

**TOWN COUNCIL OF DEWEY-HUMBOLDT
REGULAR MEETING NOTICE**

Tuesday, December 3, 2013, 6:30 P.M.

**COUNCIL REGULAR 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. Opening Ceremonies.

2.1. Pledge of Allegiance.

2.2. Invocation.

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

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.

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

6. Consent Agenda.

6.1. Minutes. Minutes from the November 12, 2013 Work Session and November 19th Regular Meeting.

7. Comments from the Public (on non-agendized items only). 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. A **3** minute per speaker limit may be imposed. The audience is asked to please be courteous and silent while others are speaking.

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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.

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

9.1. 2014 Council meeting schedule and holiday schedule.

9.2. Revisit process for CAARF submittals from inception through action. [CAARF requested by CM Alen]

9.3. What is the procedure for putting on or taking off a Town owned road on the 6-year road maintenance plan? [CAARF requested by CM Hamilton]

9.4. Discussion and possible action to continue Catherine Kelley’s appointment as Magistrate of Dewey-Humboldt, and set salary and term. 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.

9.4.1. Recess into and hold an executive session pursuant to A.R.S. § 38-431.03(A)(1) for discussion or consultation of employment, term and salary of Catherine Kelley for Magistrate.

9.4.2. Reconvene Regular Meeting.

9.5. Discussion and possible action or direction related to the extension of the Lease Agreement for the Town Hall. 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.

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

9.5.2. Reconvene Regular Meeting.

10. Public Hearing Agenda. None.

THIS CONCLUDES THE LEGAL ACTION PORTION OF THE AGENDA.

11. 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.

12. Adjourn.

For Your Information:

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

Next Planning & Zoning Meeting: Thursday, December 5, 2013, at 6:00 p.m.

Next Town Council Work Session: Tuesday, December 10, 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.

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**TOWN OF DEWEY-HUMBOLDT
TOWN COUNCIL
SPECIAL STUDY SESSION MINUTES
TUESDAY, NOVEMBER 12, 2013, 2:00 P.M.**

A SPECIAL STUDY SESSION OF THE DEWEY-HUMBOLDT TOWN COUNCIL WAS HELD ON TUESDAY, NOVEMBER 12, 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 2:03 p.m.

2. **Roll Call.**

2.1. Town Council. Town Council Members Arlene Alen, Jack Hamilton, Mark McBrady (absent at roll call), Sonya Williams-Rowe (absent at roll call), Nancy Wright; Vice Mayor Dennis Repan; and Mayor Terry Nolan were present.

3. **Study Agenda.** No legal action was taken.

3.1. FY12-13 Financial Status Report. A report by Town Accountant, Deni Thompson.

Deni Thompson, Accountant, gave a presentation on the FY12-13 Audit done by Henry and Horne. She spoke on there being less money spent than was received last year.

Councilmember McBrady arrived at 2:07 p.m.

There was discussion on identifying roads for the depreciation schedule and reconciling items.

3.2. (Grant Funded) Sign Replacement Projects Update. A report by Public Works Supervisor, Ed Hanks.

Public Works Supervisor, Ed Hanks gave an overview, explaining this project has been in the works for some time. This project will bring the "Road Names" and "Road Regulatory" signage up to compliance with new regulations.

3.3. To visit Council Policy 12-02 for clarification and especially item 4.6 "Legal research results and opinions on specific questions will be disseminated... at the discretion of the TM." [continued discussion on CAARF originally requested from CM Wright for August 20, 2013 meeting]

Councilmember Wright gave an overview on her request explaining that "discretion of the Town Manager" should be removed from the verbiage, with all council receiving the same information to make decisions. There was discussion on this being specific to questions from Council to the Attorney and the need for all Council members to get the same response.

Direction was given to remove "staff" and "at the discretion of the Town Manager" verbiage in the policy and bring it back for approval at a regular session.

3.4. Discussion on Town Council's policy on Code Enforcement and Permits. Continued discussion from September 24th and October 8th Study Sessions. [continued discussion on CAARF originally requested from CM Wright for September 24, 2013 meeting]

Councilmember Wright gave an overview of this agenda item explaining she had wanted staff to compile a list of those things that don't fit with the town (in the code) and bring it back for direction to P&Z to work on.

