

**SPECIAL STUDY SESSION MEETING NOTICE
TOWN COUNCIL OF DEWEY-HUMBOLDT
Tuesday, December 10, 2013, 2:00 P.M.**

**COUNCIL SPECIAL STUDY SESSION MEETING
2735 S. HWY 69**

**COUNCIL CHAMBERS, TOWN HALL
DEWEY-HUMBOLDT, ARIZONA**

AGENDA

The issues that come before the Town Council are often challenging and potentially divisive. In order to make sure we benefit from the diverse views to be presented, the Council believes that the meeting be a safe place for people to speak. With this in mind, the Council asks that everyone refrain from clapping, heckling and any other expressions of approval or disapproval. Council may vote to go into Executive Session for legal advice regarding any matter on the open agenda pursuant to A.R.S. 38-431.03 (A) (3), which will be held immediately after the vote and will not be open to the public. Upon completion of Executive Session, the Council may resume the meeting, open to the public, to address the remaining items on the agenda. Agenda items may be taken out of order. Please turn off all cell phones. The Council meeting may be broadcast via live streaming video on the internet in both audio and visual formats. One or more members of the Council may attend either in person or by telephone, video or internet conferencing. **NOTICE TO PARENTS:** Parents and legal guardians have the right to consent before the Town of Dewey-Humboldt makes a video or voice recording of a minor child. A.R.S. § 1-602.A.9. Dewey-Humboldt Council Meetings are recorded and may be viewed on the Dewey-Humboldt website. If you permit your child to participate in the Council Meeting, a recording will be made. You may exercise your right not to consent by not permitting your child to participate or by submitting your request to the Town Clerk that your child not be recorded.

1. Call To Order.

2. Roll Call.

2.1. Town Council. Town Council Members Arlene Alen, Jack Hamilton, Mark McBrady, Sonya Williams-Rowe, Nancy Wright; Vice Mayor Dennis Repan; and Mayor Terry Nolan.

3. Study Agenda. No legal action to be taken.

3.1. Council Code of Ethics further discussion. Discussion following attorney review of Council Code of Ethics document and direction on how to proceed.

3.2. Send the General Plan back to the Planning and Zoning commission to review and look at a Main Street or Old Town designation for the Town. [CAARF requested by Mayor Nolan and continued from November 5, 2013 Regular meeting]

3.3. Revisit process CAARF submittals from inception through action. [CAARF requested by CM Alen and moved from December 3, 2013 Regular meeting]

4. Special Session. Legal Action can be taken.

4.1. Whether to hold additional special session(s) this month. This is an established agenda item for Council's discussion on whether to add an additional special study session and if so, to set the date.

4.2. Discussion and possible action or direction related to the extension of the Lease Agreement for the Town Hall. [Continued from the December 3, 2013 Regular Council Meeting] The Council may, by majority vote, recess the regular meeting, hold an executive session and then reconvene the regular meeting for discussion and possible action on this item.

4.2.1. Recess into and hold an executive session pursuant to A.R.S. § 38-431.03(A)(7) for discussions or consultations with designated representatives of the Town in order to consider its position and instruct its representatives regarding negotiations for the

Page
3

11

15

17

extension of the lease Agreement for the Town Hall located at 2735 S. Highway 69, Dewey-Humboldt, Arizona.

4.2.2. Reconvene Special Study Session.

5. **Comments from the Public.** The Council wishes to hear from Citizens at each meeting. Those wishing to address the Council need not request permission or give notice in advance. For the official record, individuals are asked to state their name. Public comments may appear on any video or audio record of this meeting. Please direct your comments to the Council. Individuals may address the Council on any issue within its jurisdiction. At the conclusion of Comments from the Public, Council members may respond to criticism made by those who have addressed the public body, may ask Town staff to review a matter, or may ask that a matter be put on a future agenda; however, Council members are forbidden by law from discussing or taking legal action on matters raised during the Comments from the Public unless the matters are properly noticed for discussion and legal action. The total time for Public Comment is 3 minutes per person. The audience is asked to please be courteous and silent while others are speaking.

6. **Adjourn.**

For Your Information:

Next Town Council Meeting: Tuesday, December 17, 2013, at 6:30 p.m.

Next Planning & Zoning Commission Meeting: Thursday, January 9, 2013, at 6:00 p.m.

Next Town Council Work Session: Tuesday, January 14, 2013, at 2:00 p.m.

If you would like to receive Town Council agendas via email, please sign up at AgendaList@dhaz.gov and type Subscribe in the subject line, or call 928-632-7362 and speak with Judy Morgan, Town Clerk.

Certification of Posting

The undersigned hereby certifies that a copy of the attached notice was duly posted at the following locations: Dewey-Humboldt Town Hall, 2735 South Highway 69, Humboldt, Arizona, Chevron Station, 2735 South Highway 69, Humboldt, Arizona, Blue Ridge Market, Highway 69 and Kachina Drive, Dewey, Arizona, on the ____ day of _____, 2013, at ____ p.m. in accordance with the statement filed by the Town of Dewey-Humboldt with the Town Clerk, Town of Dewey-Humboldt.

By: _____, Town Clerk's Office.

Persons with a disability may request reasonable accommodations by contacting the Town Hall at 632-7362 at least 24 hours in advance of the meeting.



TOWN OF DEWEY-HUMBOLDT
P.O. BOX 69
HUMBOLDT, AZ 86329
Phone 928-632-8562 ▪ Fax 928-632-7365

TOWN COUNCIL SPECIAL STUDY SESSION MEETING
December 10, 2013 – 2:00 p.m. Town Council Meeting Chambers

Agenda Item # 3.1. Code of Conduct

To: Mayor and Town Council Members

From: Yvonne Kimball, Town Manager

Date submitted: December 4, 2013

Agenda Item: Council Code of Ethics further discussion. Discussion following attorney review of Council Code of Ethics.

Recommended action: Direction on next steps.

Timeline:

Town Council began working on the Code of Ethics in Spring 2013. Council met on May 14th, June 11th, July 23rd, August 13th, September 10th, September 24th, October 8th and finally on October 22 to discuss the Code of Ethics.

At the October 22nd meeting, Council directed sending the October 22nd version of the Code of Ethics for town attorney review and have a follow-up discussion at a work session upon receiving the attorney's comments.

The attorney's feedback to the Code of Ethics, including a memorandum and the revisions, was provided to the Council on November 25th (attorney memo not included in the packet due to client-counsel privilege). Since then Mayor Nolan has had staff distribute his additional comments to all council members on December 2nd in preparation for the December 10th study session (Attorney revisions and Mayor Nolan comments enclosed; attorney revisions are in the "track change" format while Mayor Nolan additional comments in "word bubbles").

TOWN OF DEWEY-HUMBOLDT PUBLIC BODY CODE OF ETHICS and CONDUCT ([Town Attorney Comments 10/2013 11-25-13](#))

Dewey-Humboldt Citizen Participation Guide

As a citizen –

you can take an active role in shaping Dewey-Humboldt government policies, programs and decisions.

Participating in government can be as simple as voting at each election. But you can go a step further by participating in the day-to-day process of local government.

