

THE MINUTES OF THE SPECIAL MEETING OF THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ HELD ON THIS 29th DAY OF MAY 2013

CALL TO ORDER at 5.46 by Mayor Irvin

ROLL CALL was called by Recording Secretary Van Allen

PRESENT

STAFF

- Mayor – Robert Irvin
- Councilman Elwood Johnson
- Councilman Gerald "Sam" Lindsey
- Councilwoman Monika Cronberg
- Councilman Earl Goolsby
- Councilman William "Bill" Nigh arrived 5:50pm

Recording Secretary - Sherry Lynn Van Allen

ABSENT

Vice Mayor Bill Holloway - Excused

PLEDGE OF ALLEGIANCE TO THE FLAG - led by Mayor Irvin

DECLARATION ON CONFLICT OF INTEREST

No conflicts were declared

ADOPTION OF THE AGENDA

MOTION: Councilman Johnson moved to accept the agenda as presented

SECOND: Councilwoman Cronberg - **CARRIED**

EXECUTIVE SESSION FOR DISCUSSION/CONSIDERATION REGARDING THE HIRING OF THE CITY MANAGER

Consideration, regarding entering into an Executive Session pursuant to A.R.S. §38-431.03(A) (1) for the purpose of Discussion or consideration of employment.

MOTION: Councilman Johnson moved to enter into Executive Session

SECOND: Councilwoman Cronberg - **CARRIED**

RECESS TO EXECUTIVE SESSION, IF APPROVED

Mayor and Council recessed into Executive Session at 5:49pm

RECONVENE FROM EXECUTIVE SESSION

The Mayor and Council reconvened from Executive Session at 9:57pm

DISCUSSION/DIRECTION ON CITY MANAGER HIRING PROCESS.

MOTION: Councilman Johnson moved to directed staff to begin reference checks and employment authorizations on candidates#2, #3 and #4, and to contact them to schedule face-to-face interviews as soon as possible.

SECOND: Councilwoman Cronberg seconded the motion - **CARRIED**

ADJOURN

There being no further business before the Mayor and Council, Mayor Irvin adjourned the Special Meeting at 10:01pm

**THE MINUTES OF THE SPECIAL MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 29th DAY OF MAY 2013**

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Work Session of the City Council of the City of Willcox held on the 29th day of May 2013. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 30th day of May 2013


Recording Secretary Sherry Van Allen

PASSED, APPROVED AND ADOPTED this 17th day of June 2013.

MAYOR ROBERT A IRVIN

Signed _____

ATTEST:

City Clerk Virginia A. Mefford

**THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 03rd DAY OF JUNE 2013**

CALL TO ORDER by Mayor Irvin at 7:00pm and welcomed all in attendance.

ROLL CALL by Recording Secretary Sherry Lynn Van Allen

PRESENT

Mayor Robert Irvin
Councilman Elwood Johnson
Councilman Gerald Lindsey
Councilwoman Monika Cronberg
Councilman Earl Goolsby
Councilman Bill Nigh

ABSENT

Vice Mayor Bill Holloway – Excused

STAFF

Finance Director –Ruth Graham
City Attorney – Ann Roberts
Recording Secretary –Sherry Van Allen
Public Works Director – John Bowen
Interim Public Safety Director – Glenn Childers
Library Director – Tom Miner

PLEDGE OF ALLEGIANCE TO THE FLAG led by Mayor Irvin

CALL TO THE PUBLIC

Rob Jones – Discussed the City being stagnate and is glad to see that this Council wants to make Willcox the wonderful City it used to be. If a City is not growing it is dying. I know that this council has the drive and determination to see Willcox grow.

DECLARATION ON CONFLICT OF INTEREST - None declared

ADOPTION OF THE AGENDA

MOTION: Councilman Johnson moved to accept the agenda as presented removing item #9

SECOND: Councilwoman Cronberg - **CARRIED**

CONSENT AGENDA

- 7a. Approval of Regular Meeting Minutes of May 6, 2013
- 7b. Approval of Work Session Minutes of May 6, 2013
- 7c. Approval of Work Session Minutes May 13, 2013

MOTION: Councilman Lindsey moved to accept the Consent Agenda as presented

SECOND: Councilwoman Cronberg - **CARRIED**

REGARDING APPOINTMENT OF JANA IANNINI TO THE PARKS & RECREATION ADVISORY COMMITTEE TO FILL UNEXPIRED TERM VACATED BY TIM CHARLEY, TERM TO EXPIRE 12-31-2014.

MOTION: Councilman Johnson moved to appoint Jana Iannini to the P&R Advisory Committee to fill the unexpired term.

SECOND: Councilman Lindsey- **CARRIED**

~~**REGARDING THE REX ALLEN DAYS WOULD LIKE A STREET CLOSURE FROM RAILROAD AVENUE FROM STEWART AND MALEY ON OCTOBER 5TH AND 6TH, 2013 FROM 6:00 AM UNTIL 12:00 AM FOR THE REX ALLEN DAYS**~~

Item was removed from Agenda.

REGARDING TENTATIVE CITY BUDGET FOR FISCAL YEAR 2013-2014

Finance Director Ruth Graham presented the tentative City Budget to the Council. Ms. Graham explained that all of the budgets have been presented in various work sessions and that the budget books were handed out. Pointed out that last year we projected a negative balance at year end and we are pleased to show that we are currently showing a profit in our General Fund. Ms. Graham asked for all input from all Council members.

**THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 03rd DAY OF JUNE 2013**

REGARDING APPOINTMENT TO THE ARIZONA LEAGUE OF CITIES RESOLUTION COMMITTEE

MOTION: Councilman Goolsby moved to appoint Councilman Lindsey to The Arizona League of Cities Resolution Committee. **SECOND:** Councilwoman Cronberg - **CARRIED**

**REGARDING INFORMATION ON HEALTH INSURANCE AGREEMENT WITH BLUE CROSS/ BLUE SHIED (BC/BS)
IS CURRENTLY IN NEGOTIATONS AND WILL BE AVAILABLE ON JUNE 17, 2013 REGULAR COUNCIL
MEETING FOR APPROVAL**

Al Thunberg addressed the Council on the BC/BS Insurance presentation. Jon Stewart addressed the Council on the plan rates. Stewart explained to the Council we will not be renewing with Health net. The staff recommendation is to change BC/BS at a final rate increase of 5.49% from FY13. Stewart explained the MetLife renewal. Stewart called for questions. Thunberg also touched on Healthcare reform and assured they would be back to inform staff and Council on all changes regarding new laws.

RESOLUTION NO. 2013-36 FOR THE PURPOSE OF APPROVING A DONATION OF USED FIRE EQUIPMENT FROM THE CITY TO THE CHIRICAHUA TRAILS NONPROFIT FIRE DEPARTMENT; AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND DIRECTING AUTHORIZED CITY OFFICERS AND AGENTS TO CARRY OUT THE PURPOSES AND INTENT OF THIS RESOLUTION

MOTION: Councilman Lindsey moved to approve Resolution No. 2013-36 approving a donation of used fire equipment from The City to the Chiricahua Trails nonprofit fire department **SECOND:** Councilwoman Cronberg **DISCUSSION:** Councilman Lindsey asked why this item was approved in 2013-28 last month. Interim Director Childers addressed the Council explaining that this item originally belonged to another department (PW) and it has been corrected. **CARRIED**

REGARDING RESOLUTION NO. 2013-37 APPROVING AND AUTHORIZING THE SUBMISSION OF AN APPLICATION TO THE TOHONO O'DHOM NATION ("NATION") PURSUANT TO A.R.S. 5-601-02 12% GAMING DISTRIBUTION, DIRECTING CITY OFFICIALS TO SUBMIT APPLICATION DOCUMENTS AND DECLARING AN EMERGENCY TO EXIST

MOTION: Councilman Lindsey moved to approve Resolution No. 2013-37, as stated, relating to submission of an application to the Nation for 12% Gaming Distribution. **SECOND:** Councilwoman Cronberg **DISCUSSION:** Councilman Johnson explained that this unit would cost \$507,000. Childers stated that the "Nation" had awarded the City a Brush truck a few years ago. **CARRIED**

ORDINANCE NO. NS 314 OF THE MAYOR AND CITY COUNCIL OF WILLCOX, ARIZONA, AMENDING THE CITY CODE, TITLE 1, CHAPTER 7C, ARTICLE C, ENTITLED "CITY OFFICERS AND PERSONNEL", SECTION 1-7C-1, REGARDING THE APPOINTMENT OF THE "CITY ATTORNEY"; PROVIDING FOR APPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY AND DECLARING AN EMERGENCY.

MOTION: Councilwoman Cronberg moved to approve Ordinance No. NS 314, amending the City Code, Title 1, Chapter 7C, Article C, Entitled "City Officers and Personnel", Section 1-7C-1, Regarding The Appointment Of The "City Attorney"; Providing for Appeal of Conflicting Ordinances. **SECOND:** Councilman Goolsby **DISCUSSION:** City Attorney Roberts explained the amendment to City Code, Title 1, Chapter 7C, Article C. stating this change would allow the Council to decide if the City Attorney is a City Employee or a Contracted Position. - **CARRIED**

RESOLUTION NO. 2013-38 OF THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, "CITY", FOR THE PURPOSE OF APPROVING THE EMPLOYMENT AGREEMENT WITH ANN P. ROBERTS; APPOINTING ANN P. ROBERTS TO THE POSITION OF CITY ATTORNEY AND, AUTHORIZING THE MAYOR TO EXECUTE THE EMPLOYMENT AGREEMENT AS PRESENTED AND THIS RESOLUTION

MOTION: Councilwoman Cronberg moved to Approve Resolution No. 2013-40 approving the employment agreement with Ann P. Roberts; appointing Ann P. Roberts to the position of City Attorney and, authorizing the Mayor to execute the employment agreement as presented and this resolution. **SECOND:** Councilman Lindsey – **CARRIED**

CITY MANAGER REPORTS – Presented by Finance Director Graham

- **General-** City Manager on vacation from June 3-5, 2013.
- **June 17, 2013** present and adopt Budget
- **League of Cities and Towns** Annual conference August 27-30, 2013 at El Conquistador, Tucson please let City Clerk, Virgie know if you are planning to attend. She has secured 6 rooms for this conference.

**THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 03rd DAY OF JUNE 2013**

COMMENTS NOT FOR DISCUSSION FROM MAYOR AND COUNCIL MEMBERS

Johnson – Reminded staff not to forget the Elks Swim Meet on the next agenda.

Lindsey – asked for comments from Council members to be brought forth at the Leagues Resolution Committee.

**EXECUTIVE SESSION FOR DISCUSSION/CONSIDERATION REGARDING THE HIRING OF THE CITY MANAGER AND
CONSULTATION FOR LEGAL ADVICE WITH THE ATTORNEY OF THE PUBLIC BODY**

Consideration, regarding entering into an Executive Session pursuant to A.R.S. §38-431.03(A) (1) and (A)(3), for the purpose of Discussion or consideration of employment and consultation for legal advice with the attorney of the public body

MOTION: Councilman Lindsey moved to enter into executive session. **SECOND:** Councilwoman Cronberg - **CARRIED**

RECESS TO EXECUTIVE SESSION, IF APPROVED

Mayor and Council recessed into Executive Session at **7:40pm**

RECONVENE FROM EXECUTIVE SESSION

Mayor and Council reconvened from Executive Session at **8:45pm**

REGARDING CITY MANAGER TENTATIVE HIRING TIMEFRAME

MOTION: Councilman Lindsey moved to direct staff to schedule face to face interviews with (3) three selected candidates: Darrel Steven Carlyle, Tedmond Soltis, & Robert Decker on Thursday June 06, 2013; and to notify other applicants that the Mayor & Council have made their final selections and thank them for applying with the City of Willcox. **SECOND:** Councilwoman Cronberg - **CARRIED**

DIRECTION TO CITY ATTORNEY REGARDING CITY CODE CODIFICATION

MOTION: Councilman Lindsey moved to direct the City Attorney to compile a table of contents for the City Municipal Code Book and bring it back for Council review. **SECOND:** Councilwoman Cronberg - **CARRIED.**

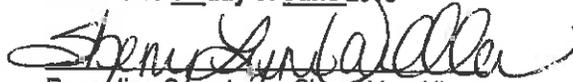
ADJOURN

Being no further business before the Mayor and City Council, Mayor Irvin adjourned the Regular Meeting at 8:48pm

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the City Council of the City of Willcox held on the 3rd day of June 2013. I further certify that the Regular Meeting was duly called and held, and that a quorum was present.

Dated this 6th day of June 2013


Recording Secretary – Sherry Van Allen

PASSED, APPROVED AND ADOPTED this 17th day of June 2013

MAYOR ROBERT A IRVIN

Signed _____

ATTEST:

City Clerk Virginia A. Mefford

**THE MINUTES OF THE SPECIAL MEETING SESSION OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 6th DAY OF JUNE 2013**

CALL TO ORDER by Mayor Irvin at 6:00pm and welcomed all in attendance.

ROLL CALL by Recording Secretary Sherry Lynn Van Allen

PRESENT

Mayor Robert Irvin
Councilman Elwood Johnson
Councilman Gerald Lindsey
Councilwoman Monika Cronberg
Councilman Earl Goolsby
Councilman Bill Nigh

STAFF

Recording Secretary –Sherry Van Allen

ABSENT

Vice Mayor Bill Holloway – Excused

PLEDGE OF ALLEGIANCE TO THE FLAG led by Mayor Irvin

DECLARATION ON CONFLICT OF INTEREST

None declared

ADOPTION OF THE AGENDA

MOTION: Councilwoman Cronberg moved to accept the agenda as presented.

SECOND: Councilman Johnson – **CARRIED**

Councilman Johnson before entering into executive session wanted to thank KT's Market for their wonderful donation of the Meat Tray and Bread for the Meet and Greet reception it was well received.

EXECUTIVE SESSION FOR DISCUSSION/CONSIDERATION REGARDING THE HIRING OF THE CITY MANAGER

Consideration, regarding entering into an Executive Session pursuant to A.R.S. §38-431.03(A) (1) for the purpose of Discussion or consideration of employment

MOTION: Councilman Lindsey moved to adjourn to executive session pursuant to A.R.S. §38-431.03(A) (1) for the purpose of Discussion or consideration of employment. **SECOND:** Councilman Goolsby- **CARRIED**

RECESS TO EXECUTIVE SESSION at 6:03pm

RECONVENE FROM EXECUTIVE SESSION at 10.34pm

DISCUSSION/DIRECTION ON CITY MANAGER HIRING PROCESS

MOTION: Councilwoman Cronberg moved to direct staff to schedule a Special Meeting on Monday June 10, 2013 at 6:00pm for the purpose of consulting with Legal Counsel and continuing with the City Manager hiring process.

SECOND: Councilman Goolsby- **CARRIED**

ADJOURN

Mayor Irvin adjourned the meeting at 10:38pm without further discussion

**THE MINUTES OF THE SPECIAL MEETING SESSION OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 6th DAY OF JUNE 2013**

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the special meeting of the City Council of the City of Willcox held on the 06th day of June 2013. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 7th day of June 2013


Recording Secretary Sherry Van Allen

PASSED, APPROVED AND ADOPTED this 17th day of June 2013.

MAYOR ROBERT A IRVIN

Signed _____

ATTEST:

City Clerk Virginia A. Mefford

**THE MINUTES OF THE SPECIAL MEETING SESSION OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 10 DAY OF JUNE 2013**

CALL TO ORDER by Mayor Irvin at 6:00pm and welcomed all in attendance.

ROLL CALL by City Clerk Virginia A. Mefford

PRESENT

Mayor Robert Irvin
Councilman Elwood Johnson
Councilman Gerald Lindsey
Councilwoman Monika Cronberg
Councilman Earl Goolsby
Councilman Bill Nigh

STAFF

City Clerk Virginia A. Mefford
City Attorney Ann P. Roberts

ABSENT

Vice Mayor Bill Holloway – Excused

PLEDGE OF ALLEGIANCE TO THE FLAG led by Mayor Irvin

DECLARATION ON CONFLICT OF INTEREST

None declared

ADOPTION OF THE AGENDA

MOTION: Councilwoman Johnson moved to accept the agenda as presented.

SECOND: Councilwoman Cronberg – **CARRIED**

**EXECUTIVE SESSION FOR DISCUSSION/CONSIDERATION REGARDING THE HIRING OF THE CITY
MANAGER AND CONSULTATION FOR LEGAL ADVICE WITH THE ATTORNEY OF THE PUBLIC BODY**

Consideration, regarding entering into an Executive Session pursuant to A.R.S. §38-431.03(A) (1) and (A)(3), for the purpose of Discussion or consideration of employment and consultation for legal advice with the attorney of the public body

MOTION: Councilman Lindsey moved to adjourn to executive session pursuant to A.R.S. §38-431.03(A) (1) and (A) (3) for the purpose of Discussion or consideration of employment and consultation for legal advice with the attorney of the public body.

SECOND: Councilman Goolsby- **CARRIED**

RECESS TO EXECUTIVE SESSION at 6:02 pm

RECONVENE FROM EXECUTIVE SESSION at 6:43 pm

DISCUSSION/DIRECTION ON CITY MANAGER HIRING PROCESS

MOTION: Councilman Johnson gave direction to staff to proceed with negotiations with Tedmond Soltis on the hiring process of the City Manager.

SECOND: Councilwoman Cronberg. **5-AYES** Mayor Irvin, Councilman Lindsey, Councilman Johnson, Councilman Nigh, and Councilwoman Cronberg **and 1- NAY** Councilman Goolsby- **CARRIED**

ADJOURN

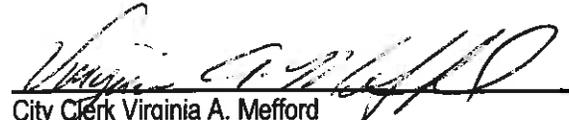
Mayor Irvin adjourned the meeting at 6:44 pm with no further discussion.

