401";

THENCE South 58°11'03" West, along said approximate center of said Gaddis Wash, a distance of 90.23 feet to a set plastic capped 1/2" iron bar stamped "GEOMETRIX ALS 37401" monumenting a point on said North-South mid-Section line of said Section 25;

THENCE South 01°43'24" West (record South 02°10' West per "AL"), departing from said Gaddis Wash, a distance of 204.36 feet to a found 1/2" iron bar (affixed plastic cap stamped "FOUND PT ALS 37401");

THENCE South 01°47'15" West (record South 02°10' West per "AL"), continuing along said North-South mid-Section line, a distance of 379.71 feet to the TRUE POINT OF BEGINNING.

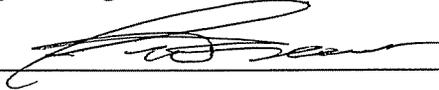
Containing 16.76 acres or 729,851.65 square feet, more or less.

AGREEMENT OF SELLER'S BROKER

The undersigned, as Seller's Broker hereunder, acknowledges and agrees that Paragraph 12.5 of the foregoing Agreement correctly sets forth the understanding and agreement between the Seller's Broker and Seller relating to the payment of commissions resulting from the sale of the Property.

_George W. Reeve Enterprises, Inc _____
an Arizona Corporation _____

By: George W. Reeve, President





TOWN OF CAMP VERDE
Agenda Action Form

Meeting Date: May 6, 2011

Meeting Type:

Consent Agenda – Special Announcements Regular Business Work or Special Session

Reference Document: Fossil Creek Wild & Scenic River Comprehensive Management Draft Plan

Agenda Title:

Discussion, consideration, and possible approval of a letter to the Coconino and Tonto National Forest Service relative to the proposed Fossil Creek Wild & Scenic Comprehensive River Management Plan (RMP).

Purpose and Background Information:

At the April 20, 2011, Council directed staff to prepare a letter to the Forest Service outlining Council's comments and/or concerns relative to the proposed RMP. Staff attended the public hearing held on April 27. Attached is an information packet that was available at the meeting. Due to the timing of the public hearing, a letter relative to the RMP will be distributed for your consideration under separate cover.

Recommendation (Suggested Motion):

Move to approve the letter as it is or with changes as Council desires.

Finance Review: Budgeted Unbudgeted N/A

Finance Director Comments/Fund:

Attorney Review: Yes No N/A

Attorney Comments:

Submitting Department: Town Manager

Contact Person: Russ Martin

Supporting Documents attached: Yes No N/A (If yes, list detail below)

1) RMP draft proposed action – Desired Conditions pages 23

2) _____ # of pages _____

3) _____ # of pages _____

Instructions to Clerk: N/A

Action Report prepared by: D. Barber

Fossil Creek Wild & Scenic River Comprehensive River Management Plan Draft Proposed Action – *Desired Conditions*

March 28, 2011

Some key points of the proposed action are:

- All segments: would be managed to protect the free-flow condition, water quality, and outstandingly remarkable values.
- In the northern and southern segments within wilderness, the ecosystem would function naturally and opportunities for solitude would abound.
- The Fossil Springs segment focus would be a healthy, naturally functioning riparian area and springs and would provide opportunities for a moderate number of social encounters between recreation groups.
- In the segment from the old dam to the large waterfall, emphasis would be on wildlife, native fish and aquatic resources, and travertine formation. The ecosystem would function naturally and opportunities for solitude would abound.
- In the middle road-accessible segment, the focus would be on providing high quality recreational opportunities where social encounters may be high during the summer. Opportunities for more solitude would be available in some areas and during the winter. Areas between recreational developments would provide relatively undisturbed natural habitat.

Desired Conditions Common to All WSR Segments

Where existing resource conditions differ from desired resources conditions, management actions shall be designed to move resources toward the desired conditions below. Where existing resource conditions are the same as the desired conditions management actions shall be designed to maintain these conditions.

Water Quality

Existing water quality is maintained or enhanced to conform to the creek's classification as an Outstanding Arizona Water and to protect and enhance the outstandingly remarkable values identified with Fossil Creek.

Free-flow

The creek exists or flows in natural condition without impoundment, diversion, straightening, riprapping or other modification of the waterway.

Water

The creek exists in a free-flowing condition with a natural range of flows that provide optimum conditions for native fish and wildlife, travertine formation and maintenance, riparian vegetation recruitment and maintenance, and scenery. Healthy and diverse stands of riparian vegetation thrive along the banks and floodplain adding stability to these features. Water rights have been obtained to support the water dependent characteristics of the outstandingly remarkable values identified for the creek.

Geology

Travertine step-pool morphology develops naturally within Fossil Creek, and is maintained as a dynamic natural system of dam formation, growth, and erosion by natural flood events.

History and Traditional Cultural Uses

Cultural sites eligible for the national Register are protected. Interpretation of the Childs/Irving power system and Native American occupation enhances peoples' knowledge of the cultural importance of the Fossil Creek area. Native Americans enjoy using traditional sites.

Wildlife, Fish and Aquatic Resources

Native wildlife and fish populations are diverse, abundant, and expanding into suitable habitats, reflecting the amount and distribution of high quality habitats within the area. Upland, streamside, and aquatic habitats support the full complement of native species associated with these habitats. Lowland leopard frogs continue their downstream re-colonization of Fossil Creek. Other native frog, springsnail, and snake populations are abundant and diverse. Native fish populations continue to thrive, with streambank stability, substrate embeddedness, and sedimentation levels fluctuating within natural parameters. The status of Threatened, Endangered, and Sensitive species is improving, leading towards delisting of species. Successfully re-introduced populations of native fish species are self-sustaining and future re-introductions of fish and other species may occur.

Birds and bats successfully reproduce in the absence of activities that can cause site abandonment, and abundant native prey supports high nesting success. A diversity of

roosting structure is present and is undisturbed. In the Middle Fossil area, stretches of relatively undisturbed refugia exist between concentrated recreation areas. These refugia allow birds and bats, which are sensitive to noise and disturbance, to successfully reproduce and survive. Springs and seeps are mainly devoid of trail crossings; where trails over these areas are unavoidable, springs and seeps are protected.