- You can submit a transformative idea via email to the Town Clerk:
judymorgan@dhaz.gov.
- You can volunteer for advisory boards or committees that make recommendations to the Town Council and Town departments.
- You can influence decisions when it comes to adopting laws, the biennial budget, or where to site a new park.
- You can be an active member of a neighborhood association or help form one in your neighborhood.
- You can speak at a Council study session or Council meeting
- You can seek elected office.

One of the greatest challenges of governance is finding a balance between the interests of the community as a whole and those who have a special stake in a particular issue. Citizens can help strike that balance by looking for solutions that work for the entire community, not just a small group.

Although participating does not always mean prevailing, it does make government a partnership effort. That's something positive, because when citizens are actively involved in their government, decisions can better reflect the will of the people.

[Dewey-Humboldt Code of Ethics and Conduct for the Town Council and Town Boards, Commissions and Committees](#)

Preamble

The residents and businesses of Dewey-Humboldt are entitled to have a fair, ethical and accountable local government and [to](#) demand the highest standard of ethics from all its officials. All members of town boards, commissions, committees and the Town Council shall maintain the utmost standards of personal integrity, truthfulness, honesty and fairness in carrying out their public duties, avoid any improprieties in their roles as public servants, comply with all applicable laws, whether local, state or federal, and never use their position or powers improperly or for personal gain.

Ethics is defined here as the rules or standards governing those persons functioning as representatives of the Town Dewey-Humboldt. These rules and standards are based upon a set of values judged to be moral to the extent that they enhance society and an individual's relationship to others. Honesty and integrity shall be the primary values in all issues whether it be in their duties for the Town of Dewey-Humboldt, or in any regard to their constituents.

~~A "Public Official representative of the Town of Dewey Humboldt"~~ is defined here as a ~~public official, elected or appointed, salaried or unpaid, including~~ the mayor, Town council members, and any Town board ~~or~~ commission or committee member.

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The purpose of this code is to establish ethical standards of conduct for ~~these p~~public ~~e~~officials acting in their official public capacity.

I. Responsibilities of Public Office

By oath of office each Public Official representative is responsible to uphold the Constitution of the United States, the Constitution of the State of Arizona, and the ordinances and regulations of the Town of Dewey-Humboldt. ~~Public Elected e~~Officials ~~and board and commission members~~ are often asked to make decisions that affect various groups and individuals adversely. Balancing diverse constituent interests is a difficult task and therefore the ~~p~~Public ~~e~~Official shall perform his or her obligations in a manner that is impartial and responsible to all people and shall adhere to ethical standards that eliminate disappointment borne of dishonesty, conflicts of interest, unfairness or illegality.

The ~~p~~Public ~~e~~Official shall not use his position for personal or monetary gain, whether directly or indirectly or any other manner in which the possibility of gain might be perceived by the public or another member of the public body and as described here within in section II.

The ~~p~~Public ~~e~~Official shall not disclose confidential information concerning the property, government, or affairs of the Town of Dewey-Humboldt without proper legal authorization. Arizona law provides that during a person's employment or service to the ~~t~~own and for two years thereafter, no Public Official member of a Town board, commission, committee or the Town of Dewey-Humboldt council may disclose or use confidential information without appropriate authorization as set forth outlined in A.R.S. Section 38-5504(B).

~~Councilmember's and citizen advisory boards and commissions~~Public Officials have an obligation to be accessible, open and direct, not only with the other members of the Council and/or boards, ~~and~~ commissions, ~~or~~ committees but also to the citizens and business representatives that appear before them, both in the public forum and in private. The public is entitled to communicate with their public servants and

File: 1908-000-0000-0000; Desc: Code of Ethics SG 11-25-13; Doc#: 175963v3File: 1908-000-0000-0000; Desc: Code of Ethics SG 11-22-13; Doc#: 175963v2

understand the position of the Council and boards, ~~and/or~~ commissions and committees on public issues.

~~Public Officials Elected officials and advisory board/commission members~~ have an obligation to attend meetings and be prepared. It is expected that ~~Public these~~ Public Officials will review the materials, participate in discussions and make informed decision of the merits of the issue as opposed to acting out of emotional bias.

II. Conflict of Interest

~~Elected officials and advisory board members~~ Public Officials must be constantly on guard against conflicts of interest and shall not be involved in any activity which conflicts with their responsibilities to the Town of Dewey-Humboldt and its residents. The people of this town have a right to expect independence and fairness towards all groups without favoring individuals or personal interest.

Arizona conflict-of-interest laws apply to ~~all elected officials and advisory board/commission members~~ Public Officials. And as such, this code shall reinforce any existing affirmation regarding conflict of interest contained in the ~~p~~Public Official's oath of office. When acting in a public capacity, the ~~p~~Public Official shall abstain from participating in discussion and vote on any pending matter that would result in his financial or private gain.

~~The p~~Public Officials shall not directly or indirectly solicit, accept or receive any gift-- whether it be money, services, loan, travel, entertainment, hospitality, promise, or any other form that could be reasonably inferred to influence the performance of his official duties and actions or serve as a reward for any official action. In addition and extended under this issue, under no circumstances shall a ~~Public Official council or board/commission member~~ accept a gift or favor that is a bribe, or reflects, to a reasonable person, an effort to improperly influence the ~~Public Official member~~ Public Official's members responsibility to the public in total or to act impartially and on the merits of the matter. Public Officials must not be involved in discussing issues that appear to be self-dealing. That is, Public Officials must not be involved in discussing or deciding on any issue over which they have jurisdiction as a Council or board, committee or /commission member, which may impact the Public Official member or ~~the~~ members of his family or ~~the Public Official's members~~ business, financially or in any way that may be perceived by any reasonable member of the community as advantageous to that ~~Public Official council, board/commission member~~. It should also be noted that Councilmember's must comply annually with the Financial Disclosure Act, as ~~outlined~~required in A.R.S. 38-541-545. Arizona law also prohibits ~~Public Officials selected officials and board/commission members~~ from receiving anything of value or any compensation other than their normal salary or stipend for any service

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rendered in connection with that ~~Public Official's~~ person's duties with the Town of Dewey-Humboldt.

III. Conduct in Public Office

The ~~Public Official~~ shall not discuss or divulge confidential information acquired by him in the course of his official duties nor shall he use this information for his own personal interest or aggrandizement and as a minimum, utilize A.R.S. 38-504 as, but not limited to, a guideline.

The ~~Public Official~~ shall respect the rights, privileges and opinions of his fellow officials.

Propriety dictates that the ~~Public Official~~ be sensitive to the possible confidential or personal nature of directives addressed to other individuals.

In any dealings with Town of Dewey-Humboldt employees, the ~~Public Official~~ shall maintain professional conduct with respect to the employee's work assignments and obligations. The office of the ~~Public Official~~ shall in no situation be used to wrongfully obtain information either by intimidation or by deliberately violating the privacy of an employee's work station.

Public decision making must be fair and impartial and shall be non-discriminatory on the basis of ~~those~~ protected classes, such as racial and religious groups, outlined in federal, state and town laws and ordinances. ~~Public Officials Elected officials and advisory board/commission members must shall~~ conduct business and operate in a manner that is free from illegal discrimination on the basis of age, sex, color, race, disability, national origin, or religious persuasion, ~~both and in the relationships of the elected officials and advisory board/commission members with their constituencies.~~

~~Public Officials Elected officials and advisory board/commission members~~ shall not use their political or appointed office to advance private interests and engage in political campaigning at Town meetings or within town buildings.