**THE MINUTES OF THE SPECIAL MEETING SESSION OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 10 DAY OF JUNE 2013**

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the special meeting of the City Council of the City of Willcox held on the 10TH day of June 2013. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 10th day of June 2013



City Clerk Virginia A. Mefford

PASSED, APPROVED AND ADOPTED this 1st day of July 2013.

MAYOR ROBERT A IRVIN

Signed _____

ATTEST:

City Clerk Virginia A. Mefford

CITY OF WILLCOX
Request for Council Action

Agenda Item: 8
Tab Number: 2
Date: 6/17/2013

Date Submitted:
June 04, 2013
Date Requested:
June 17, 2013

Action:
 Resolution
 Ordinance
 Formal
 Other

Subject: The Willcox Elks Lodge is requesting fees be waived for an event at the pool.

To: Honorable Mayor and City Council

From: John Bowen, Director of Public Services and Works

Discussion: The Willcox Elks Lodge would like to hold their annual 4th of July swim meet at the swimming pool. The Willcox Elks Lodge is requesting to have all fees waived for this event. They will begin setting up at 7:00 am on Thursday July 4, 2013. The event will end at 1:00 pm.

Recommendation: Staff recommends that the Mayor and Council consider waiving fees for this event.

Fiscal Impact: \$ 365.00

Prepared By: Kate Schwartz
Kate Schwartz, Public Service and Works

Approved By: [Signature] 6/4/13
John Bowen, Public Service and Works Director

Approved By: [Signature]
Pat McCourt, City Manager

Each party agrees to be responsible for the conduct of its operations and performance of contract obligations and for any accidents or injuries to persons or property arising out of acts or omissions by its officers, agents or employees acting in the course or scope of their participation while performing duties undertaken pursuant to this Agreement.

The PARTICIPANT agrees to hold harmless the City, its officers, employees and agents from all losses, suits, damages or costs of any kind, including reasonable attorney's fees, defense costs and expenses arising from PARTICIPANT performance pursuant to this Agreement. The PARTICIPANT shall provide the CITY with current insurance certificates or the evidence of coverage as appropriate.

The CITY agrees to hold harmless the PARTICIPANT, its officers, employees and agents from all losses, suits, damages or costs of any kind, including reasonable attorney's fees, defense costs and expense arising from the CITY performance pursuant to this Agreement.

ARTICLE IV -- MISC. PROVISIONS:

CANCELLATION FOR CONFLICT OF INTEREST

This Agreement may be canceled pursuant to A.R.S. § 38-511, the pertinent provisions of which are fully incorporated herein by reference.

NONASSIGNABILITY

Neither party may assign a duty or responsibility under this Agreement without the prior written consent of the other party.

RIGHTS/OBLIGATIONS OF PARTIES ONLY

The terms of this Agreement are intended only to define the respective rights and obligations of the parties. Nothing expressed herein shall create any rights or duties in favor of any potential third party beneficiary or other person, agency or organization.

NOTICE REQUIREMENTS

All notices, requests for payment, or other correspondence between the parties regarding this Agreement shall be mailed or delivered to the respective party as follows:

If to the CITY: City of Willcox, Public Services and Works
250 N. Railroad Avenue
Willcox, Arizona 85643

If to the PARTICIPANT:

Name: Willcox Elks Lodge

E-Mail Address: _____

Organization: Elks Swim meet Dave

Contact Phone Number(s): (520) 507 4258 ()

Mailing Address: 913 N Prescott Ave Willcox 85643
City State Zip Code

SEVERABILITY

Each provision of this Agreement stands alone and, if any provision of this Agreement is held, in whole or in part, to be unenforceable for any reason, the remainder of the provision and of the entire Agreement will be severable and remains in effect.

ENTIRE AGREEMENT

This document constitutes the entire Agreement between the parties pertaining to the subject matter hereof, and all prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein. This Agreement may be modified, amended or extended only by a written amendment approved by the parties.

GOVERNING LAW

This Agreement shall be construed under the laws of the State of Arizona and shall incorporate, by reference, all laws governing mandatory contract provisions required by statute or executive order.

IN WITNESS WHEREOF, the Parties hereby enter into this Agreement as of the day and year written above.

CITY OF WILLCOX, COCHISE COUNTY, ARIZONA

[Signature]
Signature

5-29-13
Date

Oscar Hudson
Printed Name

Facilities & Parks Supervisor
Title

PARTICIPANT

[Signature]
Signature

5-29-13
Date

DAVID BEATTY
Printed Name

Trustee
Title

Attachment "A"
Community Center Checklist

The City of Willcox Facilities & Maintenance section of Public Services & Works will perform the following:

<p>General</p> <p><input type="checkbox"/> <input type="checkbox"/> Issue _____ Tables (18 - 4 x 8, 9 - 4 x 4 - available).</p> <p><input type="checkbox"/> <input type="checkbox"/> Issue _____ Chairs (100 - folding, 32 - padded - available).</p> <p><input type="checkbox"/> <input type="checkbox"/> Review Restroom Cleaning Requirements.</p> <p><input type="checkbox"/> <input type="checkbox"/> Review Operation of Lighting.</p> <p><input type="checkbox"/> <input type="checkbox"/> Review Operation of Heating & AC.</p> <p><input type="checkbox"/> <input type="checkbox"/> Review Cleaning Requirements.</p> <p>Ballroom</p> <p><input type="checkbox"/> <input type="checkbox"/> Provide AG1 Key.</p> <p>Dining Room</p> <p><input type="checkbox"/> <input type="checkbox"/> Provide AG ___ Key.</p> <p>Lounge</p> <p><input type="checkbox"/> <input type="checkbox"/> Provide AG4 Key.</p>	<p>Kitchen</p> <p><input type="checkbox"/> <input type="checkbox"/> Provide AG5 Key.</p> <p><input type="checkbox"/> <input type="checkbox"/> Review Operation of Lighting.</p> <p><input type="checkbox"/> <input type="checkbox"/> Review Operation of Range.</p> <p><input type="checkbox"/> <input type="checkbox"/> Review Operation of Range Hood.</p> <p><input type="checkbox"/> <input type="checkbox"/> Review Operation of Ansul System.</p> <p><input type="checkbox"/> <input type="checkbox"/> Review Operation of Dishwasher.</p> <p><input type="checkbox"/> <input type="checkbox"/> Review Operation of Refrigerator.</p> <p><input type="checkbox"/> <input type="checkbox"/> Review Operation of Freezer.</p> <p><input type="checkbox"/> <input type="checkbox"/> Review Operation of Warmer.</p> <p><input type="checkbox"/> <input type="checkbox"/> Review Operation of Ice Maker.</p> <p><input type="checkbox"/> <input type="checkbox"/> Review Cleaning Requirements.</p> <p>Sound System</p> <p><input type="checkbox"/> <input type="checkbox"/> Issue Sound Room "X" Key.</p> <p><input type="checkbox"/> <input type="checkbox"/> Review Operation of Sound System.</p>
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Unless otherwise specified trash cans are emptied, restrooms are cleaned and restocked on a daily basis during weekdays.

Arrangements for additional tasks may be requested by speaking with the Facilities and Maintenance Supervisor or the Public Services & Works Director.

Special Arrangements:

The "Participant" is responsible for establishing control of the area(s) requested for use. The City of Willcox is not responsible for loss due to acts of God or vandalism or by actions of others not affiliated with the City of Willcox.

Attachment "C"
Community Center Fee Schedule

Deposit and Rental Fees

All Deposits, Fees, Proof of Insurance must be tendered 10 days prior to event date in order to finalize scheduling details.

	Fee Description	Amount	Cash Rec'd.	Check #	Rept. #
X	Reservation Deposit				
X	Cleaning and Damage Dep				
	Kitchen				
	Ballroom				
	Lounge				
	Ballroom & Kitchen				
	Ballroom & Dining Room				
	Ballroom, Dining Room &				
	Ballroom & Lounge				
	Lounge & Dining Room				
	Lounge, Dining Room &				
	Dining Room & Kitchen				
	Entire Facility	\$301.28			
Total Fees Due					

Pool rental 25.1 hour
5 hours x \$25 = \$125
6 lifeguards \$8 per hour
\$48 x 5 hrs = \$240
\$365.00

Request to waive fees through City Council. Please attach details.

- The City of Willcox reserves the right to refuse reservations.
- Must be at least 21 years of age to reserve facilities.
- Participant may reserve one (1) day prior to the event to set up for event without additional charge for the day providing another event is not already scheduled.
- Under normal circumstances; fees and certificate of insurance must be remitted ten (10) days prior to the scheduled use.
- All fees must be paid prior to the issuance of keys.
- Cancellation of reservation within five (5) days of the activity will result in surrender of \$50.00 deposit and 1/2 of rental fees.
- Returned checks are subject to a twenty-five dollar (\$25.00) fee.

Condition Verification

I have inspected the condition of the facilities specified under this agreement and have found them to be in _____ Satisfactory _____ Unsatisfactory condition.

I recommend that _____ All _____ None _____ Other _____ of the deposit be returned.

_____ Significant damage has occurred directly related to this event.

_____ Damages are estimated to cost _____ which must be remitted within five (5) days.

City of Willcox Representative Signature

Date

**CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION**

Agenda Item 8
Tab Number 3
Date: 06/17/2013

Date Submitted:

06/03/2013

Action:

 Resolution
 Ordinance
 Formal

Subject:

METLIFE CITY PAID LIFE
INSURANCE CONTRACT
FOR THE PERIOD FROM
7/1/13 THROUGH 6/30/14

TO: MAYOR AND COUNCIL
FROM: Human Resources – Sherry Van Allen

DISCUSSION:

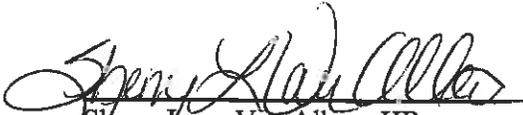
Staff recommends continuing the contract with MetLife to secure the City Paid Life insurance policy for its employees. This costs the City approximately \$9.87 per month per employee. The insurance provides a \$25,000 policy for the employee, \$5,000 for spouse, and \$2,000 per child. MetLife has been the City's insurance carrier since July 1, 2007. The FY14 renewal rates quoted by MetLife reflect a slight increase in premium costs over the FY13 rates. Our current budget plans for an annual expenditure of \$8782.00. Through MetLife, employees are able to elect additional coverage amounts up to 100K at their own expense.

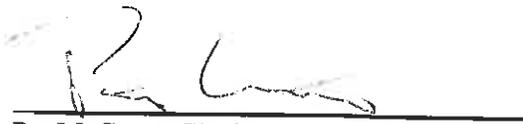
RECOMMENDATION:

To enter into a Contract with MetLife for the City of Willcox life insurance for the Fiscal Year 2014 at an anticipated cost of \$8782.00. This is a small investment and provides an excellent benefit for our employees and their families.

FISCAL IMPACT: \$8782.00 for life insurance premiums.

Submitted by:


Sherry Lynn Van Allen - HR


Pat McCourt, City Manager

Summary

- **Employee Life Insurance** (sponsored by the city)
 - **Met Life**
 - **Current Cost \$25,000**
Life Insurance; \$0.26 per 1,000
AD&D; \$0.043 per 1,000
 - **Renewal Cost \$25,000**
Life Insurance; \$0.28 per 1,000
AD&D; \$0.043 per 1,000

CITY OF WILLCOX, COCHISE COUNTY, ARIZONA

RESOLUTION 2013-39

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA APPROVING AND ADOPTING THE AGREEMENT BETWEEN THE CITY OF WILLCOX AND METLIFE FOR LIFE INSURANCE BENEFITS FOR THE FISCAL YEAR JULY 1, 2013 THROUGH JUNE 30, 2014; AUTHORIZING THE MAYOR TO EXECUTE SUCH BENEFITS CONTRACT AS PRESENTED AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION.

WHEREAS, the Mayor and City Council shall have control of the finances and property of the corporation pursuant to A.R.S. §9-240 et seq.; and,

WHEREAS, the CITY provides Life Insurance Benefits for its employees and contracts with a Life Insurance Benefits Provider for that purpose; and,

WHEREAS, the CITY desires to approve and adopt the Life Insurance Benefits Plan with MetLife as presented herewith as Exhibit "A"; and,

WHEREAS, the Life Insurance Benefits Plan with MetLife as recommended by staff proposes to provide employee life insurance benefits at an annual cost of \$8,782.00 to the CITY; and,

WHEREAS, the Mayor and Council of the City of Willcox, Cochise County, Arizona have determined that it is in the best interest of the CITY, its employees and the citizens of the CITY to enter into the Agreement with MetLife as presented; and,

WHEREAS, the CITY and staff desire to have this item presented at the Regular City Council Meeting on June 17, 2013 for consideration and approval of the Agreement for the Contract period of July 1, 2013 to June 30, 2014.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, as follows:

SECTION 1: The Mayor and City Council hereby authorize, approve and adopt the Life Insurance Benefits Plan with MetLife as recommended by staff for the life insurance benefits package for the 2013-2014 fiscal year at a cost of \$8,782.00 to the CITY;

SECTION 2: The Mayor, CITY Officials and Administrators are authorized and directed to take all action required to execute the Life Insurance Benefits Plan with MetLife as presented herewith as Exhibit "A" for the 2013-2014 fiscal year; and,

SECTION 3: The Mayor is authorized and empowered to execute the Resolution as presented.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, this 17th day of June 2013.

APPROVED/EXECUTED:

ROBERT A. IRVIN, MAYOR

ATTEST:

VIRGINIA A. MEFFORD, City Clerk

APPROVED AS TO FORM:

ANN P. ROBERTS, City Attorney

RESOLUTION 2013-39

**CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION**

Agenda Item 9
Tab Number 4
Date: 06/17/2013

Date Submitted:	Action:	Subject:
June-05-2013	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Formal	BLUE CROSS/BLUE SHIELD HEALTH INSURANCE CONTRACT FOR THE PERIOD FROM 7/01/13 THROUGH 6/30/14

TO: MAYOR AND COUNCIL
FROM: Human Resources – Sherry Lynn Van Allen

DISCUSSION:

Staff recommends entering into a contract with Blue Cross/Blue Shield of Arizona (BC/BS) to secure medical insurance coverage for its employees for the Fiscal Year 2013-2014, beginning July 1, 2013 and ending June 30, 2014. The plan provides a good range of benefits as well as an enhanced on-line wellness program. A copy of the plan summary and pricing information is attached for your information.

The City has been with Health Net since July 1, 2007. The initial FY14 renewal rate quoted by Health Net reflected a 58% increase in premium costs over the FY13 rates. Our benefit broker, ESG Corp., researched alternatives and negotiated coverage with BC/BS. The BC/BS rates reflect a 6% increase over the City's current rates with Health Net. The City will absorb the 6% rate increase and keep our employees at the same contribution rates that have been in place since FY 2007-2008.

The proposed BC/BS PPO policy and Health Reimbursement Arrangement that staff is recommending will allow City employees to have continued coverage without additional out of pocket expense. The deductible will remain at \$5,000.00 per person for up to two members per family. The employee share of out of pocket expense will continue to be \$500.00, as it has been for several years. Under the proposed City budget presented to Council, the City will continue to offer a Health Reimbursement Arrangement that will reimburse employees for up to \$4,500.00 per covered individual for out of pocket deductible expense.

The FY14 annual premiums are estimated to be \$383,733 for the BC/BS recommended plan.

RECOMMENDATION:

To enter into a Contract with Blue Cross/Blue Shield for the City of Willcox employee health insurance coverage for Fiscal Year 2013-2014 at an anticipated cost of \$383,733.

FISCAL IMPACT: \$383,733 for health insurance premiums.

Submitted by:


Sherry Lynn Van Allen, Human Resources


Pat McCourt, City Manager

Summary

- **Employee Health Insurance Plan**
 - **Current Plan (Health Net)**
 - (HMO) EE rate; \$305.54 / ES rate; \$672.19 / EC rate; \$580.53 / Family rate; \$977.74
 - (PPO) EE rate; \$308.29 / ES rate; \$678.23 / EC rate; \$585.75 / Family rate; \$986.53
 - **Renewal Plan (Health Net)**
 - (HMO) EE rate; \$428.86 / ES rate; \$1,062.29 / EC rate; \$917.43 / Family rate; \$1,545.16
 - (PPO) EE rate; \$487.21 / ES rate; \$1,071.86 / EC rate; \$925.70 / Family rate; \$1,559.09
 - Increase 58% !!
 - **Proposed Renewal BC/BS of AZ**
 - (PPO) EE rate; \$326.15 / ES rate; \$717.53 / EC rate; \$619.69 / Family rate; \$1,043.68
 - Increase of 5.49%!!

CITY OF WILLCOX, COCHISE COUNTY, ARIZONA

RESOLUTION 2013-40

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA APPROVING AND ADOPTING THE AGREEMENT BETWEEN THE CITY OF WILLCOX AND BLUE CROSS BLUE SHIELD FOR MEDICAL INSURANCE BENEFITS FOR THE FISCAL YEAR JULY 1, 2013 THROUGH JUNE 30, 2014; AUTHORIZING THE MAYOR TO EXECUTE SUCH BENEFITS CONTRACT AS PRESENTED AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION.