Non-native species populations are declining or have been eliminated, allowing native species to play their natural role in the ecosystem. No non-native fish occur in the stream above the fish barrier. Natural population dynamics and predator-prey relationships previously damaged by non-native species have reestablished, such as between native leopard frogs, garter snakes, and fish.

Visitors and other members of the public have knowledge and understanding of the outstanding native wildlife and fish populations and habitats of Fossil Creek. There is respect for these resources, and great care is taken by visitors to protect and enhance habitats by recreating responsibly. Visitors understand the consequences of introduction and spread of nonnative plants, animals, and diseases, and take preventative measures to inspect, remove, and clean water-based equipment before putting it into Fossil Creek. Visitors become ambassadors for Fossil Creek wildlife and fish populations, encouraging compliance with rules and regulations designed to protect these resources for future generations.

Vegetation

A wide variety of native plants are found. Non-native plants rarely occur in the Wild and Scenic corridor. Native vegetation (trees, grasses, flowers, shrubs) are able naturally reproduce. In general, plants are not trampled. Research and interpretation occurs within the Fossil Creek Botanical Area. Visitors are aware of the existence and purpose for the Botanical Area.

Scenery

The WSR corridor provides exceptional opportunities for viewing scenery from the road, creek, and designated trails. The high quality scenery is conducive to a variety of recreational experiences. Views are natural appearing and consist of lush, diverse, riparian vegetation and cool, clear, blue, travertine pools and ripples. Human-made alterations fit with the character of the surrounding landscape. In the foreground, management activities are rarely evident to the casual observer.

Desired Conditions for Specific Segments:

Desired Conditions that apply only to specific river segments follow. Resources with no river-specific conditions are not included. Management actions shall be designed to achieve or maintain the following resources conditions in the specified segments, in addition to those desired conditions applying to all segments described earlier.

Northern and Southern Wild Segments

Wilderness

(See forest plans for Fossil Springs and Mazatzal Wildernesses desired conditions)

Recreation

These two Wild sections provide excellent opportunities for solitude, remoteness, challenge, and adventure. Swimming, wading, hiking, backpacking, and camping are the primary recreational activities in this segment.

Fossil Springs Recreational Segment

Recreation

This segment provides a semi-primitive opportunity where access is by trail. Visitors use this area for both day use and overnight camping. Swimming, wading, hiking, backpacking, horseback riding, and camping are the primary recreational activities within this segment.

Old Dam to the Waterfall Wild Segment

Recreation

This segment has little recreation use except for hiking on the Flume Trail and instead focuses on being a refugium for wildlife. This segment also emphasizes native fish and aquatic habitat, geology and travertine formation and processes.

Middle Fossil Recreational Segment

Recreation

This segment provides a roaded natural experience and social encounters may be high. Recreation use is concentrated at appropriate areas to facilitate creek access. Swimming, wading, and picnicking are the primary recreational uses in this segment. During the high-use season, only day use occurs within this segment. During lower use times, day use and camping occurs at designated sites.

Scenery

Developed facilities such as signs, kiosks, toilets, walls, etc. promote a unique sense of place and embody a rustic appearance. As much as possible, communication sites and utilities are not visible from concentrated recreation areas and trails within the corridor.

PROPOSAL

Fossil Creek Wild & Scenic River Comprehensive River Management Plan Proposal – summary table

March 28, 2011

<p>Primary Goals of the Proposed Action</p>	<ol style="list-style-type: none"> 1. Maintain or enhance ORVs primarily by managing recreation impacts. Manage these impacts by controlling access, by implementing limits on the number of users at one time, by placing seasonal limits on the type of recreational opportunities available in the corridor, and by developing and hardening specifically identified recreation sites. 2. Improve visitors' recreation experience while focusing on protection and enhancement of all ORVs. 3. Control the number of cars to address safety, resource damage, congestion, and lack of available parking areas. 4. Reduce impacts from dispersed campings: (litter, fires, fires, sanitation, vegetation removal, etc.).
<p>Area-Wide Management</p>	<ul style="list-style-type: none"> • Charge fees all year • No glass containers allowed • No campfires within WSR corridor • Integrate conservation education into all suitable venues • Develop a series of creek access points with key information and visitor services • Allow dispersed camping in all areas outside Wild and Scenic corridor unless otherwise closed • Phased implementation
<p>Northern Wild Segment</p>	<p>NORTH WILD SEGMENT (mostly Fossil Springs Wilderness)</p> <p>Access / Management</p> <ul style="list-style-type: none"> • Provide access via existing trail network with no new trail development • Allow camping allowed year-round
<p>Fossil Springs Recreational Segment</p>	<p>FOSSIL SPRINGS AREA</p> <p>Access</p> <ul style="list-style-type: none"> • Access via Fossil Springs Trailhead and Flume Trail (summer via shuttle, winter via private vehicle). Limited access controlled by shuttle drop off. • Consider a helipad rescue site just outside corridor • Consider a group size limit and/or permit <p>Camping</p> <ul style="list-style-type: none"> • Designate dispersed campsites outside of riparian area; limited in number (~ 5 campsites) • Provide two composting toilets; one on each side of creek • Limit group size