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~~No relative or a sitting council member, member of a sitting advisory Town board, committee or/ commission member may be hired/employed by the town.~~

This paragraph needs to be deleted from this document and inserted some place else.

Discussion of issues which may appear ~~in the future~~ before the Council or ~~a citizen~~ board, ~~committee or committee~~ shall be prohibited when a situation arises where a quorum of the Council or ~~a board, committee or commission~~ exists. Numerous Arizona laws require that meetings of public bodies be open to the public and that public records be available for inspection.

File: 1908-000-0000-0000; Desc: Code of Ethics SG 11-25-13; Doc#: 175963v3 File: 1908-000-0000-0000; Desc: Code of Ethics SG 11-22-13; Doc#: 175963v2

IV. Compliance and Enforcement with the Dewey-Humboldt Code of Ethics

Public officials take an oath when they assume their duties to uphold the laws of the United States of America, the State of Arizona, and the Town of Dewey-Humboldt and the United States of America. Therefore, it is the intent of the Town Council to educate and where necessary, to discipline Public Officials council members, committee or board/commission members who violate this code. The process for enforcement follows:

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Commented [JM1]: Mayor Nolan changed the order of hierarchy.

1. If a resident (complainant) thinks that a violation of this code/the ethics/code of conduct has occurred they shall need to fill out complete a complaint form. The form will be available on-line or at Town Hall. The form will include the date of filing the complaint, the date of the violation, the facts supporting the complaint, what part of the code that was violated, and the name of the person that violated the code. The complainant will supply contact information so he/she can be told of the outcome of their complaint.

If the committee comes up with a decision that that should be final. The council should their decision and not re-make it.

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2. The complaint then goes to the Ethics Committee. This committee will be made up of the Mayor, Vice-Mayor and a rotating Council Member. The rotating member will be selected in the same manner as the Vice-Mayor selected on a yearly basis. The Committee will determine whether a violation has occurred. The Ethics Committee may request additional information from staff, the respondent (object of the complaint), and the complainant or Town Attorney.

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3. The Ethics Committee will then decide whether or not there was a violation and whether the violation was a minor or major violation of the ethics code. The ruling of the majority of the Committee is then presented to the full Council. If there is not a unanimous decision by the Committee, a minority report can be presented along with the majority opinion. The whole Council can also look at all the information received by the Ethics Committee to make their determination. The Ethics Committee discussion may be held in executive session.

This should be Committee not Council.

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4. If a majority of the whole Council decides/determines that no violation occurred, no action will be taken and the complainant will be notified of the outcome.
5. If a majority of the whole Council agrees that a minor violation has occurred, the Committee has the following options:

This should be Committee as well.

- a. For the 1st minor offense the Committee can talk to the violator in executive session private and explain how to avoid a violation in the future.
- b. For the 2nd minor offense the Committee can choose to again speak to the violator on how to avoid a violation in the future or recommend a public censure.
- c. For the 3rd minor offense the Committee can recommend a public censure.

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6. If a majority of the whole Council agrees that a major violation has occurred, the Committee has the following options:

Another case where Committee should be used.

- a. For the 1st major offense the Committee can recommend a public censure.
- b. For the 2nd major offense the Committee can recommend a public sanction. This can be removal from a ~~the~~ Town [board, committee or commission](#) or removal from representing the Town at other government entities such as CYMPO, NACOG, WAC or the like.
- c. For the 3rd major offense the Committee can recommend a fine of up to \$500 per Town Code 10.99. [\[Susan's note – please see memorandum accompanying this revised draft Ethics Code.\]](#)
7. For any outcome the complainant will be notified of the decision.
8. If the complaint is against one of the members of the Ethics Committee, that person will be excused from the proceedings and another Council member will be ~~appointed~~[chosen](#) in his or her place.
9. The respondent has the right to appeal any Council decision to binding arbitration by ~~the Town's Hearing Officer~~[an independent hearing officer mutually agreed to between the Town Council and the Public Official. The cost of the hearing officer shall be borne equally between the Town and the Public Official.](#)

Definitions

Censure:

1. An expression of strong disapproval or harsh criticism.
2. An official rebuke, as by a legislature of one of its members.
3. To criticize severely; blame.
4. To express official disapproval of
5. A formal, public reprimand for an infraction or violation.

Sanction:

1. The penalty for noncompliance specified in a law or decree.
2. A penalty, specified or in the form of moral pressure, that acts to ensure compliance or conformity.
3. To penalize, especially for violating a moral principle or international law.
4. To impose a sanction on; penalize, esp. by way of discipline
5. To punish so as to deter

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**TOWN OF DEWEY-HUMBOLDT
TOWN COUNCIL
REGULAR MEETING MINUTES
TUESDAY, NOVEMBER 5, 2013, 6:30 P.M.**

A REGULAR MEETING OF THE DEWEY-HUMBOLDT TOWN COUNCIL WAS HELD ON TUESDAY, NOVEMBER 5, 2013, AT TOWN HALL AT 2735 S. HIGHWAY 69, DEWEY-HUMBOLDT, ARIZONA. MAYOR TERRY NOLAN PRESIDED.

1. **Call To Order.** The meeting was called to order at 6:32 p.m.
2. **Opening Ceremonies.**
 - 2.1. **Pledge of Allegiance.** Made.
 - 2.2. **Invocation.** Given by Councilmember Nancy Wright.
3. **Roll Call.** Town Council Members Jack Hamilton, Mark McBrady, Sonya Williams-Rowe, Nancy Wright; Vice Mayor Dennis Repan; and Mayor Terry Nolan were present. Councilmember Arlene Alen was absent.
4. **Announcements Regarding Current Events, Guests, Appointments, and Proclamations.** Announcements of items brought to the attention of the Mayor not requiring legal action by the Council. Guest Presentations, Appointments, and Proclamations may require Council discussion and action.

Ed Boks, Executive Director of the Yavapai Humane Society spoke on a grant from PetSmart Charities to fund the spaying and neutering of 1,200 dogs in Prescott Valley, Dewey-Humboldt and Mayer (free to the owners-proof of residency required). Flyers were provided to the town to get the information out. This information is also available on the Town's website.

Mayor Nolan clarified the protocol to hear Council Agenda Action Request's (CAARFs), reading Ordinance 13-99 - allowing CM submitting to present their request and the placement and removal of these on agendas.

4.1. American Diabetes Month Proclamation.

Mayor Nolan read the American Diabetes Month Proclamation, declaring November American Diabetes month.

Mayor Nolan reported on the Halloween Window Painting contest and thanked those supporters of the event.

Vice Mayor Repan spoke on the Emergency Response Plan Training and his appreciation of the information provided by Yavapai County EMS personnel, Denny Foulk and Hugh Vallely.

5. Town Manager's Report. Update on Current Events.

Town Manager Kimball announced the following: Roving Dumpster Day event this coming Saturday, November 9th from 9 am to 1 pm, which will be at the Reata Pass location; the tentatively rescheduled EPA Community Meeting for December 7th from noon to 5pm, which will be held at the Humboldt Elementary School Cafeteria; Dewey-Humboldt Activity Center is accepting frozen Turkey donations now through November 22nd.