WHEREAS, the Mayor and City Council shall have control of the finances and property of the corporation pursuant to A.R.S. § 9-240 et seq.; and,

WHEREAS, the CITY provides Health Insurance Benefits for its employees and contracts with a Health Insurance Provider for that purpose; and,

WHEREAS, the CITY desires to approve and adopt the Health Insurance Benefits Plan with Blue Cross/Blue Shield as presented herewith as Exhibit "A", as recommended by Employee Solutions Group "ESG"; and,

WHEREAS, the Health Insurance Benefits Plan with Blue Cross/Blue Shield as recommended by ESG proposes to provide employee health insurance benefits at an annual cost of \$ 383,733.00 to the CITY; and,

WHEREAS, the Mayor and Council of the City of Willcox, Cochise County, Arizona have determined that it is in the best interest of the CITY, its employees and the citizens of the CITY to enter into the Agreement with Blue Cross/Blue Shield as presented; and,

WHEREAS, the CITY and the ESG desire to have this item presented at the Council Meeting on June 3, 2013 for consideration and approval of the Agreement for the Contract period of July 1, 2013 to June 30, 2014.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, as follows:

SECTION 1: The Mayor and City Council hereby authorize, approve and adopt the Health Insurance Benefits Plan with Blue Cross/Blue Shield as recommended by Employee Solutions Group "ESG" for the health benefits package for the 2013-2014 fiscal year at a cost of \$ 383,733.00 to the CITY;

SECTION 2: The Mayor, CITY Officials and Administrators are authorized and directed to take all action required to execute the Health Insurance Benefits Plan with Blue Cross/Blue Shield as presented herewith as Exhibit "A" for the 2013-2014 fiscal year; and,

SECTION 3: The Mayor is authorized and empowered to execute the Resolution as presented.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, this 3rd day of June 2013.

APPROVED/EXECUTED:

ROBERT A. IRVIN, MAYOR

ATTEST:

VIRGINIA A. MEFFORD, City Clerk

APPROVED AS TO FORM:

ANN P. ROBERTS, City Attorney

RESOLUTION 2013-40



2-99 EMPLOYER APPLICATION Exhibit B

An Independent Licensee of the Blue Cross and Blue Shield Association

REQUESTED EFFECTIVE DATE (MM/DD/YYYY) (NO RETROACTIVE CHANGES)

CHECK SECTIONS TO BE CHANGED: I II III

PLEASE FULLY COMPLETE ALL SECTIONS OF THIS APPLICATION EVEN WHERE SPECIFIC PROVISIONS REMAIN UNCHANGED.

NEW Change to existing group: GROUP #

SECTION I - EMPLOYER GROUP INFORMATION

LEGAL COMPANY NAME, DBA, ARIZONA LOCATION STREET ADDRESS, CITY, STATE, ZIP CODE, ARIZONA BILLING ADDRESS, COUNTY, FEDERAL TAX ID NUMBER, ARIZONA STATE TAX ID NUMBER, SUBSIDIARY OR AFFILIATE INFORMATION, HEADQUARTERS LOCATION - STREET ADDRESS, TYPE OF BUSINESS, STATE INCORPORATED IN, CONTACT PHONE NUMBER, FAX, EXECUTIVE NAME, TITLE, E-MAIL, GROUP ADMINISTRATOR, LEGAL ENTITY

SECTION II - PLAN INFORMATION - INDICATE HEALTH/DENTAL PLAN SELECTED AND HEALTH ACCOUNT ADMINISTRATION FROM HEALTH EQUITY*, IF ANY, SELECTED

HEALTH PLAN OPTION, PPO, HSA-QUALIFIED, HMO, OTHER, HSA INTEGRATION, HRA INTEGRATION, FSA INTEGRATION, Blue Preferred Dental OPTION, Waived 12 month waiting period for Type III benefits?

SECTION III - UNDERWRITING, ENROLLMENT, ELIGIBILITY, MANAGEMENT, CONTINUATION AND PARTICIPATION

DOES THE EMPLOYER OFFER AN ENROLLMENT PERIOD OF AT LEAST 31 DAYS?, 1) EMPLOYER AGREES TO CONTRIBUTE TO PREMIUM COST FOR ELIGIBLE EMPLOYEES AS SPECIFIED IN BCBSAZ UNDERWRITING GUIDELINES, DEFINE EMPLOYEE CLASSIFICATION AND INDICATE EMPLOYER CONTRIBUTION BY DOLLAR AMOUNT OR PERCENTAGE, 2) EMPLOYEES ARE ELIGIBLE UPON COMPLETION OF THE FOLLOWING SPECIFIED EMPLOYEE'S ENROLLMENT WAITING PERIOD, 3) NEW GROUP ENROLLMENT REGULATIONS, 4) EMPLOYEE EFFECTIVE / TERMINATION DATE, 5) DOMESTIC PARTNERS TO BE COVERED?, 6) ELIGIBLE EMPLOYEES ARE DEFINED AS THOSE WORKING, 7) TOTAL NUMBER OF EMPLOYEES

8) BANKRUPTCY, 9) WORKER'S COMPENSATION, 10) HOW MANY PREVIOUS GROUP HEALTH CARRIERS HAS THE GROUP HAD IN THE LAST FIVE YEARS?, 11) LIST OTHER CO-EXISTING CARRIERS, 9-1 NAME OF PERSON NOT COVERED, REASON NOT COVERED, 9-2 NAME OF PERSON NOT COVERED, REASON NOT COVERED

SECTION IV - BROKER INFORMATION

LAST NAME, FIRST NAME, MI, AGENCY NAME, SUITE NO., STREET ADDRESS, CITY, STATE, ZIP + FOUR, PHONE NUMBER (INCLUDE AREA CODE), FAX NUMBER (INCLUDE AREA CODE), E-MAIL, BROKER TAX ID NUMBER, BCBS BROKER NUMBER, ARIZONA DEPARTMENT OF INSURANCE LICENSE NUMBER

SECTION V - THIS SECTION APPLIES ONLY TO GROUPS OF 26 OR MORE ELIGIBLE EMPLOYEES

PLEASE COMPLETE THE FOLLOWING QUESTIONS WHEN APPLYING FOR NEW GROUP COVERAGE TO THE BEST OF YOUR KNOWLEDGE. THIS INFORMATION IS NECESSARY TO EVALUATE YOUR GROUP'S APPLICATION BY BLUE CROSS BLUE SHIELD OF ARIZONA. IN ORDER TO PROTECT THE INDIVIDUALS INVOLVED, DO NOT DISCLOSE THE NAME OF ANY EMPLOYEE OR DEPENDENT.

Are you aware of any employee, dependent, or COBRA employee who:

- a) is currently disabled? _____ YES NO
- b) incurred expenses of \$5,000 or more in the last 18 months? _____ YES NO
- c) has been advised that necessary surgery or hospitalization is required (including pregnancy)? _____ YES NO
- d) has had an organ transplant such as kidney, liver, heart or lung? _____ YES NO
- e) is currently being treated or diagnosed as having cancer, heart/lung disease, high blood pressure, diabetes, muscular skeletal condition? _____ YES NO
- f) is currently taking medication? _____ YES NO
- g) has been diagnosed or is being treated for any other known medical condition? _____ YES NO
- h) has any other known medical conditions? _____ YES NO

If yes to any of the questions above, please explain: _____

SECTION VI - RETIREE COVERAGE IS ONLY AVAILABLE AS SPECIFIED IN THE BCBSAZ UNDERWRITING GUIDELINES.

RETIREMENT ELIGIBILITY	RETIREES TO BE COVERED? <input type="radio"/> YES <input type="radio"/> NO	IF YES: <input type="radio"/> UNDER 65 <input type="radio"/> 65 AND OLDER	RETIREES DEPENDENTS TO BE COVERED? <input type="radio"/> YES <input type="radio"/> NO	OTHER THAN NEWBORNS, ETC. FOR WHICH COVERAGE MAY BE MANDATED UNDER APPLICABLE ARIZONA LAW
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RETIREMENT PARTICIPATION REQUIREMENTS

- A) RETIREE MUST COMPLETE _____ YEARS OF SERVICE PRIOR TO RETIREMENT
- B) RETIREE IS ELIGIBLE FOR COVERAGE ONLY THROUGH END OF BILLING PERIOD IN WHICH RETIREE REACHES AGE _____
- C) OTHER: _____

SECTION VII - IMPORTANT - READ CAREFULLY

As the authorized representative of Company, I certify that the Company is the sole employer of the employees to be enrolled under this proposed contract for health insurance. I also certify that the information provided on this 2-99 Employer Application and all other applicable documents submitted in connection with this Application, is complete and accurate. I agree that Company shall promptly notify Blue Cross Blue Shield of Arizona (BCBSAZ) of any changes in this information that may affect the eligibility of employees or their dependents, including the hire date of any new eligible employees, addition of dependents, and the termination date of any enrolled employee or dependent. I understand and agree that BCBSAZ may, in its sole discretion, verify Health/Medical and all other information with or through outside sources, including third party investigative firms, as BCBSAZ deems necessary or appropriate for finalizing its decision on this Application. I agree that if the information (including medical information) contained in this Application or other supporting documentation is incomplete, inaccurate, materially misleading, false, or fraudulent, that BCBSAZ has the right to (a) retroactively adjust the Company's rates if such information would have affected the rate calculation; and (b) invalidate, or withdraw any rate proposal or terminate any group, to the extent permitted by law.

I understand and agree that this Application is not accepted until approved by BCBSAZ and that BCBSAZ's acceptance shall be based on information supplied by the group, the requested benefits, and any other information obtained from outside sources which BCBSAZ deems appropriate. BCBSAZ's acceptance shall be evidenced by the execution of this Application by an authorized representative of BCBSAZ, at which time this Application shall become binding upon BCBSAZ and the group. Upon acceptance, this Application shall be attached to and shall become a part of the Group Master Contract (the "Contract"). To the extent permitted by applicable law, BCBSAZ may terminate the Contract in accordance with the Contract terms, including the Group's failure to meet certain obligations under the Contract, such as failure to pay premium; failure to maintain Group contribution rates and percentages; and failure to maintain employee and/or dependent participation levels.

The Company agrees that it is solely responsible for ensuring that its classifications of employees for purposes of defining eligibility for benefits and the specific benefits available comply with applicable laws, including those which prohibit discrimination based upon salary. Company understands and agrees that federal law requires Company to provide dependent coverage for children under age 26, and prohibits Company from imposing pre-existing condition waiting periods for children under age 19.

By including my e-mail address on the reverse side, I authorize BCBSAZ to send me information via e-mail. I also understand I may change my e-mail address or rescind this permission at any time by contacting BCBSAZ through azblue.com.

Company Authorized Officer / Owner / Partner

X _____
SIGNATURE DATE

_____ TITLE LOCATION (CITY, STATE)

X _____
BCBSAZ Authorized Signature: DATE TITLE

To be completed by BCBSAZ
Team Code _____
GROUP # _____

**CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION**

Agenda Item 10
Tab Number 5
Date: 6/17/2013

Date Submitted:	Action:	Subject:
May 30, 2013	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Formal <input type="checkbox"/> Consideration	ARIZONA RANGE NEWS ANNUAL CONTRACT RENEWAL

TO: MAYOR AND COUNCIL
FROM: Finance Director Ruth Graham

DISCUSSION:

The Arizona Range News is a newspaper of general circulation in the City of Willcox and our publications are made in the Arizona Range News. The San Pedro Valley News-Sun is an affiliated newspaper and the primary billing entity for our advertising and publications; job postings are billed through the Arizona Range News while all other publications are billed through San Pedro Valley News-Sun.

We use display advertising in the newspaper to provide information to the public, including the monthly newsletter, shutoff notices, utility notices and other advertising that is billed. The newsletter provides information about City projects, updates on plans that are underway, the City Manager's report, utilities updates and/or reminders, and other types of public information. We also use the legals to advertise ordinances, the City budget, CDBG advertising, and other required legal publications. Publication of the budget in a newspaper of local circulation is required by Arizona statute.

The Arizona Range News is a sole source provider of publication services in a local newspaper. Pursuant to Section L of the City's Procurement Code, a contract may be awarded without competition when the City Manager determines in writing, after conducting a good faith review of available sources, that there is only one source for the required material, service, or construction item.

The Fiscal Year 2013-2014 renewal involves two contracts beginning July 1, 2013 and expiring June 30, 2014. The first Advertising Agreement is for display advertising at incremental rates as shown on the attached 2011 display modular rate card; the 2011 rates are still current. For example, a 1.55" x 5" ad priced at the annual (52 week) rate will be \$33.75. The second Advertising Agreement is for legal advertising at the rate of \$6.00 per column inch (pci). The rates are the same as they were in FY12 and FY13. From June 1, 2012 through May 31, 2013, the City's cost for advertising totaled \$18,887. From June 1, 2011 through May 31, 2012, the total was \$23,200.

RECOMMENDATION: Motion to renew the Arizona Range News display and legal advertising contracts for the period from July 1, 2013 to June 30, 2014.

FISCAL IMPACT: Anticipated annual expense \$20,000-\$25,000.

Submitted by:


Ruth Graham, Finance Director

Approved by:

Pat McCourt, City Manager

CITY OF WILLCOX, COCHISE COUNTY, ARIZONA

RESOLUTION 2013-41

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA APPROVING AND ADOPTING THE AGREEMENT BETWEEN THE CITY OF WILLCOX AND THE ARIZONA RANGE NEWS FOR ADVERTISING AND PUBLICATION SERVICES FOR THE FISCAL YEAR JULY 1, 2013 THROUGH JUNE 30, 2014; AUTHORIZING THE MAYOR TO EXECUTE SUCH CONTRACTS AS PRESENTED AND AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION.

WHEREAS, the Mayor and City Council shall have control of the finances and property of the corporation pursuant to A.R.S. § 9-240 et seq.; and,

WHEREAS, the CITY utilizes the Arizona Range News, a newspaper of general circulation in the City of Willcox for the purposes of providing display advertising and legal publication services; and,

WHEREAS, the CITY desires to approve and adopt an Advertising Agreement with the Arizona Range News for display advertising services at a cost to the City of \$33.75 per week for 52 weeks, as set forth on the Advertising Agreement presented herewith and attached hereto as Exhibit "A"; and,

WHEREAS, the CITY desires to approve and adopt an Advertising Agreement with the Arizona Range News for legal publication services at a cost to the City of \$6.00 per column inch for a minimum of 50 inches, as set forth on the Advertising Agreement presented herewith and attached hereto as Exhibit "B"; and,

WHEREAS, the Mayor and Council of the City of Willcox, Cochise County, Arizona have determined that it is in the best interest of the CITY, its employees and the citizens of the CITY to enter into the Advertising Agreements with the Arizona Range News as presented; and,

WHEREAS, the CITY and the ESG desire to have this item presented at the Council Meeting on June 17, 2013 for consideration and approval of the Agreement for the Contract period of July 1, 2013 to June 30, 2014.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, as follows:

SECTION 1: The Mayor and City Council hereby approve and adopt the Advertising Agreement with the Arizona Range News for display advertising services at a cost to the City of \$33.75 per week for 52 weeks, as set forth in the Advertising Agreement presented herewith and attached hereto as Exhibit "A"; and,

SECTION 2: The Mayor and City Council hereby approve and adopt the Advertising Agreement with the Arizona Range News for legal publication services at a cost to the City of \$6.00 per column inch for a minimum of 50 inches, as set forth in the Advertising Agreement presented herewith and attached hereto as Exhibit "B"; and,

SECTION 3: The Mayor, CITY Officials and Administrators are authorized and directed to take all action required to execute the Advertising Agreements with the Arizona Range News for the Fiscal Year July 1, 2013 through June 30, 2014; and,

SECTION 4: The Mayor is authorized and empowered to execute this Resolution as presented.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, this 17th day of June 2013.

APPROVED/EXECUTED:

ROBERT A. IRVIN, MAYOR

ATTEST:

VIRGINIA A. MEFFORD, City Clerk

APPROVED AS TO FORM:

ANN P. ROBERTS, City Attorney

RESOLUTION 2013-41

ADVERTISING AGREEMENT

Arizona Range News

PO Box 1155, 122 S. Haskell Ave, Willcox, AZ 85644
Phone (520) 384-3571 • Fax: (520) 384-3572
E-mail: arn@theriver.com

San Pedro Valley News-Sun

PO Drawer 1000, 200 S. Ocotillo, Benson, AZ 85602
Phone: (520) 586-3382 • Fax: (520) 586-2382
E-mail: spvns@theriver.com

Effective Date <u>7/3/13</u>	Agreement Expires <u>6/30/14</u>
<input checked="" type="checkbox"/> Display	<input checked="" type="checkbox"/> Frequency <u>52</u> consecutive weeks <u>\$33.75</u> per ad rate pci*
<input type="checkbox"/> Classified Display	<input type="checkbox"/> Bulk Rate _____ inches _____ rate pci* (minimum inches per year)
<input type="checkbox"/> Inserts (minimum 26 per year, 36 page tab or less)	<input type="checkbox"/> _____ rate per thousand (*per column inch)
<input type="checkbox"/> Single Sheet (maximum 11 "x13")	
<input type="checkbox"/> Business Directory	

TERMS & CONDITIONS

- All accounts are due and payable by cash with copy unless approval has been granted by the Arizona Range News/San Pedro Valley News-Sun (hereinafter referred to as ARN/SPVNS) for monthly billing. All monthly billing accounts are due and payable the 15th of the month following service. Past due balances are subject to 1-1/2% per month service charge (minimum charge \$1.00). All past due accounts will be subject to suspension of advertising unless satisfactory arrangements are made with the ARN/SPVNS.
- The advertiser assumes all liability for statements contained in advertisements printed by the ARN/SPVNS and agrees to save the ARN/ SPVNS harmless for any claim that may be brought against the ARN/ SPVNS by reason of the publication of such advertisements and to reimburse the ARN/SPVNS for any amount paid by the ARN/SPVNS in settlement of any such claim in satisfaction of any judgement obtained thereon, and to pay all necessary expenses, including reasonable attorney's fees, incurred by the ARN/SPVNS in defense or settlement of such claim.
- In the event the ARN/SPVNS is not able to obtain copy to fulfill this contract, the publisher may insert a suitable ad to comply with the contract.
- All advertising is subject to publisher or general manager approval.
- No special position is guaranteed and insertion order stating an advertisement may only be run in a certain position will not be accepted. Requests for special position will be given every consideration; however, special positions can be guaranteed for an additional charge (see rate card).
- The ARN/SPVNS has the right to re-bill any advertiser that does not fulfill their contract commitment at the open local column inch rate.
- This contract shall be binding through the period stated above. Upon expiration of the contract the current printed rate card will apply.
- The newspaper agrees to furnish one checking proof of advertisements exceeding ten (10) column inches to advertisers on request. All checking proofs must be returned to the ad department by the proof deadline established by the newspaper sales representative. Proof to the advertiser is for purpose of correcting errors, but not for additions or changes in original copy. Where proof of ad is submitted to the advertiser, the advertiser assumes all responsibility for any errors not marked on the proof.
- The ARN/SPVNS cannot assume financial responsibility for error in advertisements. Its liability is strictly limited to publication of the advertisement in any subsequent issue or the refund of any monies paid for the advertisement.
- We accept no liability for our inadvertent omission of any ad.
- Advertisers are asked to check their ad the first day it appears for any errors. A telephone call between 9 a.m. and 12 Noon on the first day after the ad appears will allow a correction on the second insertion. No claims will be allowed for more than one incorrect insertion.
- The advertiser agrees to indemnify and hold the ARN/SPVNS harmless for any claims arising out of the publication of copy submitted by the advertiser. This includes, but is not limited to, claims for libel, copyright infringement and trademark infringement.
- Through their sales representative, it is the advertiser's responsibility to cancel any advertisements appearing on their behalf. This advertising agreement is subject to all of the conditions and terms on the rate card.
- The ARN/SPVNS will not be bound by any verbal agreements, promises, waivers, understanding or conditions of any nature that are not contained in the rate card.
- The publisher reserves the right to change advertising rates or policy at any time.