<p>Old dam to Waterfall Wild Segment</p>	<p>OLD DAM TO WATERFALL (Year-round)</p> <ul style="list-style-type: none"> • No camping (day use only) and no designated trails • Recreation use discouraged but not closed • Emphasize fish, wildlife, geology and water ORVs in this area • Maintain wildlife habitat in a relatively undisturbed condition
<p>Middle Fossil Creek - Recreational Segment</p>	<p>ROAD ACCESSIBLE PORTION</p> <p>SUMMER MANAGEMENT (May through September)</p> <p>Access</p> <ul style="list-style-type: none"> • Allow day use only • Provide access via shuttle system with shuttle stops at creek access points** • Limit numbers of visitors through shuttle system • Provide shuttle stops with toilets, shade, kiosks, tables, creek access, and trash service <p>Trails and Access</p> <ul style="list-style-type: none"> • Waterfall Trail – realign for resource protection • Irving- add a footbridge to access recreation site and trail on opposite bank (old powerhouse site). Develop as a picnic area. <p>Camping and Group Sites</p> <ul style="list-style-type: none"> • Irving and Homestead – large group picnic sites <p>WINTER MANAGEMENT (October through April)</p> <p>Access</p> <ul style="list-style-type: none"> • Allow for private vehicle access with no winter shuttle • Allow parking only in designated sites <p>Camping</p> <ul style="list-style-type: none"> • Allow dispersed camping at developed recreation sites (no fires)
<p>Southern Wild Segment</p>	<p>Southern Wild Segment (mostly Mazatzal Wilderness)</p> <p>Access / Management</p> <ul style="list-style-type: none"> • Provide access via existing trail network • Allow dispersed camping year-round <p>Proposed Changes to Interim WSR Boundary</p> <ol style="list-style-type: none"> 1. Change segment from the Waterfall area north to the old dam site from Recreational to Wild (enhances multiple ORVs including Fish and Aquatic Resources and Wildlife) 2. Expand recreational section south to include road (technical correction) 3. Add portion near road switchback to include spring (enhances Fish and Aquatic Resources and Water ORV's) 4. Delete portion which overlaps with Fossil Springs Wilderness to compensate for #3

****Feasibility of a shuttle system:** There is a question whether a shuttle would be financially and operationally feasible. So, at the same time we are analyzing the environmental effects of alternatives, we will also be analyzing the feasibility of a transportation operation (concession, contract, or government-run).

Fossil Creek Wild & Scenic River Comprehensive River Management Plan Forest Service Proposed Action - *details*

March 28, 2011

Primary Goals of the Proposed Action

1. Maintain or enhance ORVs primarily by managing recreation impacts. Manage these impacts by controlling access, by implementing limits on the number of users at one time, by placing seasonal limits on the type of recreational opportunities available in the corridor, and by developing and hardening specifically identified recreation sites
2. Improve visitors' recreation experience while focusing on protection and enhancement of all ORVs.
3. Control the number of cars to address safety, resource damage, congestion, and lack of available parking areas.
4. Reduce impacts from dispersed camping (litter, fires, sanitation, violations, vegetation removal, etc.).
5. Protect water quality by allowing a limited number of day use-only visitors in Middle Fossil Creek from May to September, by providing toilets and other facilities at recreation sites that provide a vegetated buffer between the site and Fossil Creek, by rerouting portions of the waterfall trail, by paving, repairing, and potentially rerouting key road segments, by allowing a limited number of designated dispersed campsites outside of the riparian zone at Fossil Springs, by prohibiting campfires, and by implementing Best Management Practices (BMPs) on roads, trails, and at developed recreation sites.
6. Concentrate camping in areas and seasons that can support this recreation activity while protecting or enhancing the ORVs.
7. Develop a shuttle system that would allow continued and controlled recreation access that promotes protection of the ORVs.
8. Continue to maintain FS 708 from Strawberry to support administrative access and emergency response during the summer season.
9. Develop a phased implementation approach that provides immediate ORV protection and allows for development of planned facilities in a timely manner.
10. Actively monitor and learn from the system as it responds to changes in recreation use and resource management.
11. Respond to information gathered in public workshops.

Area Wide Management

- Institute year-round fees
- No glass containers would be allowed
- No campfires would be allowed
- Restrict vehicles to routes designated for motorized use and developed parking areas
- Developed creek access points with key information and visitor services
- Allow dispersed camping in all areas outside Wild and Scenic corridor unless specified otherwise in a closure order
- Phase implementation

Northern Wild Segment

Access / Management

- Access via existing trail network. No new trail development.
- Designate as Primitive ROS classification
- No fires allowed
- Allow camping year-round
-

Fossil Springs Recreational Segment

Access

- Access via Fossil Springs Trail and Flume Trail (trailhead access: summer via shuttle, winter via private vehicle)
- Provide limited access controlled by a shuttle drop off system
- Allow for construction and maintenance of a helipad rescue site just outside corridor
- Designate as Semi-Primitive ROS classification

Camping

- Designate dispersed campsites outside of riparian zone; limited in number (~ 5 campsites)
- Provide two composting toilets; one on each side of creek
- Limit group size to less than 25 people
- Consider requiring permits for camping
- No fires allowed
-

Old Dam to Waterfall Wild Segment

- Maintain wildlife habitat in a relatively undisturbed condition
- No camping (day use only) and no designated trails
- Recreation use not encouraged but not closed
- Emphasize fish, wildlife, geology and water ORVs in this area
- Designate as Primitive ROS classification

Middle Fossil Creek Recreational Segment

SUMMER MANAGEMENT (May through September)

Access

- Allow for day use only
- Provide access via shuttle system with shuttle hub staging areas at both ends- Fossil Creek Road (from Camp Verde) and Strawberry Road (between Fossil Springs TH and Strawberry – close to Strawberry would be ideal to reduce dust on road and provide a link to the community)¹
- Develop summer shuttle service to shuttle stops that offer toilets, shade, kiosks, tables, creek access and trash service
- Limit numbers of visitors through shuttle system. Limits may be placed at shuttle hubs and/or specific shuttle stops when capacities are reached. Guess of 500-1200 people per day with this option (further analysis will be conducted later). (In 2010, close to 1100 people visited Fossil Creek on some weekends)
- Allow personal vehicles access to the Childs area during shuttle season

¹ ****Feasibility of a shuttle system:** There is a question whether a shuttle would be financially and operationally feasible. So, at the same time we are analyzing the environmental effects of alternatives, we will also be analyzing the feasibility of a transportation operation (concession, contract, or government-run).