6. Consent Agenda.

Mayor Nolan moved 6.2 off the consent agenda for discussion.

6.1. Minutes. Minutes from the October 8, 2013 Special Study Session, October 15, 2013 Regular Meeting and October 22, 2013 Special Study Session.

Councilmember Wright made a motion to approve the minutes for October 8 Special Study

Town Council Regular Meeting Minutes, November 5, 2013
Session, October 15 Regular Meeting and October 22 Special Study Session, as presented. Councilmember Hamilton seconded the motion. It was approved unanimously.

6.2. Suggested Intergovernmental agreement (IGA) with the City of Prescott for the Household Hazardous Waste Disposal program and review of existing IGA with the Town of Prescott Valley for Dumpster Day. review only, no action requested.

Town Manager Kimball explained the status of the IGA with Prescott and Prescott Valley. The IGA for Prescott was developed by the Dewey-Humboldt Attorney and sent to Prescott for their review. She was informed that they will probably develop their own version, or at least modify it. No action is needed. Once a response is received from Prescott Staff will provide it to Council. The IGA with Prescott Valley is already in affect so no reason to draft a new document.

7. Comments from the Public (on non-agendized items only). None.

8. Discussion Agenda – Unfinished Business. Discussion and Possible Action on any issue which was not concluded, was postponed, or was tabled during a prior meeting. None.

9. Discussion Agenda – New Business. Discussion and Possible Action on matters not previously presented to the Council.

9.1. Have a legal opinion on whether the Town can maintain or repair private roads that the public uses. If it can, does the Town assume any liability? [CAARF requested from CM Hamilton]

Councilmember Hamilton received information regarding this since he requested the item and therefore withdrew the agenda item.

9.2. Proposal to hold an event to recognize the 50th anniversary of the Vietnam War. To give recognition to the Vietnam Veterans in the Town of Dewey-Humboldt. [CAARF requested from Mayor Nolan]

Mayor Nolan gave an overview and read about the US Vietnam War Commemoration. There was discussion on the date of the 50th anniversary for the war and how many Vietnam Veterans reside in Dewey-Humboldt. Mayor Nolan will look into this further and come back to the council with more information at a later date.

9.3. To send the General Plan back to the Planning Committee to review and look at a Main Street or Old Town designation for the Town. [CAARF requested by Mayor Nolan]

Mayor Nolan gave an overview explaining he felt it was time to send the General Plan to the P&Z Commission to look at. There was discussion on Main Street and differences between Old Town Designation, Historic District and Historic Overlay and the different processes and reasons for each.

Vice Mayor Repan made a motion to send this to Planning and Zoning for review and recommendations and to look at the General Plan to see if it is applicable or not to do it, seconded by Councilmember Williams-Rowe.

There was more discussion on the “next step” for the upper Main Street area and providing P&Z with a clear objective.

Vice Mayor Repan withdrew his first motion and made a second motion. The seconder agreed to withdraw the first motion.

Vice Mayor Repan made a motion to move this to a work session, seconded by Councilmember Hamilton. It was approved unanimously.

9.4. To survey the end of Newtown Road at the Forest Service property for a couple of hundred feet. [CAARF requested by Mayor Nolan]

Mayor Nolan gave an overview on his request explaining he thought the gate might not be located in the correct place, therefore the Forest Survey would need to move it. They would be asked to move it far enough back to allow for the trailhead. There was discussion on this idea and concerns with costs for a survey and harming the town's relationship with the Forest Service.

Mayor Nolan made a motion to find out the cost of a survey for the road, seconded by Councilmember Williams-Rowe. The motion failed by a tie vote, Councilmembers Hamilton, Wright and Vice Mayor Repan voting against.

9.5. To develop a policy or an ordinance for use and possession of notebook or notepad computers for Council. [CAARF resubmitted by Mayor Nolan]

Mayor Nolan gave an overview on his request, suggesting they move this to a study session. There was discussion on the need for a policy on this and whether it would cover only town purchased technology or personally owned equipment. Mayor Nolan explained his intent was a policy for when the Town purchases laptops or notepad computers for the Council to use. There was discussion on budget talks about these possible purchases.

Mayor Nolan made a motion to put this to a work session. The motion failed for lack of a second.

Councilmember Wright made a motion to send this to the attorney to develop a policy for laptop use using the two samples she provided at this meeting, seconded by Vice Mayor Repan. It was approved by a 5-1 vote in favor, Councilmember Hamilton voting against.

10. Public Hearing Agenda. None.

11. Comments from the Public. None.

12. Adjourn. The meeting was adjourned at 7:36 p.m.

/s/ _____
Terry Nolan, Mayor

ATTEST:

/s/ _____
Judy Morgan, Town Clerk



TOWN OF DEWEY-HUMBOLDT
P.O. BOX 69
HUMBOLDT, AZ 86329
Phone 928-632-8562 ▪ Fax 928-632-7365

COUNCIL AGENDA ACTION REQUEST FORM

Meeting Type: Regular Special Work Session

Meeting Date: next available

Date of Request: 11.18.13

Requesting: Action Discussion or Report Only

Type of Action: Routine/Consent Agenda Regular

Agenda Item Text (a brief description for placement on the agenda; please be exact as this will be the wording used for the agenda):

Revisit process CAARF submittals from inception through action.

Purpose and Background Information (Detail of requested action). _____

Establish formal process and code with procedural variance from current

practice and code. Current: Town Code §30.105 (C),(D),(E)

Staff Recommendation(s): _____

Budgeted Amount: _____

List All Attachments: _____

Type of Presentation: verbal

Special Equipment needed: Laptop Remote Microphone

Overhead Projector Other: _____

Contact Person: Arlene Alen

Note: Per Town Code §30.105(D): Any new item will be placed under "New Business" for the council to determine its disposition. It can be acted upon at that meeting, sent to staff for more work, sent to the appropriate board or commission, set for a work session or tabled for a future date, etc.

30.105 COUNCIL AGENDA.

* * *

- (C) Any member of the Town Council may ~~suggest~~ REQUEST an ITEM BE ADDED TO THE agenda ~~item~~ for the next regular Council meeting and the item shall be placed on the agenda. A REQUEST TO MODIFY OR REMOVE AN AGENDA ITEM MAY BE MADE BY THE REQUESTING COUNCILMEMBER, IN WHICH CASE IT SHALL BE MODIFIED OR REMOVED WITHOUT FURTHER ACTION. THE MAYOR OR ANY OTHER COUNCILMEMBER MAY REQUEST AN ITEM THAT WAS SUBMITTED BY ANOTHER COUNCILMEMBER BE MODIFIED OR REMOVED, IN WHICH CASE IT MAY ONLY BE MODIFIED OR REMOVED WITH THE CONCURRENCE OF THE COUNCILMEMBER WHO REQUESTED IT BE PUT ON THE AGENDA.

CODE OF ORDINANCES

§ 30.105 COUNCIL AGENDA.

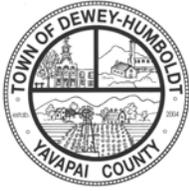
(A) The Manager and Clerk are responsible for receiving and organizing all materials for the agenda, in collaboration with the Mayor and Vice-Mayor. The Manager will then prepare a memorandum for distribution to the Council containing all agenda items currently scheduled. The Mayor or Vice Mayor should be contacted if an individual Councilmember wishes to modify that schedule.