There was discussion on the pro-active approach and the council's desire to look into anonymity in complaints. Ms. Kimball spoke on staffing challenges with a "pro-active" approach to code enforcement complaints and the attorney's feedback on anonymous complaints.

Councilmember Williams-Rowe arrived at 2:51 p.m.

Ms. Kimball went on to explain that if a records request is made on a complaint, staff can redact the complainant's name and contact information before releasing the record.

Council decided to move forward with this approach (for about 4 months) and if the work load gets too high or impacts the budget adversely to come back to Council to decide whether to add more personnel or go back to the old way of handling complaints.

Council agreed to have a "soft launch" of the information to the public and staff will adapt to the changes (redaction of public records and increased workload). Council will be updated on this by the end of the first quarter of 2014, or sooner if there is a problem.

3.5. Town Policy TC 12-03 Part 4.3 concerning what information that the Council and Town get from meetings and placement of meeting materials in binder. Continued discussion from October 15th meeting. [CAARF requested by CM Hamilton and CM Alen].

Councilmembers Hamilton and Alen gave overviews on this joint agenda item. Council discussed putting all meeting materials from other agency meetings in binders to be kept at town hall. This would be done by the individuals attending the meetings. If meetings or conferences are attended by more than one Council Member Council could choose to delegate one person to maintain those materials.

Councilmember Hamilton explained his original intent was to publish on the town website the summaries of these meetings but has realized this information is for Council rather than the public and this binder file would be adequate. Councilmember Hamilton withdrew his original request.

Summaries/Reports would continue to be sent out to Council electronically (emailed). Council looked at the current policy on travel reimbursement, Section 4.3 pertaining to reporting and discussed appending this section to include wording on placement of meeting materials in binders. Direction was given to staff to do such and bring it back in an amended policy for the next regular meeting.

3.6. Dewey-Humboldt Town Visioning Project: Moving Forward. [CAARF requested by CM Alen]

Councilmember Alen spoke on the previous discussion on this matter: finding common ground and common vision, including the community and business owners. She stated it was time for a new survey of the stakeholders. She suggested setting up one or more visioning meetings, then open it up to the public for their input.

There was discussion about surveys. Councilmember Wright spoke on one of two previous surveys being done by NAU and it was very good.

Town Manager Kimball was directed to contact Richard Bowen to arrange an economic development/visioning exercise. "When" and "where" will be guided by Mr. Bowen and once arranged Council will be notified.

3.7. Discussion of process for submitting CAARF's, agendaing and for regular meetings. [CAARF requested by CM Alen].

Councilmember Alen explained that since the Mayor spoke on this and the new ordinance pertaining to CAARFs was read aloud, she was withdrawing the CAARF request.

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.

Council looked at the workload and spoke on conflicts with the holidays and decided to not hold a second work session in November.

5. Comments from the Public. None.

6. Adjourn. The meeting was adjourned at 3:53 p.m.

Terry Nolan, Mayor

ATTEST:

Judy Morgan, Town Clerk

**TOWN OF DEWEY-HUMBOLDT
TOWN COUNCIL
REGULAR MEETING MINUTES
TUESDAY, NOVEMBER 19, 2013, 6:30 P.M.**

A REGULAR MEETING OF THE DEWEY-HUMBOLDT TOWN COUNCIL WAS HELD ON TUESDAY, NOVEMBER 19, 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 Mayor Nolan.
3. **Roll Call.** Town Council Members Arlene Alen, Jack Hamilton, Mark McBrady, Sonya Williams-Rowe; Vice Mayor Dennis Repan; and Mayor Terry Nolan were present. Councilmember Nancy Wright was absent.
4. **Announcements Regarding Current Events, Guests, Appointments, and Proclamations.**

Mayor Nolan spoke on the success of the Historical Society's Museum event which was held the previous weekend.
5. **Town Manager's Report.** Update on Current Events.

No report was given at this time.
6. **Consent Agenda.**
 - 6.1. **Minutes.** Minutes from the November 5, 2013 Regular Meeting.