Shuttle stop locations:

- **Strawberry Road Staging** – shuttle staging location with large parking area, restrooms, shade structures, and information/interpretive kiosks. Also provides trailer parking for equestrian users.
- **Fossil Creek Road Staging** - shuttle staging location with large parking area, restrooms, shade structures, and information/interpretive kiosks.
- **Fossil Springs TH** – trailhead access (may limit number dropped off to reduce numbers accessing Fossil Springs), restroom, information kiosk, picnicking facilities, horse trailer loading and unloading zone.
- **Waterfall TH** – trailhead access to waterfall, restroom, information kiosk, designated creek access.
- **Irving** – footbridge across stream (allows ATV access for maintenance), restroom, picnic facilities, group picnic facilities, shade structures, information kiosk, designated creek access.
- **Tonto Bench** – restroom, picnic facilities, shade structures, information kiosk, designated creek access.
- **Bridge Area** – restroom, picnic facilities, shade structures, information kiosk, designated creek access.
- **Homestead** – restroom, picnic facilities, group picnic facilities, shade structures, information kiosk, designated creek access.
- **Old Corral** – restroom, picnic facilities, shade structures, information kiosk, designated creek access.
- **Sally May** – restroom, picnic facilities, shade structures, information kiosk, designated creek access.
- **Purple Mountain** – restroom, picnic facilities, shade structures, information kiosk, designated creek access.

Trails and Access

- Waterfall Trail – realign for resource protection
- Irving- add a footbridge to access recreation site and trail
- Improve Purple Mountain entrance to include a drop off
- Pave and repair roads in key areas
- Consider potential road re-route near Sally May to reduce sedimentation into creek

Camping and Group Sites

- **Irving and Homestead** – large group picnic sites
Camping available outside Wild and Scenic corridor during summer shuttle season

Potential Interpretive Center

- Potentially provide larger kiosk or small building at Irving or Homestead

WINTER MANAGEMENT (October through April)

Access

- No winter shuttle service will be provided
- Allow private vehicles to access area
- Allow parking only in designated sites
- Charge user fees

Camping

- Allow dispersed camping at developed recreation sites (no fires)

Southern Wild Segment

Access / Management

- Adjust wild boundary to the south to remove segment that contains a road.
- Access via existing trail network
- No fires allowed
- Allow dispersed camping year-round
- Designate as Primitive ROS classification

Phased Implementation Plan

Full implementation of the CRMP could take up to 3 years and would be dependent upon funding. A phased approach is necessary to begin implementation immediately upon finalization of the management plan.

Phase I - Immediate Implementation (first round implementation, design, funding sources)

- Implement Day Use Only policy immediately when plan is approved.
- Make campfire ban permanent.
- Institute fees after public involvement, presentation to Resource Advisory Committee, and approval (evaluate options as part of the CRMP process).
- Add entry gates and entry stations on the Fossil Creek Road (from Camp Verde) and Strawberry Road to control access and numbers of people (two people at all times at each gate). The purpose is to collect fees, limit user numbers when capacity is met, and provide information on the existing regulations and available parking locations (informational, not enforcement).
- Limit the number of people accessing Middle Fossil to the number of existing parking spaces (approximately 100). A large portion of the spaces are not where people traditionally recreate in the area.
- Add additional porta-potties, trash pick-up, and a few picnic tables (built to accessible standards) at key recreation sites.
- Improve signage for interpretation and protection of ORVs.
- Install composting toilets at Fossil Springs dispersed camping area.
- Delineate trails and improve access for ORV protection (cultural, wildlife, etc).
- Add footbridge at the Irving site and immediate amenities (toilet, picnic tables, etc.). This would be the first site for full development.
- Develop a shuttle pull off at the Bridge Area that could be used as parking during Phase I.
- Evaluate roads for immediate sedimentation and erosion controls needs and implement improvements and BMP's in order of priority.
- Pave/concrete the approaches to the bridges and add other BMP's to control sediment
- Explore different dust abatement and soil stabilizer options to reduce impacts to water quality (soil stabilizers, binders, asphalt, etc).
- Survey, design, and fundraise for desired improvements in construction (shuttle, shuttle stops, facilities, etc).
- Develop plans for low-improvement areas (places with minimal improvements or design).
- Pursue permits from ADEQ and other agencies, as required.
- Assess areas for first priority fuel treatments and implement as appropriate (protect immediate riparian corridor first, larger watershed second).

Phase II- Construction

- Construction and development of shuttle staging areas, parking, shuttle stops, facilities, trails, creek access points.
- Construction would be phased to avoid summer season (winter and shoulder seasons)
- Increase interpretation facilities

Phase III- Shuttle Implementation, Facility Construction

- Implement shuttle system for all summer (May – September) access.
- Increase interpretation facilities

Resource Components

Wildlife & Fisheries

- Continued maintenance of fish barriers allowed (encourage Bureau of Reclamation to continue when commitment lapses).
- Maintain ability to remove non-natives from the fishery through different measures (physical, chemical). Removal may be required from stock tanks and Fossil Creek.
- Maintain ability to treat noxious and invasive weeds (physical, chemical, and biological). Chemical treatment is within current NEPA allowances.
- Establish closure orders to prohibit entry into areas identified as crucial for Threatened and Endangered Species habitat or life cycle processes..
- Preserve/protect mesquite stands.
- Develop an emergency response plan to balance resource protection with emergency situations. Heli-spots, if required, need to be sited to avoid black-hawk nesting sites.
- Emphasize interpretation on aquatic invasive species at key locations (Bridge area, etc.).
- [Forest Plan] Prohibit felt-soled waders, encourage lug sole waders.

Water

- Support continued placement of water gage at bridge
- Support studies that investigate the indirect or cumulative impacts to the water quantity in Fossil Creek from groundwater pumping. Pumping could be from increased water demand in Strawberry and from facility use in corridor.
- Maintain Childs Road (FR 502) south of the Purple Mountain area to prevent sedimentation into the creek. Maintenance could involve paving a small section or rerouting the road,
- Support Gila County dust suppression measures (paving or other appropriate methods) for the Fossil Creek road between Strawberry and the forest boundary to reduce dust to residents.
- Maintain the ability to have a gauging station on the creek for monitoring.
- Consider adding a water quality monitoring feature to the gauging station.
- [Forest Plan] Proposals for development within the recharge area for Fossil Creek would require analysis for their impact upon water recharge to Fossil Creek
- Quantify federal reserved water rights needed to protect or enhance the ORVs.
- Install and maintain BMPs on roads and trails, recreation sites, and other areas of disturbance.