DISCLAIMERS

Publisher's Liability for Error: The publisher shall not be liable for slight changes or typographical errors that do not lessen the value of an advertisement. The publisher's liability for other errors or omissions in connection with an advertisement is strictly limited to publication of the advertisement in any subsequent issue or the refund of any monies paid for the advertisement.

Indemnification: The advertiser and/or advertising agency agrees to defend and indemnify the publisher against any and all liability, loss or expenses arising from claims of libel, unfair competition, unfair trade practices, infringement of trademarks, copyrights, trade names, patents or proprietary rights or violation of rights of privacy resulting from the publication of the advertiser's advertisement.

Advertiser City of Willcox Phone 384-4271
Address 101 S. Railroad Avenue City/Zip Willcox 85643
Authorization _____ ARN/SPVNS Review Representative Steve Pers
Print Name _____ Accounting Department Approval _____

Accounting Department PO Box 1000 Benson, AZ 85602

Phone: (520) 586-3382 Fax: (520) 586-2382

Computer Input Date _____

White: Accounting, Yellow: Representative, Pink: Customer

ADVERTISING AGREEMENT

Arizona Range News

PO Box 1155, 122 S. Haskell Ave, Willcox, AZ 85644
Phone (520) 384-3571 • Fax: (520) 384-3572
E-mail: arn@theriver.com

San Pedro Valley News-Sun

PO Drawer 1000, 200 S. Ocotillo, Benson, AZ 85602
Phone: (520) 586-3382 • Fax: (520) 586-2382
E-mail: spvns@theriver.com

Effective Date 7/3/13 Agreement Expires 6/30/14

Display Legals Frequency

Classified Display _____ consecutive weeks _____ rate pci*

Inserts (minimum 26 per year, 36 page tab or less) Bulk Rate 50 inches \$6.00 rate pci*
(minimum inches per year)

Single Sheet (maximum 11 "x13") _____ rate per thousand (*per column inch)

Business Directory

TERMS & CONDITIONS

- All accounts are due and payable by cash with copy unless approval has been granted by the Arizona Range News/San Pedro Valley News-Sun (hereinafter referred to as ARN/SPVNS) for monthly billing. All monthly billing accounts are due and payable the 15th of the month following service. Past due balances are subject to 1-1/2% per month service charge (minimum charge \$1.00). All past due accounts will be subject to suspension of advertising unless satisfactory arrangements are made with the ARN/SPVNS.
- The advertiser assumes all liability for statements contained in advertisements printed by the ARN/SPVNS and agrees to save the ARN/SPVNS harmless for any claim that may be brought against the ARN/SPVNS by reason of the publication of such advertisements and to reimburse the ARN/SPVNS for any amount paid by the ARN/SPVNS in settlement of any such claim in satisfaction of any judgement obtained thereon, and to pay all necessary expenses, including reasonable attorney's fees, incurred by the ARN/SPVNS in defense or settlement of such claim.
- In the event the ARN/SPVNS is not able to obtain copy to fulfill this contract, the publisher may insert a suitable ad to comply with the contract.
- All advertising is subject to publisher or general manager approval.
- No special position is guaranteed and insertion order stating an advertisement may only be run in a certain position will not be accepted. Requests for special position will be given every consideration; however, special positions can be guaranteed for an additional charge (see rate card).
- The ARN/SPVNS has the right to re-bill any advertiser that does not fulfill their contract commitment at the open local column inch rate.
- This contract shall be binding through the period stated above. Upon expiration of the contract the current printed rate card will apply.
- The newspaper agrees to furnish one checking proof of advertisements exceeding ten (10) column inches to advertisers on request. All checking proofs must be returned to the ad department by the proof deadline established by the newspaper sales representative. Proof to the advertiser is for purpose of correcting errors, but not for additions or changes in original copy. Where proof of ad is submitted to the advertiser, the advertiser assumes all responsibility for any errors not marked on the proof.
- The ARN/SPVNS cannot assume financial responsibility for error in advertisements. Its liability is strictly limited to publication of the advertisement in any subsequent issue or the refund of any monies paid for the advertisement.
- We accept no liability for our inadvertent omission of any ad.
- Advertisers are asked to check their ad the first day it appears for any errors. A telephone call between 9 a.m. and 12 Noon on the first day after the ad appears will allow a correction on the second insertion. No claims will be allowed for more than one incorrect insertion.
- The advertiser agrees to indemnify and hold the ARN/SPVNS harmless for any claims arising out of the publication of copy submitted by the advertiser. This includes, but is not limited to, claims for libel, copyright infringement and trademark infringement.
- Through their sales representative, it is the advertiser's responsibility to cancel any advertisements appearing on their behalf. This advertising agreement is subject to all of the conditions and terms on the rate card.
- The ARN/SPVNS will not be bound by any verbal agreements, promises, waivers, understanding or conditions of any nature that are not contained in the rate card.
- The publisher reserves the right to change advertising rates or policy at any time.

DISCLAIMERS

Publisher's Liability for Error: The publisher shall not be liable for slight changes or typographical errors that do not lessen the value of an advertisement. The publisher's liability for other errors or omissions in connection with an advertisement is strictly limited to publication of the advertisement in any subsequent issue or the refund of any monies paid for the advertisement.

Indemnification: The advertiser and/or advertising agency agrees to defend and indemnify the publisher against any and all liability, loss or expenses arising from claims of libel, unfair competition, unfair trade practices, infringement of trademarks, copyrights, trade names, patents or proprietary rights or violation of rights of privacy resulting from the publication of the advertiser's advertisement.

Advertiser City of Willcox Phone 384-4271
Address 101 S. Railroad Avenue City/Zip Willcox AZ 85643
Authorization _____ ARN/SPVNS Review Representative [Signature]
Print Name _____ Accounting Department Approval _____

Computer Input Date _____

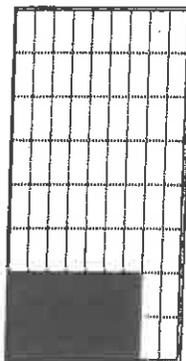
Accounting Department PO Box 1000 Benson, AZ 85602
Phone: (520) 586-3382 Fax: (520) 586-2382

White: Accounting, Yellow: Representative, Pink: Customer

Advertising Rate Card 2011

Arizona Range News

Classified Modular Ad Sizes



7 col. x 5 inch
7.66" x 5"

Open Rate/Political: \$355.00
52 week: \$206.25
26 week: \$213.25
13 week: \$227.25
6 week: \$267.50
Agency (Gross): \$425.00

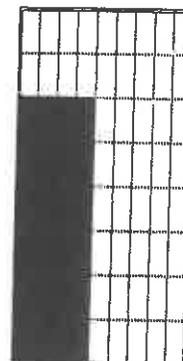
Legal: \$250.00



5 col. x 5 inch
5.44" x 5"

Open Rate/Political: \$255.00
52 week: \$148.75
26 week: \$153.75
13 week: \$163.75
6 week: \$192.50
Agency (Gross): \$305.00

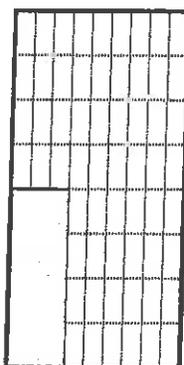
Legal: \$180.00



4 col. x 12.5 inch
4.33" x 12.5"

Open Rate/Political: \$605.00
52 week: \$350.00
26 week: \$362.00
13 week: \$386.00
6 week: \$455.00
Agency (Gross): \$725.00

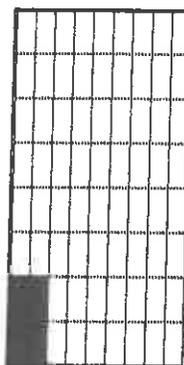
Legal: \$425.00



3 col. x 10 inch
3.22" x 10"

Open Rate/Political: \$305.00
52 week: \$177.50
26 week: \$183.50
13 week: \$195.50
6 week: \$230.00
Agency (Gross): \$365.00

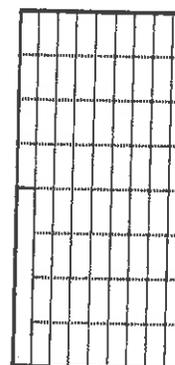
Legal: \$215.00



2 col. x 5 inch
2.11" x 5"

Open Rate/Political: \$105.00
52 week: \$62.50
26 week: \$64.50
13 week: \$68.50
6 week: \$80.00
Agency (Gross): \$125.00

Legal: \$75.00



1 col. x 10 inch
1" x 10"

Open Rate/Political: \$105.00
52 week: \$62.50
26 week: \$64.50
13 week: \$68.50
6 week: \$80.00
Agency (Gross): \$125.00

Legal: \$75.00

Ads run consecutive weeks - Priced per ad

Non-modular ads 35% extra - Based on 9 columns

Online Packages and Rates

Ad Location & Type	Ad Size	Current Advertisers Supported	Current Monthly Amount
<i>Run of Site</i>			
Leaderboard	728 x 90	2	\$150
Weather Sponsor 1	160 x 160	1	\$100
Weather Sponsor 2	160 x 160	1	\$100
Skyscraper 1	160 x 300	2	\$150
Skyscraper 2	160 x 300	2	\$150
Skyscraper 3	160 x 300	2	\$125
In Story Ad	300 x 250	2	\$125
Lower Leaderboard	728 x 390	2	\$75
<i>None Run of Site</i>			
Middle Leaderboard (Front Page Only)	728 x 90	2	\$100
Stock Sponsor (Front Page Only)	160 x 160	2	\$60

- ✓ Online 24/7/365
- ✓ Full Color Advertisement
- ✓ Direct Link to Website or Web Ad
- ✓ Monthly Ad Design Changes
- ✓ Monthly Statistics
- ✓ Weekly Print Presence
- ✓ First Right of Refusal

Willcox Arizona Demographics (SOURCE: US Census 2000)

	Number	Percent
TOTAL POPULATION:	3,733	100.0
Male	1,827	48.9
Female	1,906	51.5
Median age (years)	39.6	
18 years and over	2,636	70.6
Male	1,267	33.9
Female	1,369	36.7
21 years and over	2,497	66.9
62 years and over	701	18.8
65 years and over	597	16.0
Male	252	6.8
Female	345	9.2
TOTAL HOUSEHOLDS:	1,383	100.0
Family households (families)	947	68.5
With own children under 18 years	474	34.3
Married-couple family	714	51.6
With own children under 18 years	335	24.2
Female householder, no husband present	169	12.2
With own children under 18 years	101	7.3
Non-family households	436	31.5
Householder living alone	380	27.5
Householder 65 years and over	182	13.2
Households with individuals under 18 years	543	39.3
Households with individuals 65 years and over	409	29.6
Average household size	2.65	
Average family size	3.25	

Advertising Rate Card 2011

Arizona Range News

PREPRINT INSERT RATE

(Rates quoted are cost per 1,000)

OPEN RATES:

Single Sheet: (Max 11" x 14")	\$65.00
Tabloid: (36 Pages or Less Max 11" x 14")	\$65.00

CONTRACT RATES:*

Single Sheet:	\$45.00
Tabloid:	\$50.00

*Minimum of 26 weeks per year. Delivery deadline five days prior to insertion.

COLOR RATES: (Non-Commissioned)

Black and one color	\$65.00
Black and two colors	\$105.00
4 color process	\$190.00

ADVERTISING DEADLINES:

Space Reservation	Noon Thursday
Materials (Display Copy)	Noon Thursday
Classified Display	Noon Thursday
Classified Line Ads	5 p.m. Friday

CLASSIFIED LINE ADVERTISEMENTS

Our present rate is ~~42¢~~ for each word. We also provide several ways to enhance your ad: Border, \$3; E-mail address, Web address, Bold, All Caps and Symbols, \$1.00 per run.

Our policy is that all ads be paid for at the office before they appear. The deadline for classified line ads is noon each Friday before the following Wednesday publication. We also offer a **Four-Week Special** with substantial savings. Our classified sales representative will help you with the details.

Any questions call (520) 384-3571

SPECIAL PUBLICATIONS

The Arizona Range News and San Pedro Valley News-Sun share in a quarterly publication called Our Towns and Western Way, which has a circulation of 9,000 each February, April, July and October. The tabloid contains human interest stories, history and a calendar of events and attractions in Cochise County.

In addition we publish the Southeast Arizona Traveler Magazine in October. More than 50,000 are distributed throughout Southern Arizona.

Annually, each paper publishes a Business and Professional Directory which profiles the many businesses and professionals who provide various goods and services to our communities.

Throughout the year there are special-page and holiday promotions. These offer modular-sized advertisements at a reasonable cost.

DIGITAL COMPUTER TALK

Your computer can talk to ours if we have compatible software with same format. Our composition department is Macintosh oriented. All digital ads should be sent to us in one of the following Macintosh formats: Quark, Photoshop, Illustrator, Microsoft Word and Excel or a PDF file. Photos should be sent in a Photoshop file and saved JPEG. Logos should also be sent as a JPEG or TIFF file. With the rapidity in which this part of our industry changes, you might want to give us a call, (520) 384-3571

The Publisher reserves the right to accept or reject any advertisement at any time and assumes no responsibility for errors or omissions of copy. The Publisher will not be responsible if for any reason the newspaper is delayed, not printed or distributed. The newspaper will not be bound by any verbal agreements, promises, waivers, understanding or conditions of any nature that are not contained in the rate card or advertising agreement.

General Policy

TERMS OF PAYMENT: All advertising is cash with order unless credit has been established. All accounts are payable by the 15th of the month following billing. A service charge of 1.5% (18% APR) will be added each month to unpaid invoices 30 days after billing. Accounts 60 days past due are subject to suspension of any further advertising. Open rate will apply to all delinquent accounts. Contract rates will only apply if full payment has been made by the last day of the month following the ad insertion. All uncollected accounts will be forwarded to a collection service when 90 days past due. There is a \$25.00 fee for all returned checks.

CONTRACT COMPLETION: If an advertiser does not fulfill the agreed upon frequency or inch requirement of the Advertising Agreement, the newspaper will invoice the advertiser the difference between the open rate and the contract rate. Please see the terms of the Advertising Agreement.

CANCELLATION: Advertisements ordered and cancelled after deadline will be charged (50%) half the cost of the advertisement.

ADVERTISEMENT POSITION: A special position may be purchased at an additional 35% charge.

PROOFING: (10-inch ad minimum and copy must be submitted one day before deadline.) Proofing to an advertiser is for the purpose of correcting errors and not for additions and changes to the original copy. Where a proof has been submitted to the advertiser, the advertiser assumes all responsibility for any errors not marked on the proof. No claims will be allowed for more than one insertion. The newspaper cannot assume financial responsibility for errors in advertisements. Its liability for any errors shall not exceed the cost of the actual space of the incorrect portion in which the error occurs. The publisher shall not be liable for slight changes or typographical errors that do not lessen the value of an advertisement.

SPECIAL SERVICES: There is a charge for special photography and special complex composition. Your sales representative will provide you with that information.