Vice Mayor Repan made a motion to accept the November 5, 2013 Regular Meeting Minutes as presented, seconded by Councilmember Hamilton. It was approved unanimously. (6-0 vote with CM Wright absent)
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.
 - 8.1. **Council Policy PG TC 13-01: Modifications to Council Policy PG TC12-02 Legal Services.**

Mayor Nolan gave a review of the agenda item and asked for comments.

Vice Mayor Repan made a motion to accept Policy TC13-01 as presented which modified original TC12-02; seconded by Councilmember Alen. It was approved by a 4-2 vote in favor, Councilmember McBrady and Mayor Nolan voting against.
 - 8.2. **Council Policy PG TC 13-02: Modifications to Council Policy PG TC12-03 Travel Reimbursement.**

Mayor Nolan gave a review of the agenda item, with modifications as directed at a previous meeting.

Vice Mayor Repan made a motion to accept Policy TC13-02 which modified original Policy TC12-03, seconded by Councilmember Alen. It was approved by a 4-2 vote in favor, Councilmember McBrady and Mayor Nolan voting against.

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

9.1. Engineering Service Contract with Shephard-Wesnitzer Inc. for Foothill Dr. Drainage Design project. Discussion and possible approval.

There was discussion on Yavapai County Flood Control funding and projections on future year grant monies and how this will impact this project. Mayor Nolan explained the engineering needs to be done first, before the work can be done to repair the road.

Richard Aldridge with SWI spoke to Council on the project and explained the engineering will be fine over the next few years as the calculations are the same and they are looking at the most economical way to do it, to give the Town the best solution. All of the drainage design project/ repair area appears to fall within the Town's rights-of-way.

Vice Mayor Repan made a motion to enter into this contract and authorize the Mayor to sign the contract, seconded by Councilmember Alen. It was approved unanimously by a 6-0 vote in favor.

9.2. Arizona League of Cities and Towns Youth Council. [CAARF requested by CM Alen]

Councilmember Alen gave an overview explaining currently each municipality has to create a program but she would like to get the Quad-cities buy-in for a regional program. She has tentatively spoken with the other municipalities and the school superintendent. She spoke on the cost being mostly the time of Council members, not staff.

Town Manager Kimball was asked about a program she had been involved in and if that experience could be brought to this project. She agreed she would assist.

Councilmember Alen asked for consensus from the council that they would like to be involved in the Quad-cities Youth Program.

Councilmember Alen made a motion to approve this in concept and have Councilmember Alen move this forward with being involved in the Quad-Cities Youth League, seconded by Councilmember Hamilton.

There was more discussion on the program being on a rotating quarterly timeframe and how this would benefit young leaders in the area. The details on how this program will function will be worked out if consensus to move forward is received.

The motion passed by a 5-1 vote in favor, Mayor Nolan voting against.

10. Public Hearing Agenda. None.

11. Comments from the Public. None.

12. Adjourn. The meeting was adjourned at 7:10 p.m.

Terry Nolan, Mayor

ATTEST:

Judy Morgan, Town Clerk

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2014 Holidays

New Year's Day	01-01-14	Wednesday
MLK Day	01-20-14	Monday
President's Day	02-17-14	Monday
Memorial Day	05-26-14	Monday
Independence Day	07-04-14	Friday
Labor Day	09-01-14	Monday
Veterans' Day	11-11-14	Tuesday
Thanksgiving Day	11-27 & 28-14	Thursday and Friday
Christmas Day	12-25-14	Thursday

Council Meeting Dates

<u>Regular</u>	<u>Work Session</u>
01-07-14	01-14-14
01-21-14	
02-04-14	02-11-14
02-18-14	
03-04-14	03-11-14
03-18-14	
04-01-14	04-08-14
04-15-14	
05-06-14	05-13-14
05-20-14	
06-03-14	06-10-14
06-17-14	
07-01-14	07-08-14
07-15-14	
08-05-14	08-12-14
08-19-14	
09-02-14	09-09-14
09-16-14	
10-07-14	10-14-14
10-21-14	
11-04-14	11-11-14 (Holiday)
11-18-14	
12-02-14	12-09-14
12-16-14	