History and Traditional Cultural Uses

- Continue cultural inventory.
- Focus interpretation on cultural importance of Fossil Creek.
- Accommodate tribal ceremonial events and ceremonial gatherings in cooperation with federally-recognized tribes to the maximum extent possible.
- Encourage a site steward program on site.

Geology

- Support monitoring and research on travertine.
- Support research on the potential effects of recreation (swimming, kayaking) on travertine formation

Fire

- Priority treatments should occur where fire intensity and fire severity pose a threat to public safety.
- Treat within fuel types where potential fire severities may impact soil and water quality.
- Reintroduce low severity disturbance into pinyon-juniper woodland and ponderosa pine systems.
- Examine, design, and implement treatments to reduce or minimize the impact of wildfire to aquatic habitat in Fossil Creek.

Lands & Special Uses

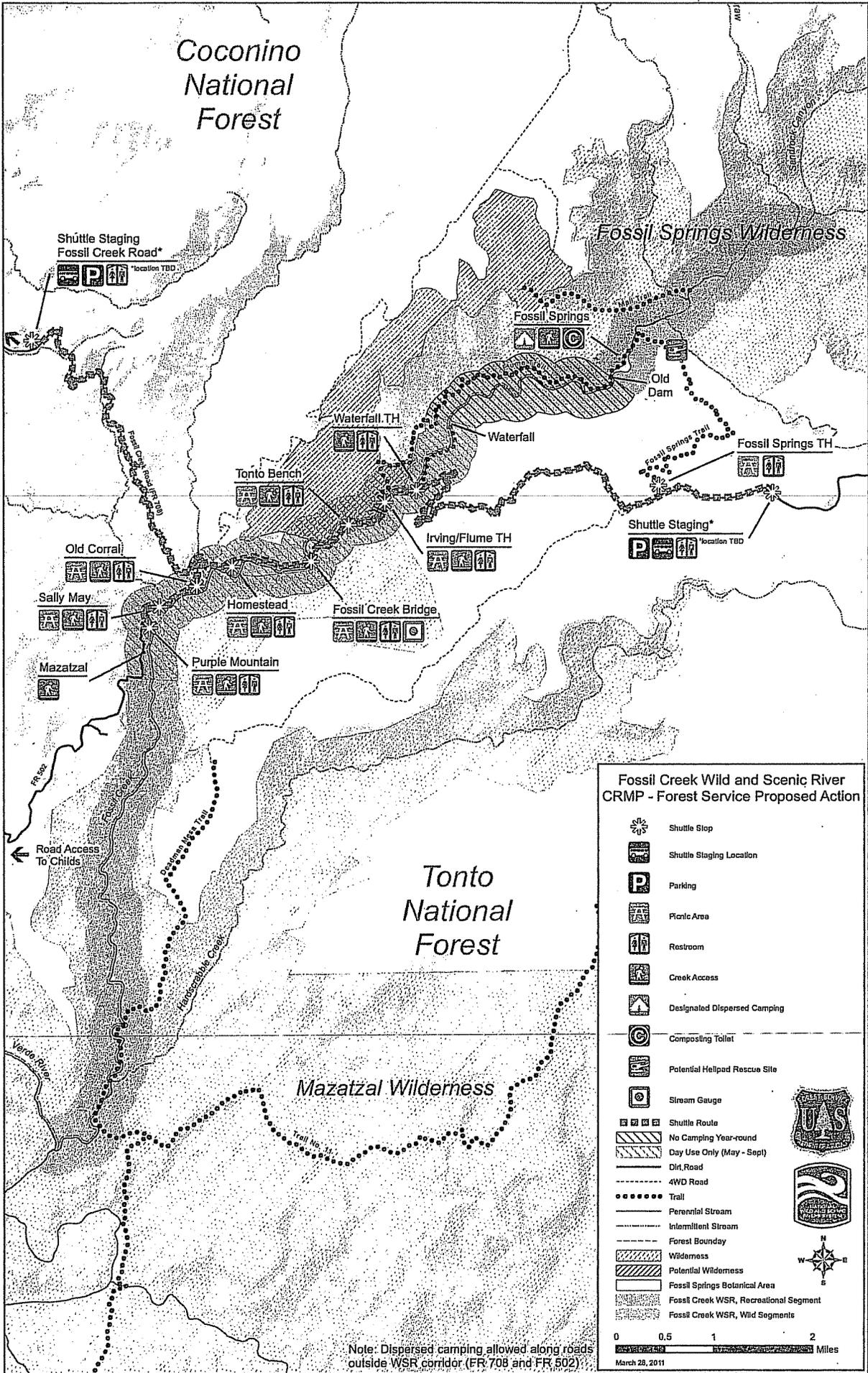
- Prioritize the acquisition of water rights and property that would enhance and protect ORVs
- Develop a strategy for future communication site development (cell towers, etc.).
- Manage vegetation surrounding transmission and power lines to minimize risk of wildfire starts and provide access for regular maintenance while minimizing impact to ORVs
- Commercial photography would be prohibited in wilderness and wild segments unless wilderness dependent and necessary for wilderness administration.
- Commercial photography may be allowed in non-wilderness recreational segments

Livestock & Grazing

- Grazing allocations would be allowed following the guidelines established in recent grazing NEPA for Coconino NF.
- Water lanes and access to water would be negotiated with recreation use.
- Boundaries of the Tonto allotments would be adjusted to avoid unsuitable areas (steep slopes, feed, etc.) within the WSR Corridor.

Botany

- Maintain Fossil Springs Botanical Area and support plant surveys of the area.