(B) Any resident of Dewey-Humboldt or staff member may request placement of a matter on the Council agenda by requesting that a Councilmember submit a "Council Agenda Action Form."

~~(C) Any member of the Town Council may suggest an agenda item for the next regular Council meeting and the item shall be placed on the agenda. If a member of the Council has requested the modification or removal of an agenda item that was placed on the agenda by another member of the Town Council, such modification or removal shall require the concurrence of that member of the Council. SEE AMENDMENT TO (C) ABOVE.~~

(D) In order to accurately describe what agenda action is proposed, the "Council Agenda Action Form" should be used and submitted at least six days prior to the next regularly scheduled Council meeting.

(E) Any new item will be placed under "New Business" for the Council to determine its disposition. It can be acted upon at that meeting, sent to staff for more work, sent to the appropriate board or commission, set for a work session or tabled to a future date or dropped.



TOWN OF DEWEY-HUMBOLDT
P.O. BOX 69
HUMBOLDT, AZ 86329
Phone 928-632-8562 ▪ Fax 928-632-7365

TOWN COUNCIL SPECIAL STUDY SESSION
December 10, 2013 – 6:30 Town Council Meeting Chambers

Agenda Item # 4.2.

To: Mayor and Town Council Members

From: Yvonne Kimball, Town Manager

Date submitted: December 5, 2013

Agenda Item: Discussion and possible action or direction related to the extension of the Lease Agreement for the Town Hall. Continued from December 3, 2013 Regular Council Meeting.

Recommended action: Upon discussion (which may occur at an executive session), enter into the lease extension and authorize the Mayor to execute the extension.

Summary:

The Town originally entered into the Town Hall Facility lease agreement with Humboldt Station Inc. in November 2007 for the term beginning on January 1, 2008, and ending on December 31, 2012. In September 2011, the two parties extended the lease agreement for another two-year term beginning on January 1, 2012, and ending on December 31, 2013.

In May 2013, pursuant to Paragraph 2 of the original lease, the Town Council directed the notification of the landlord of the Town's intent to renew the lease for another two-year term.

Since then, Humboldt Station Inc. owner Mark McBrady and I have had several discussions. Mr. McBrady agreed to the same rental amounts. We discussed some repair needs. The Town Attorneys were also in close communication with the Town regarding the lease renewal matter.

The proposed 2013 lease extension has been conceptually agreed to by Mr. McBrady. Town Attorney, Susan Goodwin, will be in attendance at the meeting to explain the legal aspects of the lease extension.

Attachments: Original 2007 lease agreement; 2011 lease extension. The proposed 2013 lease extension is provided separately.

REAL PROPERTY LEASE AGREEMENT

THIS REAL PROPERTY LEASE AGREEMENT entered into this 6th day of November, 2007, by and between *Humboldt Station, Inc.*, an Arizona Corporation (hereinafter referred to as "Landlord") and the Town of Dewey-Humboldt, a municipal corporation of the State of Arizona (hereinafter referred to as "Tenant").

1. Location Of Leased Premises: Landlord hereby leases to Tenant that certain commercial property located at and more particularly described as Suites 7, 10A, 11, 12, 13, 14 and 15, located at 2735 S. Highway 69, Dewey-Humboldt, Arizona. (Hereafter "Leased Premises").

2. Term Of Lease:

A. The term of this lease, as regards Suite 7, shall be for one (1) year and begin on January 1, 2008, and shall be terminable upon sixty (60) days notice.

B. The term of this lease, as regards Suites 10A through 15 shall be for four (4) years, shall begin on January 1, 2008. Tenant shall advise Landlord, no less than six (6) months prior to the term of this provision, whether Tenant wishes to exercise the first of two (2) two (2) year extensions of this agreement as to Suites 10A through 15. Likewise, no less than six (6) months prior to the term of the first two (2) year extension, Tenant shall advise Landlord whether Tenant wishes to exercise the second of the two (2) year extensions. In the event Tenant does not exercise either of the extension notices, Landlord shall be entitled to assume Tenant does not wish to exercise the extensions.

C. The rates of the lease may be negotiated at the same time as the extension dates.

3. Rental Amounts: Rents for the suites leased to Tenant, hereunder, shall be calculated as follows:

A. Suite 7: 640 square feet at a rate of \$1.20 per square foot for a total base rent amount of \$768.00 per month.

B. Suites 10A, 11, 12 and 13: 1880 square feet at a rate of \$1.25 per square feet for a total base rent amount of \$2,350.00 per month.

C. Suite 14: 336 square feet at a rate of \$1.25 per square foot for a total base rent amount of \$420.00 per month.

D. Suite 15: 384 square feet at a rate of \$1.25 per square foot for a total base rent of \$480.00 per month.

In addition to the base rent amount, delineated herein, Tenant agrees to pay any local sales tax for rental of commercial property as may be adopted by the Town. The parties agree that during the initial terms of the Lease (Suite 7 - one year; Suites 10A through 15 - four years) the base rent per square foot will not be increased.

4. Tenant's Payment For Improvements: Tenant agrees to pay to Landlord the sum of FOUR THOUSAND DOLLARS (\$4,000.00) upon execution of this Agreement in consideration of the Landlord improvements described herein Item 5. A., B., C. and D. All payments for which Tenant is obligated, hereunder, shall be made payable to Humboldt Station, Inc., and sent to PO Box 815, Humboldt, Arizona 86329, unless otherwise directed.

5. Improvements To Be Made By Landlord: The payment, as anticipated in section 4 of this Agreement, is made in anticipation of Landlord making the following improvements to the properties subject to this Agreement within ninety (90) days of the execution of this Agreement, and as follows:

- A. The area between Suites 9 and 10 to be cleaned and gravel or other ground cover installed.
- B. Installation of portico over the entryway to Suites 13 and 14.
- C. Boardwalk to have predetermined boards replaced or repaired when needed for safety and oil coating to be applied.
- D. Maintenance of building exterior including an initial cleaning of the front exterior leased premises.

6. Breach: Such sums as are stated as rents in paragraph 3, shall be due on the first day of each month and shall be deemed late if not received by the tenth (10th) day of any month for which rents are to be paid. In the event the rent is not received by the first day of the month, a five percent (5%) late fee shall accrue. If rents are not received by the tenth (10th) day of any month during the term of this lease, an additional five percent (5%) penalty shall be charged. In the event rents are not received timely, Landlord shall notify Tenant, in writing with such notice delivered to the Leased Premises. Should rents, thereafter, not be paid within ten (10) days of the notice, Tenant shall be deemed in Breach of this Agreement, allowing to Landlord any and all relief allowed for at law or in equity.

7. Payment Of Utilities: Landlord shall be responsible for, and shall pay the costs attendant to, the provision of water, sewer and trash service to the Leased Premises. Any and all other utilities shall be the obligation of Tenant, the bills for which shall be paid timely. In no regard shall Tenant allow utility bills to go unpaid such that liens attach, from the utility provider, against the Leased Premises.

8. Additional Incidents Of Default: Besides the non-payment of rents, as provided for above, the following shall also constitute incidents of default:

A. The vacating or abandonment of the Leased Premises by Tenant

B. The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by the Tenant., where such failure shall continue for a period of ten (10) days after written notice, thereof, by Landlord to Tenant; provided however, that if the nature of Tenant's default is such that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within ten (10) days and thereafter diligently completes the cure.