DISCLAIMERS

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COLUMN MEASUREMENTS:

6 COLUMN:

1 Column	1.55"
2 Column	3.22"
3 Column	4.88"
4 Column	6.55"
5 Column	8.22"
6 Column	9.88"

9 COLUMN:

1 Column	1.00"
2 Column	2.11"
3 Column	3.22"
4 Column	4.33"
5 Column	5.44"
6 Column	6.55"
7 Column	7.66"
8 Column	8.77"
9 Column	9.88"



Advertising Rate Card 2011

122 S. Haskell, Willcox, AZ 85643
Phone 520.384.3571
Fax 520.384.3572
Web www.willcoxrangenews.com



ARIZONA
RANGE NEWS
WILCOX • SAN SIMON • SUNSITES • BOWIE • COCHISE • DRAGON



Advertising Rate Card 2011

Arizona Range News

Display Modular Ad Sizes



FULL PAGE

9.88" x 21"

Open Rate/Political: \$1,233.50
 52 week: \$729.50
 26 week: \$754.70
 13 week: \$805.10
 6 week: \$950.00
 Agency (Gross): \$1,517.00

Card of Thanks/Church
 Schools/Obit: \$855.50



1/2 Page (Horizontal)

9.88" x 10"

Open Rate/Political: \$590.00
 52 week: \$350.00
 26 week: \$362.00
 13 week: \$386.00
 6 week: \$455.00
 Agency (Gross): \$725.00

Card of Thanks/Church
 Schools/Obit: \$410.00

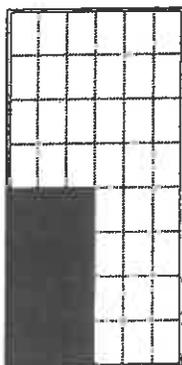


4 col. x 10 inch

6.55" x 10"

Open Rate/Political: \$395.00
 52 week: \$235.00
 26 week: \$243.00
 13 week: \$259.00
 6 week: \$305.00
 Agency (Gross): \$485.00

Card of Thanks/Church
 Schools/Obit: \$275.00

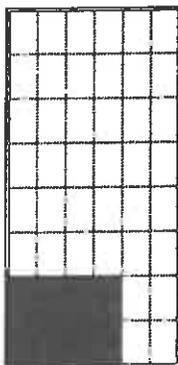


3 col. x 10 inch

4.88" x 10"

Open Rate/Political: \$297.50
 52 week: \$177.50
 26 week: \$183.50
 13 week: \$195.50
 6 week: \$230.00
 Agency (Gross): \$365.00

Card of Thanks/Church
 Schools/Obit: \$207.50



4 col. x 5 inch

6.55" x 5"

Open Rate/Political: \$200.00
 52 week: \$120.00
 26 week: \$124.00
 13 week: \$132.00
 6 week: \$155.00
 Agency (Gross): \$245.00

Card of Thanks/Church
 Schools/Obit: \$140.00

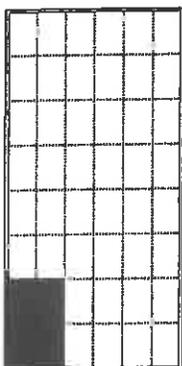


3 col. x 5 inch

4.88" x 5"

Open Rate/Political: \$151.25
 52 week: \$91.25
 26 week: \$94.25
 13 week: \$100.25
 6 week: \$117.50
 Agency (Gross): \$185.00

Card of Thanks/Church
 Schools/Obit: \$106.25

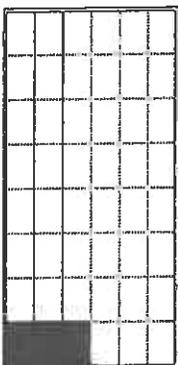


2 col. x 5 inch

3.22" x 5"

Open Rate/Political: \$102.50
 52 week: \$62.50
 26 week: \$64.50
 13 week: \$68.50
 6 week: \$80.00
 Agency (Gross): \$125.00

Card of Thanks/Church
 Schools/Obit: \$72.50

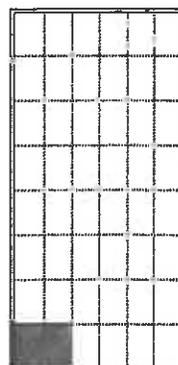


3 col. x 2.5 inch

4.88" x 2.5"

Open Rate/Political: \$78.13
 52 week: \$48.13
 26 week: \$49.63
 13 week: \$52.63
 6 week: \$61.25
 Agency (Gross): \$95.00

Card of Thanks/Church
 Schools/Obit: \$55.63



2 col. x 2.5 inch

3.22" x 2.5"

Open Rate/Political: \$53.75
 52 week: \$33.75
 26 week: \$34.75
 13 week: \$36.75
 6 week: \$42.50
 Agency (Gross): \$65.00

Card of Thanks/Church
 Schools/Obit: \$38.75

Many more sizes to choose from, contact

Ads run consecutive weeks • Priced per ad • Non-modular ads 35% extra - Based on 6 columns

CITY OF WILLCOX
Request for Council Action

Agenda Item: 11
Tab Number: 60
Date: 6/17/2013

Date Submitted:

6/11/2013

Action:

Resolution
 Ordinance
 Formal
 Other

Subject:

Equipment
Lease-Purchase
Agreement for
Asphalt Zipper

To: Honorable Mayor and City Council
From: Ruth Graham, Director of Finance

Discussion:

In January, 2013, the Mayor and Council of the City of Willcox agreed to purchase an Asphalt Zipper machine for use in the Streets Department. The equipment was used in the spring of 2013 and has been cost-effective in preparing the streets for chip seal work.

The proposed Equipment Lease-Purchase Agreement by and between the Oklahoma State Bank as Lessor, and the City of Willcox as Lessee dated June 17, 2013 will complete the purchase of the Asphalt Zipper approved by Resolution No. 2013-06 on January 22, 2013.

The term of the agreement is five years at an interest rate of 2.79% with annual payments of \$27,024.83 beginning June 14, 2014 and ending on June 14, 2018. The terms are essentially the same as those proposed in January, 2013 with a different lender. The total cost to the City under the current agreement will be \$135,124.15; as proposed in January, 2013 the total cost was anticipated to be \$135,675.55. The current agreement will save the City \$551.40.

The FY 2013-2014 payment is budgeted under Fund 85, Streets Capital, under Capital Purchases Account No. 85-404-9901.

Recommendation:

Motion to approve the Equipment Lease-Purchase Agreement by and between the Oklahoma State Bank as Lessor and the City of Willcox as Lessee dated June 1, 2013 for the purchase of the Asphalt Zipper machine.

Fiscal Impact:

\$27,024.83 for FY 2013-2014 and \$27,024.83 each year thereafter through FY 2017-2018 for a total cost of \$135,124.15.

Prepared By:


Ruth Graham, Director of Finance

Approved by:


Pat McCourt, City Manager

Asphalt Zipper, Inc
 831 east 340 south, #100
 American Fork, UT 84003
 Ph 801-847-3200 • Fax 801-847-3250



Invoice

Date	Invoice #
2/28/2013	AZ500649

Bill To
City of Willcox 101 S. Railroad Ave, Suite B Willcox, AZ 85643

Ship To
City of Willcox 250 S. Railroad Ave Willcox, AZ 85643

P.O. Number	Terms	Due Date	Rep	Ship	Via	Mach. SN	Reg. Rep.
	N15	3/15/2013	SC	2/21/2013	Knight	50000649	

Description	Qty	Price Each	Amount
Asphalt Zipper AZ-500B (up to 48" Cut), Cummins 203 HP Inter-Cooled Turbo Diesel Engine (Tier 3), Magnum Duty Planetary, Active Hydraulic Depth Control & Bucket Locks, Heavy Duty Cutterhead, Tri-Spec Bits Installed, Wireless Remote, Spray System, Extra Bits, Blocks and Bit Puller Incl. Machine Serial # 50000649 Grind Box Serial # CA500242 Water System Serial # H00321	1	116303.00	116,303.00T
Dual Axle Trailer - VIN # 109FS0826DU021137	1	9,000.00	9,000.00T
Discount - Tri-Spec Bit Upgrade		-1197.00	-1,197.00

MAR 04 2013

Subtotal	\$124,106.00
Sales Tax (0.0%)	\$0.00
Total	\$124,106.00
Payments/Credits	\$0.00
Balance Due	\$124,106.00

CITY OF WILLCOX, COCHISE COUNTY, ARIZONA

RESOLUTION 2013-42

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, "CITY", APPROVING THE EQUIPMENT LEASE PURCHASE AGREEMENT BETWEEN OKLAHOMA STATE BANK, LESSOR, AND CITY OF WILLCOX, LESSEE, FOR THE ASPHALT ZIPPER PURCHASE APPROVED BY RESOLUTION 2013-06 ON JANUARY 22, 2013; AUTHORIZING THE MAYOR TO EXECUTE THE LEASE, AND DIRECTING CITY OFFICERS AND AGENTS TO CARRY OUT THE PURPOSES AND INTENT OF THIS RESOLUTION.

WHEREAS, the CITY is empowered pursuant to A.R.S., Title 9, Section 9-240(A) to have control of the finances and property of the corporation; and,

WHEREAS, the CITY on January 22, 2013, through Resolution No 2013-06, authorized the purchase of an Asphalt Zipper through HGACBuy for the total purchase price of \$135,675.55, to be paid over a five year time period; and,

WHEREAS, the Equipment Lease Purchase Agreement, presented herewith and attached hereto as Exhibit "A", by and between Oklahoma State Bank, as Lessor, and the City of Willcox, as Lessee, which will complete the purchase of the Asphalt Zipper by finalizing the financing arrangements for such purchase with the payment term of five years, an interest rate of 2.79%, and requiring annual payments of \$27,024.83 therefore, the actual cost to the City being \$135,124.15;

WHEREAS, the CITY has determined that financing the purchasing an Asphalt Zipper for a total purchase price of \$135,124.15, over a five year payment plan, is a fiscally responsible purchase and the Mayor and City Council have determined that formal action on this Resolution is in the best interest of the CITY and its citizens; and,

WHEREAS, it is the desire of the Mayor and City Council that this item be presented for consideration at the special Council Meeting on June 17, 2013.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, as follows:

SECTION 1: The Mayor and City Council hereby authorize and approve the Equipment Lease Purchase Agreement, in the amount of \$135,124.15, presented herewith and attached hereto as Exhibit "A", by and between Oklahoma State Bank, as Lessor, and the City of Willcox, as Lessee; and,

SECTION 2: That the Mayor is authorized and empowered to execute the Equipment Lease Purchase Agreement, presented herewith and attached hereto as Exhibit "A", as presented; and,

SECTION 3: That the Mayor is authorized and empowered to execute the Resolution as presented.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, this 17th day of June, 2013.

APPROVED/EXECUTED:

ROBERT A. IRVIN, MAYOR

ATTEST:

VIRGINIA A. MEFFORD, City Clerk

APPROVED AS TO FORM:

ANN P. ROBERTS, City Attorney

RESOLUTION 2013-42

CITY OF WILLCOX, COCHISE COUNTY, ARIZONA

RESOLUTION 2013-06

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, "CITY", APPROVING THE PURCHASE OF AN ASPHALT ZIPPER FROM THE HOUSTON-GALVESTON AREA COUNCIL, "H.G.A.C.Buy", AND DIRECTING AUTHORIZED CITY OFFICERS AND AGENTS TO CARRY OUT THE PURPOSES AND INTENT OF THIS RESOLUTION.

WHEREAS, the CITY is empowered pursuant to A.R.S., Title 9, Section 9-240(A) to have control of the finances and property of the corporation; and,

WHEREAS, the CITY and the HGACBuy have entered into a "cooperative purchasing" agreement for cooperative procurement services pursuant to A.R.S. Section 11-952 and Section 41-2632 et. seq., as authorized by the Mayor and City Council by Resolution 2013-04 passed and adopted on January 7, 2013; and,

WHEREAS, the CITY is authorized and empowered pursuant to the CITY Procurement Ordinance, Section 3-1-3.X, entitled "Special Procurement" to procure equipment from HGACBuy; and,

WHEREAS, the CITY has determined that purchasing an Asphalt Zipper for the Public Service and Works Street Department for a total purchase price of \$135,675.55, over a five year payment plan, is a fiscally responsible purchase and the Mayor and City Council have determined that formal action on this Resolution is in the best interest of the CITY and its citizens; and,

WHEREAS, it is the desire of the Mayor and City Council that this item be presented for consideration at the special Council Meeting on January 22, 2013.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, as follows:

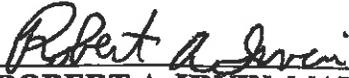
SECTION 1: The Mayor and City Council hereby authorize and approve the purchase of the Asphalt Zipper through HGACBuy for the total purchase price of \$135,675.55, to be paid over a five year time period; and,

SECTION 2: CITY Officials and Administrators are authorized and directed to take all action required to purchase the Asphalt Zipper through HGACBuy; and,

SECTION 3: That the Mayor is authorized and empowered to execute the Resolution as presented.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, this 22nd day of January, 2013.

APPROVED/EXECUTED:



ROBERT A. IRVIN, MAYOR
Date: 01-23-2013

ATTEST:



VIRGINIA A. MEFFORD, City Clerk

APPROVED AS TO FORM:



ANN P. ROBERTS, City Attorney

RESOLUTION 2013-06

EQUIPMENT LEASE-PURCHASE AGREEMENT

By and between

**Oklahoma State Bank
as Lessor**

and

**City of Willcox
as Lessee**

Dated as of June 17, 2013

EQUIPMENT LEASE-PURCHASE AGREEMENT

This EQUIPMENT LEASE-PURCHASE AGREEMENT (the "Agreement"), dated as of June 17, 2013, and entered into between Oklahoma State Bank, 120 W Canadian Ave., PO Box 278, Vinita, OK, 74301 ("Lessor") and City of Willcox, 101 S Railroad Ave, Ste B, Willcox, AZ, 85643 ("Lessee"), a political subdivision duly organized and existing under the laws of the State of Arizona ("State").

WITNESSETH:

WHEREAS, Lessor desires to lease the Equipment, as hereinafter described in Exhibit "A", to Lessee, and Lessee desires to lease the Equipment from Lessor, subject to the terms and conditions of and for the purposes set forth in this Agreement; and

WHEREAS, Lessee is authorized under the Constitution and laws of the State of Arizona to enter into this Agreement for the purposes set forth herein:

NOW, THEREFORE, in considerations of the premises and the mutual covenants and agreements herein set forth, Lessor and Lessee do hereby covenant and agree as follows:

ARTICLE I. Section 1.01. Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise.

"Agreement" means this Equipment Lease-Purchase Agreement and any schedule or exhibit made a part hereof by the parties hereto, together with any amendments to the Agreement made pursuant to Section 13.03 and 13.06.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commencement Date" is the date when the term of this Agreement and Lessee's obligation to pay rent commences, which date shall be the date first above written.

"Equipment" means the property described in Exhibit "A", Equipment Description, and all replacements, repairs, restorations, modifications and improvements thereof or thereto made pursuant to Section 5.04 or Article VIII.

"Event of Default" means any event of default described in Section 12.01.

"Issuance Year" means the calendar year in which this Agreement was entered into by Lessee and Lessor.

"Lease Term" means the Original Term and all Renewal Terms.

"Lessee" means the entity described as such in the first paragraph of this Agreement, its successors and its assigns.

"Lessor" means the entity described as such in the first paragraph of this Agreement, its successors and its assigns.

"Original Term" means the period from the Commencement Date until the end of the budget year of Lessee in effect on the Commencement Date.

"Purchase Price" means the amount designated as such on Exhibit B hereto, together with all other amounts then due hereunder, that Lessee may, in its discretion, pay to Lessor to purchase the Equipment.

"Renewal Terms" means the renewal terms of this Agreement, each having a duration of one year and a term coextensive with Lessee's budget year.

"Rental Payments" means the basic rental payments payable by Lessee pursuant to Section 4.01.

"Rental Payment Date" means the date upon which any Rental Payment is due and payable as provided in Exhibit B.

"State" means the State of Arizona.

"Vendors" means the manufacturer of the Equipment as well as agents or dealers of the manufacturer from whom Lessor purchased or is purchasing the Equipment.

ARTICLE II. Section 2.01. Representations and Covenants of Lessee. Lessee represents, covenants and warrants for the benefit of Lessor as follows:

- (a) Lessee is a political subdivision of the State duly organized and existing under the Constitution and laws of the State with full power and authority to enter into this Agreement, as specified in Arizona Statutes, and the transactions contemplated hereby and to perform all of its obligations hereunder.
- (b) Lessee has duly authorized the execution and delivery of this Agreement by proper action by its governing body at a meeting duly called, regularly convened and attended throughout by the requisite majority of the members thereof or by other appropriate official approval, and all requirements have been met and procedures have occurred in order to ensure the validity and enforceability of this Agreement.
- (c) No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an Event of Default exists at the date hereof.
- (d) Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Rental Payments scheduled to come due during the current budget year, and to meet its other obligations for the current budget year, and such funds have not been expended for other purposes.

- (e) Lessee will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as a public body corporate and politic.
- (f) Lessee has complied with such public bidding requirements as may be applicable to this Agreement and the acquisition by Lessee of the Equipment.
- (g) During the Lease Term, the Equipment will be used by Lessee only for the purpose of performing essential governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority. The Equipment will have a useful life in the hands of Lessee in excess of the Original Term and all Renewal Terms.
- (h) Lessee will annually provide Lessor with current financial statements, budgets, proofs of appropriation for the ensuing budget year and other such financial information relating to the ability of Lessee to continue this Agreement as may be requested by Lessor. Should Lessor assign this Agreement, Lessee will provide updated certificates regarding the use of the Equipment and Lessee's compliance with the terms hereof.
- (i) Lessee will comply with all applicable provisions of the Code, including without limitation Sections 103 and 148 thereof, and the applicable regulations of the Treasury Department to maintain the exclusion of the interest components of Rental Payments from gross income taxation.
- (j) Lessee will use the proceeds of this Agreement as soon as practicable and with all reasonable dispatch for the purpose for which the Agreement has been entered into. No part of the proceeds of the Agreement shall be invested in any securities, obligations or other investments or used, at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated on the date of issuance of the Agreement, would have caused any portion of the Agreement to become "arbitrage bonds" within the meaning of Section 103(b)(2) or Section 148 of the Code and the applicable regulations of the Treasury Department.
- (k) Lessee represents and warrants that it is a governmental unit under the laws of the State with general taxing powers; the Agreement is not a private activity bond as defined in Section 141 of the Code; 95% or more of the net proceeds of the Agreement will be used for local governmental activities of Lessee; and the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued or to be issued by Lessee and all subordinate entities thereof during the Issuance Year is not reasonably expected to exceed \$10,000,000. Lessee and all subordinate entities thereof will not issue in excess of \$10,000,000 of tax-exempt bonds (including the Agreement but excluding private activity bonds) during the Issuance Year without first obtaining an opinion of nationally-recognized counsel in the area of tax-exempt municipal obligations acceptable to Lessor that the excludability of the interest components of Rental Payments on the agreement from gross income for federal tax purposes will not be adversely affected.