Coconino
National
Forest

Fossil Springs Wilderness

Shuttle Staging
Fossil Creek Road*

Fossil Springs

Old Dam

Waterfall.TH

Waterfall

Tonto Bench

Fossil Springs TH

Shuttle Staging*

Old Corral

Irving/Flume TH

Sally May

Homestead

Fossil Creek Bridge

Mazatzal

Purple Mountain

Road Access
To Childs

Tonto
National
Forest

Mazatzal Wilderness

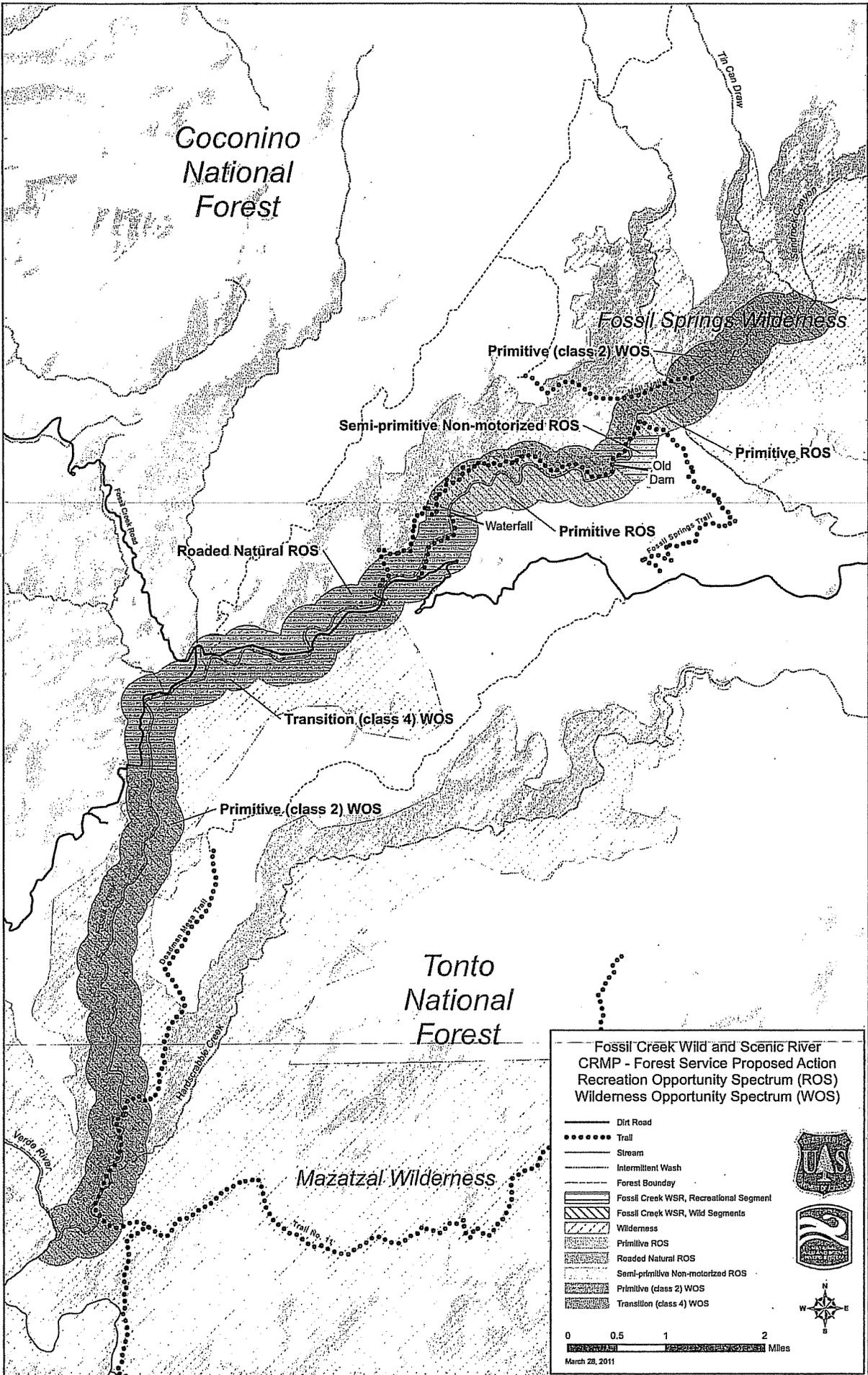
Fossil Creek Wild and Scenic River
CRMP - Forest Service Proposed Action

- Shuttle Stop
- Shuttle Staging Location
- Parking
- Picnic Area
- Restroom
- Creek Access
- Designated Dispersed Camping
- Composting Toilet
- Potential Helipad Rescue Site
- Stream Gauge
- Shuttle Route
- No Camping Year-round
- Day Use Only (May - Sept)
- Dirt Road
- 4WD Road
- Trail
- Perennial Stream
- Intermittent Stream
- Forest Boundary
- Wilderness
- Potential Wilderness
- Fossil Springs Botanical Area
- Fossil Creek WSR, Recreational Segment
- Fossil Creek WSR, Wild Segments



0 0.5 1 2
Miles
March 28, 2011

Note: Dispersed camping allowed along roads
outside WSR corridor (FR 708 and FR 502)



Coconino
National
Forest

Fossil Springs Wilderness

Primitive (class 2) WOS

Semi-primitive Non-motorized ROS

Primitive ROS

Old Dam

Waterfall

Primitive ROS

Fossil Springs Trail

Rooded Natural ROS

Transition (class 4) WOS

Primitive (class 2) WOS

Tonto
National
Forest

Mazatzal Wilderness

Fossil Creek Wild and Scenic River
CRMP - Forest Service Proposed Action
Recreation Opportunity Spectrum (ROS)
Wilderness Opportunity Spectrum (WOS)

- Dirt Road
- Trail
- Stream
- - - Intermittent Wash
- - - Forest Boundary
- ▨ Fossil Creek WSR, Recreational Segment
- ▨ Fossil Creek WSR, Wild Segments
- ▨ Wilderness
- ▨ Primitive ROS
- ▨ Rooded Natural ROS
- ▨ Semi-primitive Non-motorized ROS
- ▨ Primitive (class 2) WOS
- ▨ Transition (class 4) WOS

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March 28, 2011




STAKE HOLDER GROUP

Fossil Creek Wild & Scenic River
Comprehensive River Management Plan
Proposed Alternative Scenario (3/28/11)