C. The making by Tenant of any general assignment or general arrangement for the benefit of creditors or the filing by or against Tenant of a petition to have Tenant adjudged a bankruptcy, or a petition for reorganization or arrangement under any law relating to bankruptcy unless, in the case of the petition filed against Tenant, the same is dismissed within sixty (60) days of the appointment of a trustee or a receiver to take possession of substantially all of tenant's assets located at the Leased Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days, or the attachment, execution or other judicial seizure is not discharged within thirty (30) days.

9. Entitlement Of Landlord In The Event Of A Paragraph 8 Default: In the event of any such default or breach by Tenant as is stated within paragraph 8, above, Landlord may, at any time thereafter, in its sole discretion, upon written notice or demand, and without limiting Landlord in the exercise of a right or remedy which Landlord may have by reason of such default or breach:

A. Terminate Tenant's right to possession of the premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to, the cost of recovering

possession of the Leased Premises; expenses of reletting, including necessary renovation and alteration of the premises; reasonable attorneys fees; the amount, if any, by which the rent reserved in this Lease for the period of such reletting (up to but not beyond the term of this Lease) exceeds the sum agreed to be paid as rent for the premises for such period; and that portion of any leasing commission paid by Landlord and applicable to the unexpired term of this Lease; or

B. Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Leased Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent and any other charges and adjustments as may become due hereunder; or

C. Any and all other remedy now or hereafter available to Landlord under the laws or judicial decision of the State of Arizona.

10. Landlord's Limited Right Of Entry: It is specifically understood and agreed as between the Parties that this Lease is being executed for use of the Leased Premises by a municipality for the purpose of its offices. As such, and given issues of security and confidentiality inherent in such facilities, and the need for municipal accountability in that regard, the Landlord's right of entry in regard to this premises is limited to inspection of the Leased Premises upon reasonable notice and only while accompanied by an agent of the Tenant.

11. Nature Of The Use Of Leased Premises: Tenant shall, continuously during the term of the lease, conduct and carry on activities within the Leased Premises consistent with its use as municipal offices of the various departments of the Town of Dewey-Humboldt. The activities taking place at the Leased Premises shall be conducted in a manner and at times as is necessary and appropriate to such facilities. In so doing, Tenant shall comply with all statutes, ordinances, rules, regulations and laws of all municipal, county, state and federal authorities now enforced or which may hereafter be enforced pertaining to the condition, use or occupancy of the premises. Tenant shall not use or permit the premises to be used in whole or in part for any purposes or use in violation of any of the laws, ordinances, regulations or rules of any public authority at any time applicable thereto.

12. Modifications/Alterations To Leased Premises: As municipal offices, the Parties recognize that certain alterations/modifications will be required in order to provide confidentiality, safety and security. Such alterations/modifications shall be made by Tenant and at Tenant's cost, and at the term of this Agreement, or any extensions thereof, Tenant shall be responsible for the restoration of the facility to its condition prior to such alterations/modifications unless Landlord specifically directs that the alterations/ modifications remain. In no manner and at no time shall Tenant be entitled to make any alteration/modification that compromises the integrity of the overall structure or in any fashion diminishes either the image or marketability of the development of which the Leased Premises is a part.

13. Exterior Modification: Tenant shall undertake no modification of the exterior of the Leased Premises, shall place no additional signage on or about the property, and shall locate no objects outside of the Leased Premises without the prior written consent of Landlord, such consent not to be unreasonably withheld. It is understood between the Parties that, at a minimum, both indicia of the presence of municipal offices upon the premises and the possible need for a location for the posting of police/public notices may be necessary and would be permitted. Beyond that, anything further will be addressed between the Parties on a case-by-case basis.

14. Common Facilities:

A. Tenant and Tenant's employees shall use parking facilities as directed by the Landlord.

B. Tenant's customers shall be entitled to enjoy the use of the parking area along with all other owners and occupants of the center which is served by the parking lot.

15. Maintenance Responsibilities: Tenant shall, during the term of the Lease and as its sole expense, keep and maintain the Leased Premises and the improvements thereto, including, but not limited to, faucets, sinks, toilet, doors, windows, hardware, lightbulbs, doors, trim, locks, glazing, interior, walls, ceilings, and the interior of the Leased Premises in good, clean and sanitary order, condition and repair. In that regard, Tenant shall not permit an accumulation of boxes, papers, waste or other refuse matter in or around the Leased Premises.

16. Destruction of Premises: In the event of the total destruction of the premises during the lease term as a result of fire not due to the negligent acts of Tenant, this Lease shall immediately terminate.

In the event of the partial destruction of the Leased Premises not due to the negligent acts of Tenant; with such destruction determined to affect

one-third or less of the Leased Premises, the lease shall not automatically terminate and Tenant shall be entitled to a proportionate reduction in the rents while repairs are made with such proportionate reduction based upon the extent to which the Leased Premises remains tenantable.

17. Eminent Domain: If any part of the premises shall be taken for public or quasi-public use by the right of eminent domain, or transferred by agreement in connection with such public or quasi-public use, with or without any condemnation action or proceeding being instituted, and a part of the premises remains which is adequate for the conduct of tenant's business, this Lease, as to the part so taken or transferred, shall terminate as of the date title shall vest in the condemner, Landlord shall restore at its sole expense the part of the premises remaining after such taking or transfer to as near its former condition as circumstances will permit, and the rents shall be proportionately reduced. However, in the event of such taking or transfer, either party shall have the option to terminate this Lease as of the date title shall vest in the condemner. In the event of such condemnation or transfer the proceeds of such condemnation or transfer shall be the property of Landlord and Tenant shall have no claim thereto.

18. Alterations And Improvements: Any alterations of or additions to the Leased Premises, except specified attached items, unattached movable trade fixtures and equipment, shall become a part of the realty and the property of Landlord at the term of this Agreement. Tenant further agrees that the correction and/or restoration of all damage or injury done to the premises by Tenant or its employees or agents who may be on or about the Leased Premises shall be paid for by tenant. The list of specified attached items referred to, herein, is attached, hereto, as Exhibit "A".

19. Liens: Tenant shall keep the Leased Premises and the improvements, thereon, free and clear of all liens arising out of or claimed by reason of any work performed, material furnished or obligations incurred by or at the instance of Tenant, and indemnify and save Landlord and the Leased Premises and the building of which the Leased Premises are part harmless from all such liens or claims of liens and all attorneys fees and other costs and expenses incurred by reason thereof. Should Tenant fail to fully discharge any such lien or claim of lien immediately upon its attachment, Landlord, at its option, and subject to its right of reimbursement, may pay the same or any part thereof and charge back such payment to Tenant for immediate payment.

20. Liability: Tenant, as a municipal corporation, is insured and will remain insured in regard to any claims against them of loss or liability through the term of this Lease.

It shall be the obligation of Landlord to obtain such insurance protection as it deems reasonable and appropriate toward the protection of

Landlord's interests.