P&Z Meeting Dates

01-09-14
02-06-14
03-06-14
04-03-14
05-08-14
06-05-14
07-03-14
08-07-14
09-04-14
10-09-14
11-06-14
12-04-14

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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

COUNCIL AGENDA ACTION REQUEST FORM

Meeting Type: Regular Special Work Session

Meeting Date: DEC 3 2013

Date of Request: 11/15/13

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):

WHAT IS THE PROCEDURE FOR PUTTING ON OR TAKING OFF
A TOWN OWNED ROAD ON THE 6 YEAR ROAD MAINTENANCE PLAN

Purpose and Background Information (Detail of requested action):

THE COUNCIL PASSED A RESOLUTION SAYING THAT THE COUNCIL
DOES NOT ^{PUT} ROADS ON THE 6 YR MAINTENANCE PLAN.

TOWN MANAGER SAYS SHE WILL NOT PUT A ROAD ON THE PLAN WITHOUT

Staff Recommendation(s): COUNCIL APPROVAL,

Budgeted Amount: _____

List All Attachments: _____

Type of Presentation: _____

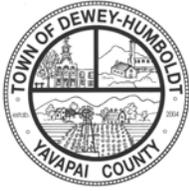
Special Equipment needed: Laptop Remote Microphone

Overhead Projector Other: _____

Contact Person: JACK HAMILTON

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.

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

TOWN COUNCIL REGULAR MEETING
December 3, 2013 – 6:30 Town Council Meeting Chambers

Agenda Item # 9.4.

To: Mayor and Town Council Members
From: Yvonne Kimball, Town Manager

Date submitted: November 26, 2013

Agenda Item: Discussion and possible action to continue Catherine Kelley's appointment as Magistrate of Dewey-Humboldt, and set salary and term.

Recommended action: Re-appoint Catherine Kelley as Magistrate for Dewey-Humboldt for the term of two years, for a monthly salary of \$2127.6 (including cost of living adjustments and is subject to future COLA changes)

Summary:

In December 2011, the Town Council re-appointed Catherine Kelley for D-H magistrate for another 2-year term at a monthly salary of \$2049. Town Magistrate is a permanent part-time position and scheduled to work 9 hours a week. The position is eligible to participate in the town's ICMA 457 retirement plan. Judge Kelley's appointment technically expires December 2013.

Town Code Section 30.032 Town Magistrate provides for the employment terms of the Magistrate. Section 30.032 (A) stipulates that "The presiding officer of the Magistrate Court shall be the Town Magistrate, who shall be appointed by the Town Council to a term of no less than two years." Judge Kelley advised that she is not seeking compensation change at this time.

Since 2012 I have observed that Judge Kelley is attentive, sincere and often dedicated much longer hours than she was required of to Town affairs. Judge Kelley and her team form an integral component of the overall town operation and have become a very valuable asset for the town.

I would recommend the Council to reappoint Catherine Kelley for D-H magistrate.

**TOWN OF DEWEY-HUMBOLDT
TOWN COUNCIL
REGULAR MEETING MINUTES
TUESDAY, DECEMBER 20, 2011, 6:30 P.M.**

A REGULAR MEETING OF THE DEWEY-HUMBOLDT TOWN COUNCIL WAS HELD ON TUESDAY, DECEMBER 20, 2011, 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 David Hiles, Dennis Repan, Denise Rogers, Nancy Wright; Vice Mayor Mark McBrady; and Mayor Terry Nolan were present. Councilmember John Dibble was absent.

Mayor Nolan moved agenda item 9.5 up to the beginning of the meeting to accommodate the large crowd of people in attendance to speak on this item.

9.5. A History Museum as a Significant Contribution and Benefit to the Revitalization of Main Street. [CM Wright/David Nystrom request]

David Nystrom spoke on behalf of the Historical Society regarding the vision of the Museum proposal.

Mayor Nolan recommended setting up a subcommittee to work with the Historical Society and Town Manager to develop a plan. Councilmembers Wright, and Rogers and Vice Mayor McBrady volunteered to be that subcommittee. There was discussion on other options to fund the purchase of a building for the museum.