I. ORVs consist of the following elements:

- Geology
- Fish and Aquatic Habitat
- Wildlife
- History and Traditional Uses
- Water

II. Primary Goals of the Proposed Action

- Maintain and enhance natural resource ORVs.
 - Strong management of recreational use in the Wild and Scenic River corridor (WSR) will be the primary means to maintain and enhance natural resource ORVs.
 - Recreational use will be managed by controlling access, implementing limits on the number of users at one time, placing seasonal limits on the type of recreational opportunities available in the corridor, paving parking areas, and applying Best Management Practices (BMPs) to specifically identified recreation areas.
- Control the number of cars and people to address safety, resource damage, congestion, and lack of available areas for parking.
- Reduce impacts from dispersed camping (litter, campfires, sanitation, violations, vegetation removal, etc.).
- Provide paved parking areas that include a vegetated buffer between the site and Fossil Creek.
- Protect water quality by allowing a limited number of day use-only visitors in Middle Fossil Creek from April through October, providing toilets at parking areas, rerouting portions of the waterfall trail, repairing and potentially rerouting key road segments, allowing a limited number of designated dispersed campsites outside of the riparian zone at Fossil Springs, prohibiting campfires and charcoal/briquette grills, and implementing BMPs on roads, trails, and at recreation areas.
- Concentrate camping in areas and seasons that can support this recreation activity while protecting or enhancing the ORVs.
- Develop a phased implementation approach that provides immediate ORV protection, monitors key ORV elements, provides for alterations in visitor numbers if ecologically warranted, and allows for development of planned facilities (paved parking areas, entrance stations, information/interpretation kiosks, toilets) in a timely manner.
- Implement recreation management using a precautionary principle that sets immediate limits that are conservative and have a high degree of certainty of no adverse impacts from recreation on ORVs.

- Develop ORV monitoring plan with metrics that establish key elements and targets for effective protection and enhancement of ORVs. Recreational use could be increased in future implementation only when initial levels have proven effective at protecting and enhancing ORVs and only after a determination that such increase are not likely to adversely affect ORVs or efforts or opportunities to enhance ORVs.
- Actively monitor and learn from the system as it responds to changes in recreation use and resource management.
- Respond to information gathered in public workshops.

III. Resource Components

1. Wildlife & Fisheries

- Continued maintenance of fish barriers allowed (the Biological Opinion requires maintenance by Bureau of Reclamation for 100 years).
- Continue monitoring of fishery to ensure ORVs are met.
- Maintain ability to remove non-native species from the fishery through different measures (physical, chemical). Removal of nonnative species may be required from stock tanks.
- Maintain ability to treat noxious and invasive weeds (physical, chemical, and biological). Chemical treatment is within current NEPA allowances.
- Establish closure orders as needed to prohibit entry into areas identified as necessary for Sensitive, Threatened and Endangered Species habitat or life cycle processes.
- Preserve/protect mesquite stands.
- Develop an emergency response plan to balance resource protection with emergency situations. Helispots, if required, need to be sited to avoid black-hawk nesting sites.
- Provide interpretation of value of Fossil Creek to native fish and other aquatic organisms and habitats at kiosks.
- Emphasize interpretation on aquatic invasive species at key locations (Bridge area, etc.).

2. Water

- Support continued placement of water gage at bridge.
 - Consider adding a water quality monitoring feature to the gauging station.
- Support studies that investigate the indirect or cumulative impacts to the water quantity in Fossil Creek from groundwater pumping.
- Maintain Childs Road (FR 502) south of the Purple Mountain area to prevent sedimentation into the creek.
- Maintenance of FR 502 could involve paving a small section or rerouting the road.

- [Forest Plan] Proposals for development within the recharge area for Fossil Creek would require analysis for their impact upon water recharge to Fossil Creek
- Quantify federal reserved water rights needed to protect or enhance the ORVs.
- Install and maintain BMPs on roads and trails, recreation areas, and other areas of disturbance.

3. History and Traditional Cultural Uses

- Continue cultural inventory.
- Provide interpretation on cultural importance of Fossil Creek.
- Accommodate tribal ceremonial events and ceremonial gatherings in cooperation with federally-recognized tribes.
- Encourage a site steward program on site.

4. Geology

- Support monitoring and research on travertine.
- Support research on the potential effects of recreation (swimming, kayaking) on travertine formation.
- Consider limits on kayaking if research indicates unacceptable impacts on travertine formation.

5. Fire

- Priority treatments should occur where fire intensity and fire severity pose a threat to public safety.
- Treat within fuel types where potential fire severities may impact soil and water quality.
- Reintroduce low severity disturbance into chaparral, pinyon-juniper woodland and ponderosa pine systems.
- Examine, design, and implement treatments to reduce or minimize the impact of wildfire to ORVs.

6. Lands & Special Uses

- Prioritize the acquisition of water rights and property that would enhance and protect ORVs.
- Develop a strategy for future communication site development (cell towers, etc.). Development should not detract from ORVs.
- Manage vegetation surrounding transmission and power lines to minimize risk of wildfire starts and provide access for regular maintenance while minimizing impact to ORVs.
- Commercial photography may be allowed in non-wilderness recreational segments.

7. Livestock & Grazing

- Restrict domestic livestock from access to the WSR in order to reduce soil movement into the creek, prevent physical impacts to streambanks and riparian vegetation from domestic ungulates, and decrease impacts to water quality from waste produced by domestic ungulates.

8. Botany

- Maintain Fossil Springs Botanical Area and support plant surveys of the area.
- Implement removal program for nonnative invasive plants (in particular, blackberry) in the Fossil Springs Botanical Area.
- Implement removal program for nonnative invasive plants in the WSR corridor.

IV. Management Actions that Apply to the Entire Wild and Scenic River Corridor

- Use permits and fees required year-round.
- No glass containers allowed.
- No campfires or charcoal/briquette grills allowed.
- Restrict vehicles to routes designated for motorized use and paved parking areas.
- Provide creek access points with paved parking areas, information/interpretation kiosks, and toilets. Allow dispersed camping in all areas outside the Wild and Scenic River corridor (WSR) unless specified otherwise in a closure order. Monitor and manage this use to insure no unacceptable impacts on the WSR corridor.
- Emphasize fish, wildlife, geology and water ORVs in all areas.
- Prohibit use of firearms except in the pursuit of legal game.
- No picnic tables, shade canopies, bridges, or other structures (other than kiosks, parking areas, or toilets) will be constructed in the WSR.