21. Insurance And Extended Coverage: Both Landlord and Tenant, at their sole expense, shall obtain and keep in force both fire and extended coverage insurance upon the Leased Premises as Landlord and Tenant may in their individual discretion respectively determine to be appropriate in order to protect them against the loss of their fixtures, goods, wares and merchandise on and about the premises. Tenant hereby waives as against Landlord any and all claims and demands of whatsoever nature for damage, loss or injury to the premises or to Tenant's fixtures, goods, wares and merchandise as shall be caused by or result from fire and/or other perils, events or happenings which are, or should have been pursuant to this Agreement, the subject of such fire and extended coverage insurance.

22. Showing Of Premises At Term Of Lease: Landlord shall be entitled, during the sixty (60) days prior to expiration of this Agreement, and during normal working hours or by appointment scheduled with the Tenant, to exhibit the premises to prospective tenants and to place upon or in the windows of the Leased Premises any signage with is usual and ordinary in the course of such activities.

23. Abandonment: Tenant shall not vacate or abandon the Leased Premises at any time during the term of this Agreement. If Tenant vacates, abandons or surrenders the Leased Premises or be dispossessed by process of law or otherwise, any personal property left on the Leased Premises may be deemed to be abandoned at the option of Landlord.

24. Transfer Of Landlord's Interest: Landlord hereby reserves the right to sell, assign, or transfer this Agreement upon the condition that in such event this Agreement shall remain in full force and effect. Upon such transfer, assignment or sale, other than as security, Landlord shall be released from any further obligations hereunder. Upon such sale, transfer or assignment, Tenant shall execute such subordination agreement or other documents as are reasonably required by the Parties, other than any document altering, amending or changing the provisions of Tenant's tenancy, hereunder.

25. Assignment And Subletting: Tenant shall not assign or sublet its interests, hereunder, without the prior written consent of Landlord, and any such assignment without such consent shall be considered *void ab initio*, at the option of Landlord.

While Landlord has the absolute right to withhold consent to such assignment or subletting, such consent shall not be unreasonably withheld.

26. Attorneys Fees: Should either Party materially breach the provisions

of this Agreement resulting in the incurring of attorneys fees to obtain compliance by the non-breaching Party, that non-breaching Party shall be entitled to the payment of their attorneys fees, reasonably incurred, regardless of whether the breach results in the filing of litigation.

27. Non-Existence Of Partnership: The entering into of this Agreement by the Parties does not create a partnership, joint venture, or any other business form between Landlord and Tenant.

28. Subordination: Landlord expressly reserves the right at any time to place liens and encumbrances on and against the Leased Premises and any part thereof, and on the land and buildings of which the Leased Premises is a part, or to transfer, sell, assign, and/or convey its interest in the Leased Premises. In so doing, another Party will succeed to all the rights of Landlord here, and the leasehold rights of Tenant will be intact and unabridged.

29. Time Is Of The Essence: Time is of the essence in regard to the provisions of this Lease and of every term, covenant and condition hereof.

30. Remedies Cumulative: All remedies herein conferred upon Landlord shall be cumulative and no one remedy shall be deemed exclusive of any other remedy conferred herein or as allowed by law.

31. Waiver: The waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of monies, hereunder, by Landlord shall not be deemed a waiver of any preceding breach by Tenant of any term, covenant or condition of this Agreement, other than the failure of Tenant to pay the particular sums so accepted. None of the terms, covenants or conditions of this Agreement can be waived by either Landlord or Tenant, except by appropriate written instruments.

32. Paragraph Headings: Paragraph headings in this Agreement are for convenience only and are not to be construed as a part of this Agreement or in any way defining, limiting or amplifying the provisions hereof.

33. Definitions: The words "Landlord" and "Tenant" as herein used shall include the plural as well as the singular. The neuter gender includes the masculine and feminine.

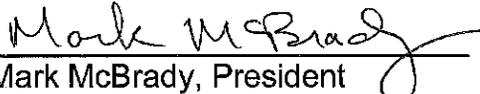
34. Lease Construed As Whole: The language in all part of this Agreement shall in all cases be construed as a whole according to its fair meaning and not strictly interpreted for or against either Landlord or Tenant.

35. Conflict Of Interest: Pursuant to A.R.S. § 38-511, the Town may cancel this agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the agreement on behalf of the Town is, at any time while the agreement or any extension of the agreement is in effect, an employee or agent of any other party to the agreement in any capacity or a consultant to any other party to the agreement with respect to the subject matter of the agreement. In the foregoing event, the Town hereby elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating this agreement on behalf of the Town from any other party to the agreement arising as a result of this agreement.

ENTERED INTO this 6th day of November, 2007

LANDLORD:

TENANT

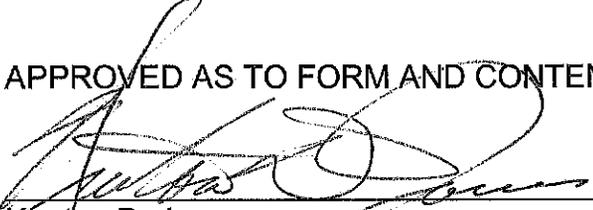


Mark McBady, President
Humboldt Station, Inc.



Earl Goodwin, Mayor
Town of Dewey-Humboldt

APPROVED AS TO FORM AND CONTENT:



Kenton D. Jones
Attorney for the Town of Dewey-Humboldt

**EXTENSION OF
REAL PROPERTY LEASE AGREEMENT**

This Extension of Real Property Lease Agreement (“Lease Extension”) is entered into by and between Humboldt Station, Inc., an Arizona corporation (herein called “Landlord”) and the Town of Dewey-Humboldt, Arizona, (herein called “Tenant”) on this 7th day of September, 2011.

RECITALS:

1. Landlord and Tenant entered into a Real Property Lease Agreement dated November 6, 2007 for the lease of certain commercial property located at 2735 S. Highway 69, Dewey-Humboldt, Arizona (“Lease Agreement”).
2. Tenant desires to exercise its option to extend the term of the Lease Agreement for two (2) years pursuant to Paragraph 2 of the Lease Agreement and in accordance with this Extended Lease.

NOW, THEREFORE, in consideration of the foregoing premises and mutual promises and agreements of the parties, Landlord and Tenant agree as follows:

The following provisions of the Lease Agreement shall be amended:

1. In Paragraphs 1, 2 and 3A, delete “Suite 7” and insert “Suite 5”.
2. Paragraph 3 shall be amended to read as follows:
 3. Rental Amounts: Rents for the suites leased to Tenant, hereunder, shall be calculated as follows:
 - A. Suite 7: 640 square feet at a rate of \$1.20 per square foot for a total base rent amount of 768.00 per month.
 - B. Suites 10A, 11, 12 and 13: 1880 square feet at a rate of \$1.25 per square foot for a total base rent amount of \$2,350.00 per month.
 - C. Suite 14: 336 square feet at a rate of 1.25 per square foot for a total base rent amount of \$420.00 per month.
 - D. Suite 15: 384 square feet at a rate of \$1.25 per square foot for a total base rent of \$480.00 per month.

In addition to the base rent amount, delineated herein, Tenant agrees to pay any local sales tax for rental of commercial property as may be adopted by the Town.