Public comment was taken on this item. Jerry Brady spoke in support of the proposal and spoke on historical preservation funds available to the town. Jack Hamilton spoke on funding the purchase with grants, keeping the town's money for roads. He also spoke on concerns with traffic. Chris Berry spoke in support of the proposal. Carl Marsee spoke in support and the Historical Society sharing the history of the town with others. Kevin Leonard spoke in support of the museum and it being self-supporting down the line. Betty Joy spoke on this giving the town a purpose. Jim Lindell spoke on the town being able to support the museum project and roads, and using some of the money for historical revitalization. Catherine Hoyer spoke on having tours of the museum for kids and the museum being a good way to start the celebration of the State's centennial. Steven Lain spoke on a museum teaching the history of the town and it being a great vision for the town and to increase tourism. Gerald Hoyer spoke on a museum on Main Street providing a focus for the town. Carolyn Cox spoke on Wickenburg being an example for this idea.

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.

At 7:15 p.m. the Council took a recess to clear the room. They resumed at 7:18 p.m.

4.1. Interview and possible appointment for vacancy on the Environmental Issues Advisory Committee (EIAC). (William Winkert)

Mr. Winkert was present and introduced himself, giving his background and experience on Environmental Issues.

Councilmember Hiles made a motion to appoint Mr. Winkert to the EIAC, seconded by CM Wright. The motion passed by a 6-0 vote, CM Dibble being absent from this meeting.

4.2. Interview and possible appointment for vacancy on the Planning and Zoning Commission Vacancy. (Claire Clark)

Ms. Clark was not in attendance so this item was moved to the next regular Council meeting on January 3rd.

4.3. Possible re-appointment of Commissioners to Planning and Zoning. Terms to expire January, 2012. (Bob Bowman, Andy Peters, and Mel Scarbrough)

Vice Chair of the P&Z Commission, Bob Bowman was in attendance and was asked if there was anything he wished to say. He stated his interest in staying on the commission. There was discussion on Andy Peter's attending many of these meetings by teleconference.

Councilmember Repan made a motion to re-appoint Mr. Bowman and Mr. Scarbrough to the Planning and Zoning for a 4-year term, seconded by Councilmember Wright. The motion was approved by a 6-0 vote.

Mayor Nolan made a motion to ask Andy Peters to appear at the next Council meeting for discussion/interview, seconded by Councilmember Wright. The motion passed by a 6-0 vote.

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

5.1. Financial Update Report. Presented by Bernie Wiegandt, Contract Accountant.

Contract Accountant Bernie Wiegandt gave an overview on the report and answered questions regarding revenues and expenditures.

Interim Town Manager, Rumpeltes gave an update on the Arizona Commerce Authority Grant with Mortimer Farms. A copy will be sent to the subcommittee for comments Wednesday. Their use permit will be changed to accommodate the greenhouse proposal.

6. Consent Agenda.

Councilmember Rogers made a motion to approve 6.1 Minutes from the December 6, 2011 Regular Meeting; 6.2 CDBG Documents for signing; and 6.3 NACOG Technical Assistance Agreements; as presented, seconded by Councilmember Repan. The motion passed by a 6-0 vote.

6.1. Minutes. Minutes from the December 6, 2011 Regular Meeting. (approved)

6.2. CDBG Documents for signing. Approve signing the CDBG documents for two grants. (approved)

6.3. NACOG Technical Assistance Agreements. Whether to approve the signing of the NACOG Technical Assistance Agreements for the two CDBG grant projects. (approved)

7. Comments from the Public (on agendized items only).

Mayor Nolan explained this was the opportunity for the public to comment on any item on the agenda as he would not take public comment on each agenda item.

Len Marinaccio spoke in support of the museum proposal; his concern for the future of Dewey-Humboldt with the 169 bypass; on Ed Hank's appointment to the Public Works Supervisor position; on accounting for expenditures and getting reports when attending these events.

Jerry Brady spoke on 4.1 and 4.2 and those appointments being critical to the future of the town; roads meeting the standard of floodplains; and Environmental emergency forecasts due to extreme drought.

Chris Berry spoke on the museum topic and Josephine Peloso (owner on Main Street) supporting the Historical Society's goal.

Troy O'Dell spoke on the Public Works Supervisor position and needing a town Engineer.