V. Management Actions that Apply to Defined Segments the Wild and Scenic River Corridor

1. Northern "Wild" Segment
 - a. Access/Management
 - Access via existing trail network. No new trail development.
 - Designate as Primitive Recreation Opportunity Spectrum (ROS) classification.
 - No campfires or charcoal/briquette grills allowed.
 - Allow camping year-round.
2. Fossil Springs "Recreational" Segment
 - a. Access
 - Access via Fossil Springs Trail and Flume Trail
 - Allow for construction and maintenance of a helipad rescue site outside corridor. Construction will not occur in habitat of Sensitive, Threatened and Endangered Species.

- Designate as Semi-Primitive ROS classification
- b. Camping
 - Designate 5 or fewer dispersed campsites outside of riparian zone.
 - Provide 2 composting toilets; 1 on each side of creek
 - Limit group size to less than 25 people
 - Require permits for camping.
 - No campfires or charcoal/briquette grills allowed.
 - Monitor and manage recreational use to avoid unacceptable impacts to ORVs.

3. Old Dam to Waterfall "Wild" Segment

a. Access/Management

- Maintain wildlife habitat in a relatively undisturbed condition
- No camping (day use only).
- No designated trails
- Recreation use not encouraged but not closed
- Designate as Primitive ROS classification

4. Middle "Recreational" Segment

- Adjust segment boundary to include spring area at road switchback.
- a. Vehicle parking allowed only in designated parking areas:

Designated parking areas	Paved parking, # of spots	Trailer parking, horse loading & unloading area	Toilets or porta-potties	Information-interpretation kiosk	Creek access	Trailhead
Fossil Creek road (Strawberry side) entrance station	5	X	X	X		
Fossil Creek Road (Camp Verde side) entrance station	5	X	X	X		
Fossil Springs trailhead	10	X	X	X		X
Waterfall trailhead	15		X	X	X	X
Irving/Flume trailhead	5		X	X	X	X
Tonto Bench	10		X	X	X	
Bridge area	10		X	X	X	
Homestead	20		X	X	X	
Old Corral- Sally May- Purple Mtn. area	15		X	X	X	

b. Summer Management (April 1 through October 15)

- 1) Vehicular access
 - o Day use only.

- Limit numbers of visitors through permit system for vehicles. Limits will be placed at access points when capacities are reached. Estimated limit of 75 cars and/or 300 people at one time.
- Continue to allow personal vehicles access to the Childs area.
- 2) Trails Access
 - Waterfall Trail: realign for resource protection
 - Pave and repair roads in key areas to lessen impacts on ORVs.
 - Consider potential road re-route near Sally May to reduce impacts to ORVs.
- 3) Camping
 - No camping in WSR corridor.
 - Camping available outside WSR corridor during summer season.
- c. **Winter Management (October 16 through March 31)**
 - 1) Vehicular access
 - Parking restricted to designated parking areas.
 - 2) Camping
 - Allow dispersed camping at paved parking areas (no campfires, no charcoal/briquette grills allowed). Vehicles restricted to paved parking areas.
- 4. Southern "Wild" Segment
 - a. Access/Management
 - Adjust "Wild" boundary to the south to remove segment that contains a road, i.e., extend "Recreational" boundary downstream.
 - Access via existing trail network, no new trails.
 - No campfires allowed, no charcoal/briquette grills allowed
 - Allow dispersed camping year-round, but monitor and manage to insure no unacceptable impacts to WSR and ORVs
 - Designate as Primitive ROS classification

VI. Phased Implementation Plan

- Full implementation of the CRMP could take up to 3 years and would be dependent upon funding. A phased approach is necessary to begin implementation immediately upon finalization of the management plan.
- Current management (e.g., restrictions on camping, campfires, parking, etc.) will remain in place until CRMP is finalized and implemented.
- Immediately replace information signs regarding native fish management in Fossil Creek.

Phase I - Immediate Implementation (first round implementation, design, funding sources

- Implement day use only policy immediately when plan is approved.
- Make campfire/charcoal/briquette grill ban in WSR permanent.

- Institute fees and permits after public involvement, presentation to Resource Advisory Committee, and approval (evaluate options as part of the CRMP process).
- Enforcement of access and parking restrictions will be through a combination of manned entry stations and patrols. During low use periods (e.g., summer weekdays, winter season) permits could be issued through self-pay stations. During high-use periods (e.g., summer weekends and holidays) manned entry stations may be necessary.
- Limit the number of people accessing Middle Fossil to the number of existing parking spaces (approximately 75 parking spaces, 300 people).
- Add additional porta-potties, and trash pick-up at key recreation areas.
- Improve signage for interpretation and protection of ORVs.
- Install composting toilets at Fossil Springs dispersed camping area.
- Delineate trails and improve access for ORV protection.
- Evaluate roads for immediate sedimentation and erosion control needs and implement improvements and BMPs in order of priority.
- Pave or otherwise harden approaches to bridges and add other BMPs to control sediment movement into the creek.
 - Explore different dust abatement and soil stabilizer options to reduce impacts to water quality (soil stabilizers, binders, asphalt, etc).
- Develop plans for low-improvement areas (places with minimal improvements or design).
- Pursue permits from ADEQ and other agencies, as required.
- Assess areas for first priority fuel treatments and implement as appropriate (protect immediate riparian corridor first, larger watershed second).

Phase II – Construction

- Construction and development of paved parking, facilities (entrance stations, information/interpretation kiosks, toilets), trail improvements, creek access points.
- Construction would be phased to avoid summer season (winter and shoulder seasons)
- Provide information/interpretation kiosks at all paved parking areas.

Phase III – Adaptive Management

- ORV monitoring will indicate if modification of visitor numbers and locations (increases or decreases) are warranted.