Section 2.02. Certification as to Arbitrage. Lessee hereby represents as follows:

- (a) The Equipment has been ordered or is expected to be ordered within six months of the Commencement Date, and the Equipment is expected to be delivered and installed, and the Vendor fully paid, within one year of the Commencement Date.
- (b) Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Rental Payments, or (ii) that may be used solely to prevent a default in the payment of the Rental Payments.
- (c) The Equipment has not been and is not expected to be sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the last maturity of the Rental Payments.
- (d) Lessee has not been notified of any listing or proposed listing of it by the Internal Revenue Service as an issuer whose arbitrage certificates may not be relied upon.

ARTICLE III. Section 3.01. Lease of Equipment. Lessor hereby demises, leases and lets to Lessee, and Lessee rents, leases and hires from Lessor, the Equipment in accordance with this Agreement for the Lease Term. This Agreement shall be in effect and shall commence as of the Commencement Date. The Lease Term may be continued, solely at the option of Lessee, at the end of the Original Term or any Renewal Term for an additional Renewal Term up to the maximum Lease Term set forth in Exhibit B hereto. At the end of the Original Term and at the end of each Renewal Term until the maximum Lease Term has been completed, Lessee shall be deemed to have exercised its option to continue this Agreement for the next Renewal Term if Lessee budgets and appropriates or otherwise makes legally available funds to pay Rental Payments for such Renewal Term, unless Lessee shall have terminated this Agreement pursuant to Section 10.01. The terms and conditions during any Renewal Term shall be the same as the terms and conditions during the Original Term, except that the Rental Payments shall be as provided on Exhibit B hereto.

Section 3.02. Continuation of Lease Term. It is the intent of Lessee to continue the Lease Term through the Original Term and all Renewal Terms and to pay the Rental Payments hereunder. Lessee reasonably believes that

legally available funds in an amount sufficient to make all Rental Payments during the entire Lease Term can be obtained. Lessee and lessor acknowledge that appropriation for Rental Payments is a governmental function which Lessee cannot contractually commit itself in advance to perform and this Agreement does not constitute such a commitment. However, Lessee reasonably believes that moneys in an amount sufficient to make all Rental Payments can and will lawfully be appropriated and made available to permit Lessee's continued utilization of the Equipment in the performance of its essential functions during the Lease Term. Lessee will use funds appropriated for this Agreement for no other purpose than to pay the Rental Payments and other amounts due hereunder. **Section 3.03. Nonappropriation.** Lessee is obligated only to pay such Rental Payments under this Agreement as may lawfully be made from funds budgeted and appropriated for that purpose during Lessee's then current budget year. Should Lessee fail to budget, appropriate or otherwise make available funds to pay Rental Payments following the then current Original Term or Renewal Term, this Agreement shall be deemed terminated at the end of the then current Original Term or Renewal Term. Lessee agrees to deliver notice to Lessor of such termination at least 90 days prior to the end of the then current Original Term or Renewal Term, but failure to give such notice shall not extend the term beyond such Original Term or Renewal Term. If this Agreement is terminated in accordance with this Section, Lessee agrees to peaceably deliver the Equipment, at Lessee's sole expense, to Lessor at the location(s) to be specified by Lessor.

ARTICLE IV. Section 4.01. Rental Payments. Lessee shall promptly pay Rental Payments to Lessor, exclusively from legally available funds, in lawful money of the United States of America, without notice or demand, in such amounts and on or before the applicable Rental Payment Dates set forth on Exhibit B hereto, at the address set forth on the first page hereof or such other address as Lessor or its assigns may from time to time request in writing. Lessee shall pay Lessor interest on any Rental Payment not paid on the date such payment is due at the rate of 12% per annum or the maximum amount permitted by law, whichever is less, from such date. Any Rental Payment not paid within 30 days of the due date thereof shall be subject to a late payment charge equal to two percent (2%) of the amount of the past due Rental Payment, but in no event less than Ten Dollars (\$10.00). A portion of each Rental Payment is paid as and represents payment of, interest, as set forth on Exhibit B hereto. **Section 4.02. Rental Payments to Constitute a Current Expense of Lessee.** Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement governing the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of Lessee. **Section 4.03. RENTAL PAYMENTS TO BE UNCONDITIONAL.** EXCEPT AS PROVIDED IN SECTION 3.03, THE OBLIGATIONS OF LESSEE TO MAKE RENTAL PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS AND AGREEMENTS CONTAINED HEREIN SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF OR DEFENSE, FOR ANY REASON, INCLUDING WITHOUT LIMITATION ANY FAILURE OF THE EQUIPMENT TO BE DELIVERED OR INSTALLED, ANY DEFECTS, MALFUNCTIONS, BREAKDOWNS OR INFIRMITIES IN THE EQUIPMENT OR ANY ACCIDENT, CONDEMNATION OR UNFORESEEN CIRCUMSTANCES.

ARTICLE V. Section 5.01. Delivery, Installation and Acceptance of the Equipment. Lessee shall order the Equipment and cause the Equipment to be delivered and installed at the location specified on Exhibit A. When the Equipment has been delivered and installed, Lessee shall immediately accept the Equipment and evidence said acceptance by executing and delivering to Lessor an acceptance certificate acceptable to Lessor. **Section 5.02. Enjoyment of Equipment.** Lessor shall provide Lessee with quiet use and enjoyment of the Equipment during the Lease Term, and Lessee shall peaceably and quietly have, hold and enjoy the Equipment during the Lease Term, without suit, trouble or hindrance from Lessor, except as otherwise expressly set forth in this Agreement. **Section 5.03. Location; Inspection.** Lessor shall have the right at all reasonable times during regular business hours to enter into and upon the property of Lessee for the purpose of inspecting the Equipment. **Section 5.04. Use and Maintenance of the Equipment.** Lessee will not install, use, operate or maintain the Equipment improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Agreement. Lessee shall provide all permits and licenses, if any, necessary for the installation and operation of the Equipment. In addition, Lessee agrees to comply in all respects with all applicable laws, regulations and rulings of any legislative, executive, administrative or judicial body; provided that Lessee may contest in good faith the validity or application of any such law, regulation or ruling in any reasonable manner that does not, in the opinion of

INVOICE INSTRUCTIONS

Please fill in below the address that invoices for the payments should be sent to:

Person/Department: _____

Name of Lessee: _____

Street/P.O. Box _____

City, State, Zip _____

Equipment Lease-Purchase Agreement between Oklahoma State Bank as Lessor and City of Willcox as Lessee dated June 17, 2013

Equipment Description: Asphalt Zipper AZ-500B SN#50000649: Grind Box SN#CA500242: Water System SN#H00321: Dual Axle Trailer VIN#109FS0826DU021137

Purchase Order or other information that must be on the invoice:

Name and phone number of person to contact if payment is not received by due date:

Name: _____

Phone Number () _____

EXHIBIT G TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated June 17, 2013 Between Oklahoma State Bank as Lessor and City of Willcox as Lessee.

INSURANCE REQUIREMENTS

In accordance with the Equipment Lease-Purchase Agreement requirements for insurance coverage, the Lessee has instructed the insurance agent to issue:

- a. All Risk Physical Damage Insurance on the leased Equipment as defined in the Agreement, and in an amount at least equal to the then applicable Purchase Price of the Equipment, evidenced by a Certificate of Insurance and Long Form Loss Payable Clause naming Lessor "and/or its assigns" Loss Payee.**
- b. Public Liability Insurance evidenced by a Certificate of Insurance naming "Lessor and/or its Assigns" as an Additional Insured and with the following minimum coverage:**

Equipment Description: Asphalt Zipper AZ-500B SN#50000649: Grind Box SN#CA500242: Water System SN#H00321: Dual Axle Trailer VIN#109FS0826DU021137

**\$500,000.00 per person
\$500,000.00 aggregate bodily injury liability
\$300,000.00 property damage liability**

Insurance Agent (provide name, address and telephone number):

Proof of insurance coverage or a "Self-Insurance" Letter must be provided to Lessor prior to the time the Equipment is delivered.

EXHIBIT H TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated June 17, 2013 Between Oklahoma State Bank as Lessor and City of Willcox as Lessee.

CERTIFICATE OF BANK ELIGIBILITY

This Certificate of Bank Eligibility is entered into and executed by the City of Willcox as Lessee, supplementing and adding to the Equipment Lease-Purchase Agreement (the "Agreement").

Lessee hereby certifies that it has not issued or effected the issuance of, and reasonably anticipates that it and its subordinate entities shall not issue or effect the issuance of, more than ten million dollars (\$10,000,000.00) of tax-exempt obligations during the 2013 calendar year and hereby designates the Agreement as a "qualified tax-exempt obligation", as defined by Section 256 (b)(3) of the Internal Revenue Code of 1986, as amended.

Lessee: City of Willcox

**By: _____
Robert A. Irvin**

Title: Mayor _____

EXHIBIT F TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated June 17, 2013 Between Oklahoma State Bank as Lessor and City of Willcox as Lessee.

RESOLUTION OF GOVERNING BODY

At a duly called meeting of the governing body of the City of Willcox (the "Lessee") held on June 17, 2013, the following resolution was introduced and adopted:

RESOLVED, whereas the governing body of Lessee has determined that a true and very real need exists for the acquisition of Asphalt Zipper AZ-500B SN#50000649: Grind Box SN#CA500242: Water System SN#H00321: Dual Axle Trailer VIN#109FS0826DU021137 (the "Equipment"), Lessee desires to finance the Equipment by entering into an Equipment Lease-Purchase Agreement with Oklahoma State Bank as Lessor and City of Willcox as Lessee (the "Agreement") according to the terms set forth in the Bid Proposal from Oklahoma State Bank dated June 17, presented at the board meeting; and the Equipment will be used by Lessee for the purpose of:

RESOLVED, whereas the governing body of Lessee has taken the necessary steps, including any legal bidding requirements, under applicable law to arrange for the acquisition of such equipment,

RESOLVED, whereas the governing body hereby directs its legal counsel to review the Agreement and negotiate appropriate modifications to said Agreement so as to assure compliance with state law and local statutory law, prior to execution of the Agreement by those persons so authorized by the governing body for such purpose,

BE IT RESOLVED, by the governing body of Lessee that:

The terms of said Agreement are in the best interests of Lessee for the acquisition of such Equipment and the governing body of Lessee designates and confirms the following persons to execute and deliver, and to or attest, respectively, the Agreement and any related documents necessary to the consummation of the transactions contemplated by the Agreement.

Name and Title of Persons to Execute and Attest Agreement:

Robert A Irvin, Mayor

RESOLVED, Lessee covenants that it will perform all acts within its power which are or may be necessary to insure that the interest portion of the Rental Payments coming due under the Agreement will at all times remain exempt from federal income taxation under the laws and regulations of the United States of America as presently enacted and construed or as hereafter amended.

Lessee hereby certifies that it has not issued or effected the issuance of, and reasonably anticipates that it and its subordinate entities shall not issue or effect the issuance of, more than ten million dollars (\$10,000,000.00) of tax-exempt obligations during the 2013 calendar year and hereby designates the Agreement as a "qualified tax-exempt obligation", as defined by Section 265 (b)(3) of the Internal Revenue Code of 1986, as amended.

The undersigned further certifies that the above resolution has not been repealed or amended and remains in full force and effect and further certifies that the above and foregoing Agreement is the same as presented at said meeting of the governing body of Lessee.

Secretary/Clerk of Lessee

Attachments: Related Board Minutes

EXHIBIT E TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated June 17, 2013 Between Oklahoma State Bank as Lessor and City of Willcox as Lessee.

CERTIFICATE OF CLERK OR SECRETARY OF LESSEE

I, the undersigned, do hereby certify that I am the duly elected or appointed and acting Secretary/Clerk of the City of Willcox and I do hereby certify (i) that the officer of Lessee who executed the foregoing Agreement on behalf of Lessee and whose genuine signature appears thereon, is the duly qualified and acting officer of Lessee as stated beneath his or her signature and has been authorized to execute the foregoing Agreement on behalf of Lessee, and (ii) that the budget year of Lessee is from

_____ to _____

Dated: _____

By: _____

Title: Secretary/Clerk of Lessee

EXHIBIT D TO EQUIPMENT LEASE-PURCHASE AGREEMENT
OPINION OF COUNSEL
(On Counsel's Letterhead)

Oklahoma State Bank
120 W Canadian Ave., PO Box 278
Vinita , OK 74301

As counsel for the City of Willcox ("Lessee"), I have examined duly executed originals of the Equipment Lease-Purchase Agreement (the "Agreement") dated June 17, 2013, by and between Lessee and Oklahoma State Bank ("Lessor"), the proceedings taken by Lessee to authorize and execute the Agreement together with other related documents, and the Constitution of the State of Arizona the ("State") as presently enacted and construed. Based upon said examination and upon such other examination as I have deemed necessary or appropriate, it is my opinion that:

Lessee was duly organized and is validly existing under the Constitution and laws of the State as a political subdivision of the State.

The Agreement has been duly authorized, executed and delivered by Lessee, pursuant to Constitutional, statutory and/or home rule provisions which authorized this transaction and Lessee's Resolution, attached as Exhibit F to the Agreement.

The Agreement is a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms. In the event Lessor obtains a judgment against Lessee in money damages, as a result of an event of default under the Agreement, Lessee will be obligated to pay such judgment.

Lessee has complied with applicable public bidding requirements.

To the best of our knowledge, no litigation is pending or threatened in any court or other tribunal, state or Federal, in any way affecting the validity of the Agreement.

The signatures of the officers of Lessee which appear on the Agreement are true and genuine; we know said officers and know them to hold the offices set forth below their names.

Lessee is a political subdivision within the meaning of Section 103 of the Internal Revenue Code and the related regulations and rulings.

The Lessee has, in its Resolution, designated the Agreement as a "qualified tax-exempt obligation" under Section 265 (b)(3) of the Internal Revenue Code of 1986, as amended.

Signature: _____

Printed Name: _____

Address: _____

Telephone: _____

Date: _____

**EXHIBIT C TO EQUIPMENT LEASE-PURCHASE AGREEMENT
ACCEPTANCE CERTIFICATE**

**Oklahoma State Bank
120 W Canadian Ave., PO Box 278
Vinita , OK 74301**

Re: Equipment Lease-Purchase Agreement, dated June 17, 2013 (the "Agreement") between Oklahoma State Bank ("Lessor") and City of Willcox ("Lessee")

Ladies and Gentlemen:

In accordance with the Agreement, the undersigned Lessee hereby certifies and represents to, and agrees with, Lessor as follows:

- (1) All of the Equipment (as defined in the Agreement) has been delivered, installed and accepted on the date hereof.
- (2) Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes.
- (3) Lessee is currently maintaining the required insurance coverage.
- (4) No event or condition that constitutes, or with notice or lapse of time, or both, would constitute as Event of Default (as defined in the Agreement) exists at the date hereof.

Acceptance Date: _____

Equipment Description: Asphalt Zipper AZ-500B SN#50000649; Grind Box SN#CA500242; Water System SN#H00321; Dual Axle Trailer VIN#109FS0826DU021137

City of Willcox

By: _____

Title: _____

2018 Totals	27,024.83	733.55	26,291.28
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Grand Totals	135,124.15	10,618.15	124,506.00
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City of Willcox

By: _____
Robert A Irvin

Title: Mayor _____

EXHIBIT B TO EQUIPMENT LEASE-PURCHASE AGREEMENT
Dated June 17, 2013 Between Oklahoma State Bank as Lessor and City of Willcox as Lessee.
RENTAL PAYMENT SCHEDULE

Nominal Annual Rate: 2.79%

Equip Cost \$124,106.00 + Doc Fee \$400.00 = Total \$124,506.00

AMORTIZATION SCHEDULE

	Date	Payment	Interest	Principal	Balance
Loan	06/17/2013				124,506.00
2013 Totals		0.00	0.00	0.00	
1	06/17/2014	27,024.83	3,473.72	23,551.11	100,954.89
2014 Totals		27,024.83	3,473.72	23,551.11	
2	06/17/2015	27,024.83	2,816.64	24,208.19	76,746.70
2015 Totals		27,024.83	2,816.64	24,208.19	
3	06/17/2016	27,024.83	2,147.10	24,877.73	51,868.97
2016 Totals		27,024.83	2,147.10	24,877.73	
4	06/17/2017	27,024.83	1,447.14	25,577.69	26,291.28
2017 Totals		27,024.83	1,447.14	25,577.69	
5	06/17/2018	27,024.83	733.55	26,291.28	0.00

EXHIBIT A TO EQUIPMENT LEASE-PURCHASE AGREEMENT

Dated June 17, 2013 Between Oklahoma State Bank as Lessor and City of Willcox as Lessee.

DESCRIPTION OF EQUIPMENT

The following Equipment description is the subject of the attached Equipment Lease-Purchase Agreement.

<u>Qty.</u>	<u>Description</u>
1	Asphalt Zipper AZ-500B SN#50000649: Grind Box SN#CA500242: Water System SN#H00321: Dual Axle Trailer VIN#109FS0826DU021137

Together with all accessions, additions and attachments thereto.

The Equipment is located at: 250 N Railroad Ave. Willcox AZ 85643

Lessee hereby certifies that the description of the Equipment set forth above constitutes an accurate description of the "Equipment", as defined in the attached Equipment Lease-Purchase Agreement.

STATEMENT OF ESSENTIAL USE

Please state below, or on the letterhead stationary of City of Willcox, a brief statement about why the equipment listed in Exhibit "A" has been acquired. This statement should address the following questions:

1. What is the essential function(s) to be performed by the equipment? How long do you expect it will be used?
2. Does it replace equipment that performed this (these) same function(s)? If so, how many years was the previous equipment in use?
3. Was this equipment chosen through competitive bidding, or by another method?
4. Which internal fund will be used to make the lease payments?