Jack Hamilton agreed with Mr. O'Dell; protocol for moving agenda items forward and requesting presentations in advance; the subcommittee meeting; moving 11.1 before 10.1; Mayor expenditures with reports.

Lydia Chapman agreed with Mr. O'Dell regarding the Public Works Supervisor appointment.

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.

8.1. Kachina Road Geotechnical Report and Overview. Discussion and possible action or direction.

Ed Hanks, Public Works Operator spoke to the Council regarding this report and three critical issues: the geometric profiles, negative drainage and unstable soil. He asked for Council to authorize staff to get a cost estimate for the variations that report recommends.

Councilmember Rogers made a motion to obtain a cost analysis for those materials, seconded by Councilmember Repan. The motion was approved by a 6-0 vote.

8.2. Application to APS for Butte Street Park. Discussion and possible action to request resources from APS.

Mayor Nolan explained this item was not ready yet and would be moved to a future meeting.

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

9.1. Authorize expenditures for Mayor activities from Town Council, Management and Legal program budget for Training: Council Individualized.

Councilmember Wright asked the Mayor who he represents at the functions he attends as the Mayor. There was discussion on which events should be reimbursed and which should not.

Councilmember Wright made a motion to approve the monthly Manager/Mayor meeting and the GAMA meetings for actual costs incurred, including mileage, seconded by Councilmember Rogers.

A vote was taken on the motion, which failed by a 2-3 vote, Councilmember Hiles, Repan, Vice Mayor McBrady voting against and Mayor Nolan abstaining from the vote.

There was discussion on the Mayor providing a schedule of events for the next 30 days for the Council to approve or reject.

9.2. Refreshments for Open House welcoming Yvonne Kimball. Discussion and possible action on planning the open house for the new Town Manager, January 4th.

ITM Rumpeltes gave an overview on the request for approximately \$50 for refreshments for the open house.

Councilmember Hiles made a motion to allow an expenditure of up to \$50 for the open house event, seconded by Councilmember Repan. The motion passed by a 6-0 vote.

9.3. WAC (Water Advisory Committee) Report and Discussion of WAC dues proposals. [CM Dibble request]

Councilmember Dibble was not in attendance so this agenda item was moved to the next regular Council meeting.

9.4. Discuss some ideas for changes to the Newsletter. [CM Rogers request]

Councilmember Rogers gave an overview on her request. She asked that it go on a future work session to discuss some suggested changes she has.

Councilmember Rogers made a motion to move this to a work session, seconded by Councilmember Repan. The motion passed by a 6-0 vote.

9.5. A History Museum as a Significant Contribution and Benefit to the Revitalization of Main Street. [CM Wright/David Nystrom request]

This item was moved to the beginning of the agenda.

Susan Goodwin, Town Attorney was brought into the meeting telephonically. She recommended the discussion on employment and salary be held in Executive Session. Both Ed Hanks and Catherine Kelley, through their prior notice indicated these agenda item discussions could be held in Executive Session.

Councilmember Wright made a motion to not go into Executive Session. The motion failed for lack of a second.

Councilmember Repan made a motion to go into Executive Session, seconded by Vice Mayor McBrady. The motion passed by a 4-2 vote, Councilmembers Hiles and Wright voting against.

Council convened into Executive Session at 8:55 p.m.

10. Executive Session. Upon a public majority vote of the members constituting a quorum, the ***Council may hold an Executive Session that is not open to the public for the following purposes.*** When the Executive Session ends, Council may act on any matter considered in this Agenda.

10.1. Call for Executive Session. An executive session pursuant to A.R.S. § 38-431.03(A)(1) for discussion or consultation of employment and salary of Ed Hanks for the Public Works Supervisor position.

10.2. Call for Executive Session. An executive session pursuant to A.R.S. § 38-431.03(A)(1) for discussion or consultation of employment, term and salary of Catherine Kelley for Magistrate.

11. Return to Open Session.

The Council reported back into Open Session at 9:37 p.m.

11.1. Discussion and possible action regarding ratifying Ed Hanks for the Public Works Supervisor position.

Councilmember Hiles made a motion to ratify Ed Hanks to the Public Works Supervisor position, seconded by Councilmember Rogers.