3. Paragraph 4 shall be deleted:
4. Paragraph 5 shall be amended to read as follows:

Repair of Existing Premises; Improvements. Landlord shall, at Landlord's sole expense, perform the following repairs prior to the effective date of this Lease:

- A. Repair the front walkway per the inspection report dated June 2011.
 - B. Repair the bathroom water heaters in Suite No. 11.
 - C. Place the telephone wires attached to the exterior of the back of the Leased Premises in conduit
 - D. Repair the Leased Premises so that proper weather stripping or other remedy is installed to make the windows and doors weathertight.
 - E. Replace ballasts in courtroom area.
4. Paragraph 8 shall be amended to read as follows:
 8. Tenant's Default. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant.
 - A. The vacating or abandonment of the Leased Premises by Tenant.
 - B. The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, as and when due, where such failure shall continue for a period of three (3) days after written notice thereof by Landlord to Tenant.
 - C. The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by the Tenant, other than described

in Paragraph 8B, where such failure shall continue for a period of ten (10) days after written notice thereof by Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than ten (10) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said ten (10) day period and thereafter diligently prosecutes such cure to completion.

- D. The making by Tenant of any general assignment or general arrangement for the benefit of creditors; or the filing by or against Tenant of a petition to have Tenant adjudged bankrupt, or a petition for reorganization or arrangement under any law relating to bankruptcy unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days; or the appointment of a trustee or a receiver to take possession of substantially all of the Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to tenant within thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of the Tenant's assets located at the Leased Premises or of Tenant's interest in this Lease, where such seizure is not discharged in thirty (30) days.

4. New Paragraph 8.1 shall be added to read as follows:

8.1. Landlord's Remedies In Default. In the event of any such material default or breach by Tenant, Landlord may:

- A Give Tenant notice of intention to cancel this Lease at the expiration of five (5) days from the date of service of said notice. At the expiration of said five (5) days, if Tenant has not cured the default or breach, the term of this Lease shall expire. Said notice shall contain a statement of the facts constituting the default or breach by Tenant. Upon the expiration of the five (5) days, Landlord may terminate Tenant's right to possession of the Leased Premises by any lawful means, in which case Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's default including, but not limited to, the cost of recovering possession of the Premises; expenses of reletting, not

including any renovation and alteration of the Premises; reasonable attorneys fees; the amount if any, by which the Rent set forth in Paragraph 3 for the period of reletting (up to but not beyond the initial term or any extended term of the Lease) exceeds the sum of the rent to be received from the reletting for such period; and that portion of any leasing commission paid by Landlord and applicable to the unexpired initial term or any extended term of the Lease; or

- B Maintain Tenant's right to possession, in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Leased Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under the Lease, including the right to recover the rent as it becomes due hereunder.
- C Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decision of the state in which the Leased Premises are located.

6. New Paragraph 8.2 shall be added to read as follows:

8.2 Landlord's Default. The failure by Landlord to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by the Landlord where such failure shall continue for a period of ten (10) days after written notice thereof by Tenant to Landlord; provided, however, that if the nature of Landlord's default is such that more than ten (10) days are reasonably required for its cure, then Landlord shall not be deemed to be in default if Landlord commences such cure within said ten (10) day period and thereafter diligently prosecutes such cure to completion.

7. New Paragraph 8.3 shall be added to read as follows:

8.3. Tenant's Remedies In Default: Tenant, at any time after Landlord commits a default in his maintenance responsibilities under this Lease Agreement, may cure the default at Landlord's cost. If Tenant at any time, by reason of Landlord's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Tenant shall be due immediately from Landlord to Tenant at the time the sum is paid, and if paid at a later date, shall bear interest at the rate of ten percent (10%) per annum from the date the sum is paid by Tenant until Tenant is reimbursed by Landlord. If

Landlord fails to reimburse Tenant as required by this Paragraph, Tenant shall have the right to withhold from future rent due the sum Tenant has paid until Tenant is reimbursed in full for the sum and interest on it.

8. Paragraph 12 shall be amended to read as follows:

12. Modifications/Alterations To Leased Premises: As municipal offices, the Parties recognize that certain alterations/modifications will be required in order to provide confidentiality, safety and security. Such alterations/modifications shall be made by Tenant and at Tenant's cost and during the term of this Agreement, or any extensions thereof, Tenant shall be responsible for the restoration of the Premises to its condition prior to such alterations/modifications unless Landlord specifically directs that the alterations/modifications remain. Landlord and Tenant recognize that certain improvements authorized by Landlord have been made to the Leased Premises prior to the effective date of this Lease Extension. Exhibits A and B set forth the previously approved improvements that may remain at the termination or expiration of this Lease and those previously approved improvements that must be removed. In no manner and at no time shall Tenant be entitled to make any alteration/modification that compromises the integrity of the overall structure or in any fashion diminishes either the image or marketability of the development of which the Leased Premises is a part.

9. Paragraph 15 shall be amended to read as follows:

15. Maintenance Responsibilities.

A. Tenant shall, during the term and extended term of the Lease and as its sole expense, keep and maintain the interior of the Leased Premises, including, but not limited to faucets, sinks, toilet, doors, windows, hardware, light bulbs, doors, trim, locks, glazing, interior walls and ceilings in good, clean and sanitary order, condition and repair, unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault or omission of Landlord. Tenant shall also maintain air conditioning/heating units and electrical work installed by Tenant unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault or omission of Landlord. Tenant shall not permit an accumulation of boxes, papers, waste or other refuse matter in or around the Leased Premises.

B. Landlord shall, during the term and extended term of the Lease and as its sole expense, keep and maintain in good condition those parts of the Leased Premises not the responsibility of the Tenant pursuant to Paragraph 15A, including but not limited to (i) structural portions of the Leased Premises such as the plumbing system, air conditioning, heating, and electrical systems that were either in place when the original Lease term commenced or replaced by Landlord, and (ii) the air conditioning unit in Suite 7 (Sheriff's office), unless such maintenance and repairs are caused in part or in whole by the act, neglect, fault or omission of Tenant.

All other provisions of the Lease Agreement shall remain unchanged.

Entered into this 7th day of September, 2011.

LANDLORD

Humboldt Station Inc.

By Mark McBrady

TENANT

Town of Dewey - Humboldt

By Jerry Nolan, Mayor

ATTEST:

Judy Morgan
Judy Morgan, Town Clerk

APPROVED AS TO FORM:

Susan D. Goodwin
Curtis, Goodwin, Sullivan, Udall & Schwab, P.L.C.
Town Attorneys
By Susan D. Goodwin

F:\1908\009-0000-0000 Real Property\Documents\Town Hall Lease Extension 8-22-11 clean.doc

Exhibit A

Remove all computer wiring and computer receptacles. Repair and replace any electrical wiring that is disrupted or interrupted by the removal of walls. Repair all drywall holes and drywall voids created by the removal of computer and electrical wiring. Repair all drywall holes and drywall voids created by the removal of walls.

Walls to be removed:

Suite 5: No need for wall removal.

Suite 10a : No need for wall removal.

Suite 11: Wall #1 - Removal of South wall between Judge's Office and Court Clerk Office.
Wall #2 - Removal of East wall between Judge's Office and West wall of Suite #12.

Suite 12: Wall #3 - Removal of North wall between Lobby and Copy / Record Storage Room.

Suite 13: Wall #4 - Removal of North wall between Town Manager's Office and hallway.

Suite 14: Wall #5 - Removal of North wall between Finance Office and hallway.

Suite 15: No need for wall removal.

Exhibit B

WALLS TO BE REMOVED