In answer to the above, the following is submitted:

City of Willcox

By: _____
Robert A Irvin

Title: Mayor

waiver, consent, amendment, modification or change shall be effective only in the specific instance and for the specific purpose given.

Section 13.04. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.05. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.06. Amendments, Changes and Modifications. This Agreement may be amended by Lessor and Lessee.

Section 13.07. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.08. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 13.09. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

IN WITNESS WHEREOF, Lessor has executed this Agreement in its corporate name with its corporate seal hereunto affixed and attested by its duly authorized officers, and Lessee has caused this Agreement to be executed in its corporate name and attested by its duly authorized officers as of the date written above.

LESSOR

LESSEE

Oklahoma State Bank

City of Willcox

By: _____

By: _____

Print Name: Bryant Vail

Print Name: Robert A Irvin

Title: Senior Vice President

Title: Mayor

(SEAL)

(SEAL)

ATTEST:

ATTEST:

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

of any Rental Payments owed by Lessee during the Original or Renewal Term then in effect; any disposition proceeds remaining after the requirements of the clauses (i), (ii), (iii), (iv), and (v) have been met shall be paid to Lessee; (v) the applicable Purchase Price of the Equipment and

(d) Lessor may take whatever action at law or in equity may appear necessary or desirable to enforce its rights as the owner of the Equipment, and Lessee shall pay the reasonable attorney's fees and expenses incurred by Lessor in enforcing any remedy hereunder.

Section 12.03. Return of Equipment; Release of Lessee's Interest. Upon termination of this Agreement hereunder prior to the payment of all Rental Payments or the applicable Purchase Price in accordance with Exhibit B: (i) Lessor may enter upon Lessee's premises where the Equipment is kept and disable the Equipment to prevent its further use by Lessee and (ii) Lessee shall promptly, but in any event within ten (10) days after such termination, at its own cost and expense: (a) perform any testing and repairs required to place the Equipment in the condition required by Section 5.04; (b) if deinstallation, disassembly or crating is required, cause the Equipment to be deinstalled, disassembled and crated by an authorized manufacturer's representative or such other service person as is satisfactory to Lessor; and (c) deliver the Equipment to a location specified by Lessor, freight and insurance prepaid by Lessee. If Lessee refuses to deliver the Equipment in the manner designated, Lessor may repossess the Equipment and charge to Lessee the costs of such repossession.

Section 12.04. No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Lessor to exercise any remedy reserved to it in this Agreement it shall not be necessary to give any notice other than such notice as may be required in this Agreement.

Section 12.05. Force Majeure. If by any reason of Force Majeure Lessee is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of Lessee contained in Article IV and Section 7.02 hereof, Lessee shall not be deemed in default during the continuance of such inability. The term "Force Majeure" as used herein shall mean, without limitation, the following: Acts of God, strikes, lockouts or other industrial disturbances; acts of public enemies, orders or restraints of any kind of government of the United States of America or the State or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; or explosions.

ARTICLE XIII. Section 13.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties hereto at the addresses immediately after the signatures to this Agreement (or at such other address as either party hereto shall designate in writing to the other for notices to such party) and to any assignee at its address as it appears on the registration books maintained by Lessee.

Section 13.02. Release and Indemnification. To the extent permitted by law, Lessee shall indemnify, protect, hold harmless, save and keep harmless Lessor from and against any and all liability, obligation, loss claim, tax and damage whatsoever, regardless of cause thereof, and all expenses in connection therewith (including without limitation counsel fees and expenses and any federal income tax and interest and penalties connected therewith imposed on interest received) arising out of or as the result of (a) the entering into of this Agreement, (b) the ownership of any item of Equipment, (c) the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage, or return of any item of the Equipment, (d) or any accident in connection with the operation, use, condition, possession, storage or return of any item of the Equipment resulting in damage to property or injury to or death to any person, and/or (e) the breach of any covenant herein or any material misrepresentation contained herein. The indemnification arising under this paragraph shall continue in full force and effect notwithstanding the full payment of all obligations under this Agreement or the termination of the Lease Term for any reason.

Section 13.03. Entire Agreement. This Agreement constitutes the entire agreement between Lessor and Lessee. There are no understandings, agreements, representations or warranties, express or implied, not specified herein regarding this Agreement or the Equipment leased hereunder. Any terms and conditions of any purchase order or other document submitted by Lessee in connection with this Agreement which are in addition to or inconsistent with the terms and conditions of this Agreement will not be binding on Lessor and will not apply to this Agreement. Lessee by the signature below of its authorized representative acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions. No waiver, consent, amendment, modification or change of terms of this Agreement shall bind either party unless in writing, signed by both parties, and then such

Lessee shall not have the right to and shall not assert against any assignee or any claim, counterclaim or other right Lessee may have against Lessor.

Section 11.02. Assignment and Subleasing by Lessee. None of Lessee's right, title and interest in, to and under this Agreement and in the Equipment may be assigned or encumbered by Lessee for any reason, except that Lessee may sublease all or part of the Equipment if Lessee obtains the prior written consent of Lessor and an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Lessor that such subleasing will not adversely affect the exclusion of the interest components of the Rental Payments from gross income for federal income tax purposes. Any such sublease of all or part of the Equipment shall be subject to this Agreement and the rights of Lessor in, to and under this Agreement and the Equipment.

ARTICLE XII. Section 12.01. Events of Default Defined. Subject to the provisions of Section 3.03, any of the following events shall constitute an "Event of Default" under this Agreement:

- (a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein;
- (b) Failure by Lessee to maintain required insurance coverage or to observe and perform any other covenant, condition or agreement on its part to be observed or performed, other than as referred to in subparagraph (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected;
- (c) Any statements, representations or warranty made by Lessee in or pursuant to this Agreement or its execution, delivery or performance shall prove to have been false, incorrect, misleading or breached in any material respect on the date when made;
- (d) Any provision of this Agreement shall be at any time for any reason cease to be valid and binding on Lessee, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee shall deny that it has any further liability or obligation under this Agreement;
- (e) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against it under applicable federal bankruptcy law, or (v) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding; or
- (f) An order, judgment or decree shall be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days.

Section 12.02. Remedies on Default. Whenever any Event of Default exists, Lessor shall have the right, at its sole option without any further demand or notice, to take one or any combination of the following remedial steps:

- (a) With or without terminating this Agreement, may declare all Rental Payments due or to become due during the Original or Renewal Term in effect when the default occurs to be immediately due and payable by Lessee, whereupon such Rental Payments shall be immediately due and payable; and
- (b) With or without termination of this Agreement, Lessor may enter the premises where the Equipment is located and disable the Equipment to prevent further use thereof by Lessee. In addition or alternatively, Lessor may take possession of any of all of the Equipment by giving written notice to deliver the Equipment in the manner provided in Section 12.03; in the event Lessee fails to do so within ten (10) days after receipt of such notice, Lessor may enter upon Lessee's premises where the Equipment is kept and take possession of the Equipment and charge Lessee for costs incurred in repossessing the Equipment, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession. Notwithstanding the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Rental Payments due with respect thereto during the Fiscal Year then in effect.
- (c) If Lessor terminates this Agreement and, in its discretion, takes possession and disposes of the Equipment or any portion thereof, Lessor shall apply the proceeds of any such disposition to pay the following items in the following order: (i) all costs (including, but not limited to, attorney's fees) incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the disposition; (iii) any sales or transfer taxes; (iv) the balance

ARTICLE VIII. Section 8.01. Damage, Destruction and Condemnation. If (a) the equipment or any portion thereof is destroyed, in whole or in part, or is damaged by fire or other casualty or (b) title to, or the temporary use of, the Equipment or any part thereof shall be taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, Lessee and Lessor will cause the Net Proceeds of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt replacement, repair, restoration, modification or improvement of the Equipment, unless Lessee shall have exercised its option to purchase the Equipment pursuant to Section 10.01. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to Lessee. For purposes of this Article, the term "Net Proceeds" shall mean the amount remaining from the gross proceeds of any insurance claim, condemnation award or sale under threat of condemnation after deducting all expenses, including attorneys' fees, incurred in the collection thereof.

Section 8.02. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to pay in full the cost of any repair, restoration, modification or improvement referred to in Section 8.01, Lessee shall either (a) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds, or (b) purchase Lessor's interest in the Equipment pursuant to Section 10.01. The amount of the Net Proceeds, if any, remaining after completing such repair, restoration, modification or improvement or after purchasing Lessor's interest in the Equipment shall be retained by Lessee. If Lessee shall make any payments pursuant to this Section, Lessee shall not be entitled to any reimbursement therefor from Lessor nor shall Lessee be entitled to any diminution of the amounts payable under Article IV.

ARTICLE IX. Section 9.01. DISCLAIMER OF WARRANTIES. Lessee acknowledges and agrees that the Equipment is of a size, design and capacity selected by Lessee and that Lessor is neither a manufacturer nor a vendor of such Equipment. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR USE OF THE EQUIPMENT OR ANY MANUFACTURER'S OR VENDOR'S WARRANTY WITH RESPECT THERETO. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INCIDENTAL INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE EXISTENCE, FURNISHING, FUNCTIONING OR LESSEE'S USE OF ANY ITEM, PRODUCT OR SERVICE PROVIDED FOR IN THIS AGREEMENT.

Section 9.02. Vendors' Warranties. Lessor hereby irrevocably appoints Lessee its agent and attorney-in-fact during the Lease Term, so long as Lessee shall not be in default hereunder, to assert from time to time whatever claims and rights (including without limitation warranties) related to the Equipment that Lessor may have against the Vendors. Lessee's representation shall be against the Vendors of the Equipment and not against Lessor. Any such matter shall not have any effect whatsoever on the rights and obligations of Lessor with respect to this Agreement, including the right to receive full and timely payments hereunder. Lessee expressly acknowledges that Lessor makes, and has made, no representations or warranties whatsoever as to the existence or the availability of such warranties by the Vendors of the Equipment.

ARTICLE X. Section 10.01. Purchase Option. Lessee shall have the option to purchase Lessor's interest in the Equipment, upon giving written notice to Lessor at least 60 days before the date of purchase except the final Rental Payment Date, at the following times and upon the following terms.

- (a) On the Rental Payment Dates specified in Exhibit B, upon payment in full of the Rental Payments then due hereunder plus the then applicable Purchase Price to Lessor; or
- (b) In the event of substantial damage to or destruction or condemnation of substantially all of the Equipment, on the day Lessee specifies as the purchase date in Lessee's notice to Lessor of its exercise of the purchase option pursuant to Article VIII, upon payment in full of the Rental Payments then due hereunder plus the then applicable Purchase Price to Lessor.

ARTICLE XI. Section 11.01. Assignment by Lessor. Lessor's right, title and interest in, to and under this Agreement and the Equipment may be assigned and reassigned only in whole but not in part without the necessity of obtaining the consent of Lessee. Any assignment shall not be effective until Lessee has received written notice, signed by the assignor, of the name and address of the assignee. Lessee shall retain all such notices as a register of all assignees and shall make all payments to the assignee currently designated in such register. Lessee agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements that may be reasonably requested by Lessor or any assignee to protect its interests in the Equipment and in this Agreement.

Lessor, adversely affect the interest of Lessor in and to the Equipment or its interest or rights under this Agreement. Lessee agrees that it will, at Lessee's own cost and expense, maintain, preserve and keep the Equipment in good repair and working order. Lessor shall have no responsibility to maintain, repair or make improvements or additions to the Equipment. Upon the request of Lessor, Lessee will enter into a maintenance contract for the Equipment with one or more Vendors.

ARTICLE VI. Section 6.01. Title to the Equipment. Upon acceptance of the Equipment by Lessee, title to the Equipment shall vest in Lessee subject to Lessor's rights under this Agreement. title shall thereafter immediately and without any action by Lessee vest in Lessor, and Lessee shall immediately surrender possession of the Equipment to Lessor upon (a) any termination of this Agreement other than termination pursuant to Section 10.01 or (b) the occurrence of an Event of Default. It is the intent of the parties hereto that any transfer of title to Lessor pursuant to this Section shall occur automatically without the necessity of any bill of sale, certificate of title or other instrument of conveyance. Lessee shall, nevertheless, execute and deliver any such instruments as Lessor may request to evidence such transfer. Upon termination of this Lease in accordance with Articles 3 and 12 hereof, at the election of Lessor and upon Lessor's written notice to Lessee, full and unencumbered legal title and ownership of the Equipment shall pass to Lessor, Lessee shall have no further interest therein, and Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title and ownership to Lessor and termination of Lessee's interest in the Equipment.

Section 6.02. Security Interest. To secure the payment of all of Lessee's obligations under this Agreement, Lessee hereby grants to Lessor a security interest constituting a first lien on the Equipment and on all additions, attachments and accessions thereto, substitutions therefor and proceeds therefrom. Lessee agrees to execute such additional documents, in form satisfactory to Lessor, which Lessor deems necessary or in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest and the security interest of any assignee of Lessor in the Equipment.

Section 6.03. Personal Property. The Equipment is and will remain personal property. The Equipment will not be deemed to be affixed to or a part of the real estate on which may be situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to such real estate or any building thereon. Upon the request of Lessor, Lessee will, at Lessee's expense, furnish a waiver of any interest in the Equipment from any party having an interest in any such real estate or building.

ARTICLE VII. Section 7.01. Liens, Taxes, Other Governmental Charges and Utility Charges. Lessee shall keep the Equipment free of all levies, liens and encumbrances except those created by this Agreement. The parties to this Agreement contemplate that the Equipment will be used for a governmental or proprietary purpose of Lessee and that the Equipment will therefore be exempt from all property taxes. If the use, possession or acquisition of the Equipment by Lessee is nevertheless determined to be subject to taxation, Lessee shall pay when due all taxes and governmental charges lawfully assessed or levied against or with respect to the Equipment. Lessee shall pay such taxes or charges as the same may become due.

Section 7.02. Insurance. At its own expense, Lessee shall cause casualty, public liability and property damage insurance to be carried and maintained in the amounts and for the coverage set forth in Exhibit G. All insurance proceeds from casualty losses shall be payable as hereinafter provided in this Agreement. Lessee shall furnish to Lessor certificates evidencing such coverage throughout the Lease Term. Alternatively, Lessee may insure the Equipment under a blanket insurance policy or policies which cover not only the Equipment but other properties. All such insurance shall be with insurers that are acceptable to Lessor, shall name Lessee and Lessor as insureds and shall contain a provision to the effect that such insurance shall not be cancelled or modified materially without first giving written notice thereof to Lessor at least 10 days in advance of such cancellation or modification. All such casualty insurance shall contain a provision making any losses payable to Lessee and Lessor as their respective interests may appear. With written consent of Lessor, Lessee may satisfy the insurance requirements of this Section 7.02 by self-insurance.

Section 7.03. Advances. In the event Lessee shall fail to either maintain the insurance required by this Agreement or keep the Equipment in good repair and working order, Lessor may, but shall be under no obligation to, purchase the required insurance and pay the cost of the premiums thereof and maintain and repair the Equipment and pay the cost thereof. All amounts so advanced by Lessor shall constitute additional rent for the then current Original Term or Renewal Term and Lessee covenants and agrees to pay such amounts so advanced by Lessor with interest thereon from the due date until paid at the rate of 12% per annum or the maximum amount permitted by law, whichever is less.

**CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION**

Agenda Item: 12
Tab Number: 7
Date: 6-17-2013

Date Submitted:
5-31-13

Date Requested:
6-17-13

Action:
 Resolution
 Ordinance
 Formal
 Other

**Subject: Approve
Resolution
~~2013-47~~ Renewal of the
Contract with WASA on
providing Recreational
Services for FY 14**

TO: MAYOR AND COUNCIL

FROM: City Manager

DISCUSSION: Willcox Against Substance Abuse (WASA) is a nonprofit agency operating in the City of Willcox that sponsors and works with youth to help them fight substance abuse and other youth problems. The City has contracted with WASA to provide a number of youth recreational programs. The contract is up for renewal, it runs on an annual basis from July 1, through June 30.

This is being proposed as a "Sole Source Procurement" under section 3-1-3 L. of the City Purchasing code.

Attached is the contract for your review.

The Contract provides that WASA may use the City Facilities (subject to availability) at a reduced or no cost upon City council authorization (Section 4). Staff is recommending a blanket "No Cost" authorization be provided, since these are essentially City Activities being provided under contract.

RECOMMENDATION: Approve the contract and waiver of cost for use of City Facilities for provision of services.

FISCAL IMPACT: \$12,000.00/year General Fund

Prepared by: Pat McCourt

Approved by:



City Manager

CITY OF WILLCOX, COCHISE COUNTY, ARIZONA

RESOLUTION 2013-43

A RESOLUTION OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, APPROVING THE SERVICE CONTRACT FOR PURCHASE OF RECREATIONAL AND EDUCATIONAL SERVICES, "SERVICE CONTRACT", BETWEEN THE CITY OF WILLCOX, "CITY", AND WILLCOX AGAINST SUBSTANCE ABUSE, "WASA", AND AUTHORIZING THE MAYOR TO EXECUTE THE THIS RESOLUTION AND THE SERVICE CONTRACT.

WHEREAS, the CITY and WASA have a long standing relationship working with Youth in the Willcox Community; and,

WHEREAS, the CITY and WASA have entered into Memorandums of Understanding for several years that include providing services to the Youth of our community; and,

WHEREAS, the CITY and WASA have entered into contracts for purchase of recreational and educational services, hereinafter "Service Contract", for several years that include services to the Youth of our community; and,

WHEREAS, the CITY and WASA desire to extend and renew the Service Contract for the period of July 1, 2013 through June 30, 2014 as proposed in the Contract for Purchase of Recreational and Educational Services, presented herewith as Exhibit "A"; and,

WHEREAS, the Mayor and Council desire to have this Resolution presented at the June 17, 2013, Regular Council Meeting and have determined that approval of the Service Contract is in the best interest of the CITY and its residents.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, AS FOLLOWS:

SECTION 1: The Mayor and City Council hereby approve the Contract for Purchase of Recreational and Educational Services, presented herewith as Exhibit "A"; and,

SECTION 2: The Mayor is hereby authorized to execute the Contract for Purchase of Recreational and Educational Services, presented herewith as Exhibit "A"; and,

SECTION 3: The Mayor is hereby authorized to execution this Resolution as presented.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, this 17th day of June, 2013.