There was discussion on Mr. Hanks' skills and filling the Public Works Operator position, and whether to support the Town Manager's and Interim Town Manager's selection.

A vote was taken on the motion, and it passed by a 4-2 vote in favor, Councilmember Wright and Vice Mayor McBrady voting against.

11.2. Magistrate Appointment. Discussion and possible action to continue Catherine Kelley's appointment as Dewey-Humboldt Magistrate, and set a term.

There was discussion on when to start the new contract and 2-year term at.

Councilmember Wright made a motion to extend the current contract through the end of the year, starting January 1, 2012 with the new contract at a monthly salary of \$2049.00 per month, for a two-year term, seconded by Vice Mayor McBrady. The motion passed by a 6-0 vote.

12. Public Hearing Agenda. None.

13. Comments from the Public.

Mayor Nolan explained the 20 minute limit for all speakers would be adhered to.

Lydia Chapman spoke on allowing public comment on every agenda item; she spoke to the Council on an agenda request item regarding Mayor Nolan reimbursing the town for his expenditures.

Jerry Brady spoke in support of CM Hiles and title 18 procedures requiring pre-clearance on policy (public comment before voting on items).

Jack Hamilton spoke on building trust in the community; the Mayor changing the agenda and violating the set policy; and he spoke against Ed Hank's promotion.

Len Marinaccio congratulated Ed Hanks on his promotion and the Magistrate's re-appointment; he stated he wanted to go on record as objecting to the change in the public comment policy execution (allowing comments on agendized items at only one unrelated place on the agenda instead of allowing comments on an item while the Council is addressing that item) and explained the Council can overturn the Mayor's/Chair's decision. He asked for them to put back the policy the way it used to be.

Gary Mortimer spoke in support of Ed Hank's promotion. He suggested the Council write a letter of recommendation for Interim Town Manager, Jim Rumpeltes for the good job he has done.

Treesha deFrance concurred with Mr. Marinaccio's comments regarding public comment and the importance of having public comment during an agenda item, prior to deliberation.

Bart Brush spoke on freedom of speech; explaining acronyms during meetings; having public comment during the agenda item; suggested the Mayor's expenditures come to the Council 30 days in advance.

Councilmember Hiles made a motion to extend the public comment period beyond the 20 minute limit, seconded by Vice Mayor McBrady. The motion was approved by a 6-0 vote.

David Nystrom spoke on the policy change for public comment being clumsy. He spoke on the Council working together to find positive ways to build the community.

Councilmember Wright made a request to have the policy change to the first public comment period be on the next council agenda.

14. Adjourn. The meeting was adjourned at 10:12 p.m.

Terry Nolan, Mayor

ATTEST:

Judy Morgan, Town Clerk

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

TOWN COUNCIL REGULAR MEETING
December 3, 2013 – 6:30 Town Council Meeting Chambers

Agenda Item # 9.5.

To: Mayor and Town Council Members
From: Yvonne Kimball, Town Manager

Date submitted: November 27, 2013

Agenda Item: Town Hall offices 2013 lease extension.

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.

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 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.

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 competes 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

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

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.

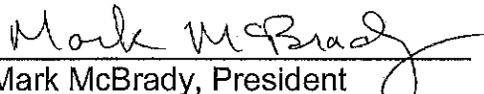
26. Attorneys Fees: Should either Party materially breach the provisions

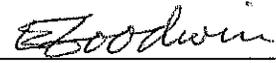
35. Conflict Of Interest: Pursuant to A.R.S. § 38-511, the Town may cancel this agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the agreement on behalf of the Town is, at any time while the agreement or 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

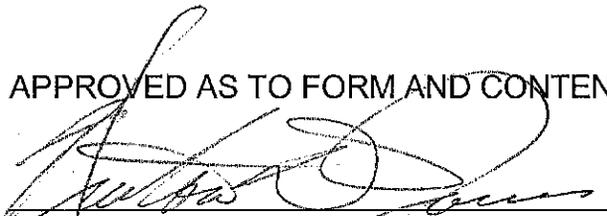
LANDLORD:

TENANT


Mark McBrady, 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

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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