APPROVED/EXECUTED:

ROBERT A. IRVIN, MAYOR

ATTEST:

VIRGINIA A. MEFFORD, City Clerk

APPROVED AS TO FORM:

ANN P. ROBERTS, City Attorney

RESOLUTION 2013-43



CONTRACT FOR PURCHASE OF RECREATIONAL AND EDUCATIONAL SERVICES

This Service Contract is made and entered into at Willcox, Arizona this ____ day of _____, 2013 by and between the **CITY OF WILLCOX**, a municipal corporation of the State of Arizona, hereinafter referred to as “**CITY**” and **WILLCOX AGAINST SUBSTANCE ABUSE**, a non-profit alliance, hereinafter referred to as “**WASA**”.

WITNESSETH:

WHEREAS, the City owns and operates several recreational facilities and services for the citizens of Willcox; and

WHEREAS, the City also provides and coordinates recreational activities for the citizens through the City Department of Parks and Recreation; and

WHEREAS, the City is willing to contract with WASA, and WASA is willing to accept a contract with the City, as an independent contractor, to coordinate, sponsor, schedule, register and provide oversight of specifically agreed upon recreational programs heretofore conducted by the City Parks and Recreation Department as consideration for mutual covenants, promises and agreement as set forth herein;

THEREFORE, IT IS AGREED by the parties as follows:

Section 1. TERM

The term of this contract shall extend to June 30, 2014 from the effective date of the contract unless sooner terminated pursuant to Section 13 below.

Section 2. PAYMENT:

The City shall pay WASA for services rendered pursuant an Activity Plan, as set forth in Section 6, the annual sum of \$12,000.00 payable in equal monthly

installments. Payment shall be made by the City to WASA within thirty (30) days after the beginning date of the contract.

Section 3. SUMMARY OF SERVICES

WASA shall perform and provide the organizing, scheduling, registration and oversight of the following programs: See Attachment 1

The above activities are not all inclusive of the activities which the City may offer through WASA. By mutual consent of the City and WASA the number of the above named activities and programs may be expanded by number and level. The number and level of activities may fluctuate in accordance with community interest and demand, as measured by the number of actual participants in each, individual activity and funding available from the City, participant fees and other sources.

Section 4. LOCATION OF ACTIVITIES

The City shall make available to WASA, at a reduced charge, or at no charge, depending upon City Council approval, the following City facilities;

- Community Center
- Swimming Pool
- All City Parks
- Baseball/Softball Diamonds
- Tennis Courts
- Soccer Fields

Use of facilities shall be subject to commitments made to other parties by the City. Flexibility among the parties is encouraged.

Section 5. INSURANCE MAINTAINED BY WASA

WASA shall obtain and maintain sufficient Worker's Compensation Insurance, Public Liability Insurance, in an amount of not less that \$1,000,000.00, and other Insurance coverage's as is necessary to protect the City. The City shall be named as additional insured on WASA's insurance policies. WASA will supply the City with copies of the pertinent certificates of insurance.

Section 6. ACTIVITY PLAN

WASA shall prepare and submit a written quarterly activity plan of scheduled activities and events for the upcoming quarter. Said plan shall give a detailed description of each event, location and fees charged and received. Quarterly activity plans shall be submitted no less that thirty (30) days before the beginning of each quarter to the City Manager, hereinafter referred to as

"ADMINISTRATOR"

for review and approval. WASA shall not conduct any activity under this contract unless and until it has been approved by the Administrator. The approval of the activity by the Administrator is not intended to, nor construed to be as constituting unqualified approval of all actions of WASA in the conduct of activity.

Section 7. REPORTS

WASA shall submit to the Administrator, monthly, a written report of activities, fees collected, and number of individuals participating in each activity. WASA shall also attend the monthly meeting of the City of Willcox Parks and Recreation Commission to report and discuss the quarterly activity plan. On or before September 30 of each year, WASA shall submit an annual report of the activities to Parks and Recreation Commission and events which it coordinated during the previous year, July 1 through June 30.

Section 8. FACILITIES AND EQUIPMENT

WASA shall perform all services to be rendered pursuant to this Contract at the locations specified in Section 4 unless otherwise agreed upon in advance, in writing. In connection with services performed on properties other than the City's, WASA agrees to maintain all facilities and equipment used by the participants in the programs in a clean, sanitary and safe condition and free from defects of every kind, whatsoever. WASA agrees that it shall not, during the term of the Contract, be in violation of any health, building, fire, and safety or zoning code regulation. In connection with City, WASA agrees to use, and instruct its participants, to use due care. WASA shall report all defects in or damage to any City facility or City equipment in its care or use and the cause thereof, if known, immediately to the Administrator.

Section 9. LICENSES AND PERMITS

WASA agrees to procure and keep in full force and effect, all licenses, permits or like permission(s) required by the City, County, State and Federal law, inclusive of copyright and patent laws, to conduct or engage in the contracted activities provided for during the term of the Contract.

Section 10. INFORMATION AND ENROLLMENT

All dissemination of information to the public concerning activities to be conducted pursuant to this Contract and enrollment of participants herein is the sole responsibility and right of WASA. WASA shall not represent any activity in which it is engaged, including but not limited to, the activities which is the subject hereof, as having been approved by the City or otherwise use the City name in a testimonial manner without prior written permission by the City.

Section 11. INDEPENDENT CONTRACTOR

WASA understands and agrees that the relationship of WASA to the City, arising out of this Contract, shall be that of an independent contractor. It is understood that WASA or its staff, employees or representatives are not employees of the City and are, therefore, not entitled to any benefits therefrom. WASA shall be responsible for reporting and accounting for all state, federal, FICA and local taxes, where applicable.

Section 12. LIABILITY

- (a) City assumes no liability for actions of WASA under this Contract. WASA agrees to fully indemnify and hold harmless the City any and all liability, loss, damage, cost or expense which City may sustain, incur or be required to pay as a result of any and all wrongful or negligent acts of WASA in the performance of its services and obligations under this Contract.
- (b) Prior to, or on the effective date of this Contract, WASA shall furnish City with written verification of the existence of the insurance policies as set forth above or a binding commitment from the insurance company to insure said policy within ten (10) working days from the effective date of this Contract. WASA understands and agrees that the existence of said policy or binder shall be a condition precedent to the commencement by it of services to be rendered under this Contract and that, should WASA fail to obtain said policy or binder by the effective date hereof, this Contract shall immediately terminate and be of no further force and effect, unless the City shall otherwise specify in writing.
- (c) In the event that any action, concerning terms of Contract, suit or proceeding is brought against WASA or the City, WASA or the City shall as soon thereafter as is practicable cause written notice thereof to be given to the other party to the Contract by certified mail.

Section 13. TERMINATION

Either party to the Contract may cancel the same upon ninety (90) days written notice as provided in Section 14. If said Contract is cancelled by the City in the event of a default or noncompliance with the terms by WASA, and, in such event the City shall cause immediate written notice of such termination to be given to WASA. WASA is obligated and agrees to refund the City all monies paid to it by City for services not rendered by said WASA as of the date on which WASA shall receive notice of termination. Said sum shall be based on number of days left in the monthly payment.

Section 14. NOTICE

Any notice which is required to be given or which may be given under this Contract shall be effective as of the time it is deposited in the United States Mail in postage paid envelope and addressed to the parties as follows (until changed by notice to the other party in writing), to wit:

City of Willcox
101 S. Railroad, Ste B
Willcox, AZ 85643

Willcox Against Substance Abuse
480 N. Bisbee
Willcox, AZ 85643

Section 15. NON-ASSIGNABILITY

The City and WASA understand that this Contract is an agreement for the organizational services of WASA with the City. The Contract is made by the City in reliance on WASA's personal skill and knowledge in the activities to be conducted, and as represented by WASA. WASA has agreed to perform the Contract in the reliance that the contracting party is and will remain the City. Accordingly, this Contract is non-assignable by either party.

Section 16. MISCELLANEOUS

- (a) This Contract constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior or contemporaneous agreements and understandings of the Parties in connection therewith. No modification of this Contract shall be effective unless made in writing and signed by both Parties hereto.
- (b) Where the content admits, words in the masculine gender shall include the feminine gender and the word "WASA" or any pronoun representing it shall include all staff, agents and employees of WASA.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands this ____ day of _____, 2013.

CITY OF WILLCOX

WILLCOX AGAINST SUBSTANCE ABUSE

Mayor, Robert "Bob" Irvin

_____, Coordinator

ATTEST:

APPROVED AS TO FORM:

City Clerk, Virginia Mefford

City Attorney, Ann B. Roberts

**CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION**

Agenda Item 13
Tab Number 8
Date: 6/17/2013

<u>Date Submitted:</u>	<u>Action:</u>	<u>Subject:</u>
June 11, 2013	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Other <input type="checkbox"/> Formal	School Safety Program Amendment to Intergovernmental Agreement with the Willcox Unified School District

TO: MAYOR AND COUNCIL
FROM: Finance Director Ruth Graham

DISCUSSION:

The City of Willcox (City) and the Willcox Unified School District #13 (WUSD) have worked together for several years to provide a School Safety Program. The City and WUSD share the cost of the salary and benefits to provide a School Resource Officer (SRO).

On August 3, 2010, the City and WUSD entered into an Intergovernmental Agreement Among Willcox Unified School District #13, and the City of Willcox, Cochise County, Arizona for FY2010-2011. The IGA included a provision by which the IGA could be extended for three additional one year terms. The first extension was approved for Fiscal Year 2011-2012. The second extension was for Fiscal Year 2012-2013. A third extension is requested for Fiscal Year 2013-2014 beginning July 1, 2013 and ending June 30, 2014. The amendment reflects current wage costs and an increase in the amount each party's contribution. WUSD will cover approximately 45.4% of the City's FY14 employment costs for Officer Lacey, the School Resource Officer, and the City will cover 54.6% of the employment costs as well as training, vehicle, uniforms and other costs. .

The purpose of this IGA is to foster a safe school environment on the school premises and at school sponsored activities. The Willcox Department of Public Safety (WPDS) is the Law Enforcement Unit and the SRO officer's salary and benefits are paid through the City's payroll. For FY14 the City's PRPRS contribution rate for all officers increased from 30.70% to 32.43%; the required contribution by the City will increase by \$1,188.00 to \$17,157.00.

WUSD's contribution will cover approximately half of the SRO wages and benefits including Social Security, Medicare and Worker's Compensation, as well as reimbursement for required specialized training in the approximate amount of \$1,000.00. The City will pay for other employment costs for the SRO Officer, including, but not limited to, health benefits, patrol car, uniforms and regular training.

The FY14 anticipated SRO compensation split is as follows:

	FY12	FY13
Wages	\$50,502.	\$52,905.
Benefits	<u>28,915.</u>	<u>31,281.</u>
Sub-total	<u>\$79,417.</u>	<u>\$84,186.</u>

Cost of wages and benefits divided as follows:

City of Willcox Plus training, vehicle, uniforms and all other costs of employment and training	<u>\$42,399.</u>	<u>\$46,000.</u> 54.6%
WUSD	\$36,018.	\$38,186. 45.4%
Plus: SRO Training Contribution	<u>1,000.</u>	<u>1,000.</u>
Total WUSD	<u>\$37,018.</u>	<u>\$39,186.</u>

The SRO is assigned to the schools for the purposes of ensuring the safety and security of the students and staff during regular school hours, special events and activities held on school campuses. The SRO investigates alleged criminal acts on school campuses, instructs students in Drug Abuse Resistance Education (D.A.R.E.) and other law related education, and assists WUSD employees with matters regarding the safety and security of students to provide a safe, positive learning environment. The SRO also acts as the immediate first responder to threats to the safety and security of WUSD students and employees, and acts as the liaison between WUSD and the WPDS.

RECOMMENDATION:

Motion to approve Resolution No. 2013-____ to approve the Third Amendment to the August 3, 2010 Intergovernmental Agreement Among Willcox Unified School District #13, and the City of Willcox, Cochise County, Arizona for the fiscal year beginning July 1, 2013 and ending June 30, 2014.

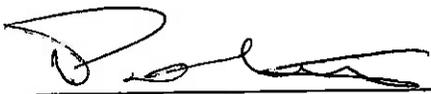
FINANCIAL IMPACT: Payment to the City by WUSD in the amount of \$39,185.56.

Submitted by:



Ruth Graham, Finance Director

Approved by:



Pat McCourt, City Manager

**FY 2013-2014 AMENDMENT
TO THE
INTERGOVERNMENTAL AGREEMENT
AMONG
WILLCOX UNIFIED SCHOOL DISTRICT #13, AND
CITY OF WILLCOX, COCHISE COUNTY, ARIZONA**

This is a Fiscal Year 2013-2014 Amendment to the Intergovernmental Agreement dated August 3, 2010, hereinafter referred to as "IGA", between the City of Willcox, hereinafter referred to as "CITY," and Willcox Unified School District #13, hereinafter referred to as "SCHOOL," subject to the following terms and conditions:

1. The IGA between CITY and SCHOOL dated August 3, 2010 was effective for the period from July 1, 2010 to June 30, 2011. Pursuant to Section 3, Term and Renewal, the Agreement may be extended for three additional one year terms. CITY and SCHOOL extended the IGA for one additional year for the period beginning July 1, 2011 and ending June 30, 2012, and for a second year for the period beginning July 1, 2012 and ending June 30, 2013.

2. CITY and SCHOOL agree to extend the IGA for a third additional year, for the period beginning July 1, 2013 and ending June 30, 2014, with the following amendment to Section 7, Financing:

The funding for all costs association with the SCHOOL SAFETY PROGRAM will be shared among the CITY and SCHOOL as follows:

A)	WAGES	---	\$ 38,185	
	SPECIALIZED TRAINING	---	<u>1,000</u>	
	TOTAL FROM SCHOOL	---	\$ 39,185	(46%)
B)	TOTAL FROM CITY	---	<u>\$ 46,001</u>	
	Total	---	<u>\$ 85,186</u>	(54%)

3. All other terms and conditions of the IGA dated August 3, 2010 are restated and affirmed.

IN WITNESS WHEREOF, the parties hereto have executed their signatures to this FY14 Amendment on the dates written below:

CITY OF WILLCOX

WILLCOX DEPARTMENT OF PUBLIC SAFETY

Mayor, Robert A. Irvin Date

WDPS Acting Chief, Glenn Childers Date

WILLCOX UNIFIED SCHOOL DISTRICT #13

Dr. Richard Rundhaug
Superintendent of Schools

**AMENDMENT TO INTERGOVERNMENTAL AGREEMENT
DETERMINATION**

RE: FY13 AMENDMENT TO SCHOOL SAFETY PROGRAM [SRO] AGREEMENT
BETWEEN THE CITY OF WILLCOX AND WILLCOX UNIFIED SCHOOL
DISTRICT #13

This FY14 Amendment has been reviewed pursuant to A.R.S. § 11-952 by the undersigned City Attorney who has determined that it is in appropriate form and is within the powers and authority granted to the City of Willcox, Cochise County, Arizona.

Approved as to form this ____ day of _____, 2013.

By: _____
Ann Roberts, Esq.
City Attorney

In accordance with A.R.S. § 11-952 this Agreement has been reviewed by the undersigned that has determined that this agreement is in appropriate form and within the powers and authority granted to the Willcox Unified School District #13.

Approved as to form this ____ day of _____, 2013.

By: _____
Candyce B. Pardee, Esq.
Deputy County Attorney

CITY OF WILLCOX, COCHISE COUNTY, ARIZONA

RESOLUTION 2013-44

A RESOLUTION OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, APPROVING AND ADOPTING THE FY2013-2014 AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF WILLCOX, "CITY" AND THE WILLCOX UNIFIED SCHOOL DISTRICT #13, "SCHOOL", FOR THE PURPOSE OF CONTINUING A SCHOOL SAFETY PROGRAM, AUTHORIZING THE MAYOR TO EXECUTE THIS RESOLUTION AND THE IGA.

WHEREAS, the CITY is authorized pursuant to A.R.S. § 9-240(B) (12), to establish and require police of the town, to appoint watchmen and policemen, to remove them and to prescribe their powers and duties; and,

WHEREAS, the CITY and the SCHOOL are vested with the authority to enter into Intergovernmental Agreements pursuant to A.R.S. §§ 11-951; 11-952; 15-154; 15-155 and 15-342(13); and,

WHEREAS, the CITY and the SCHOOL have agreed to share the cost of funding the SCHOOL SAFETY PROGRAM for the School Resource Officer in the total amount of \$85,186.00 with \$46,001.00 from the CITY and \$39,185.00 from the SCHOOL and such terms and conditions of the amendment as set forth in the FY2013-2014 Amendment to the Intergovernmental Agreement among the Willcox Unified School District No. 13 and the City of Willcox, Cochise County, Arizona as presented herewith as Exhibit "A"; and,

WHEREAS, the CITY desires to have this Resolution presented at Regular City Council Meeting on June 17, 2013, and has determined that approval of the SCHOOL SAFETY PROGRAM IGA is in the best interest of the CITY and its residents.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, AS FOLLOWS:

SECTION 1: The Mayor and City Council hereby approve the FY2013-2014 Amendment to the Intergovernmental Agreement among the Willcox Unified School District No. 13 and the City of Willcox, Cochise County, Arizona as presented herewith as Exhibit "A", as such is in the best interests of the CITY, the SCHOOL and the residents of the City of Willcox.

SECTION 2: The Mayor is authorized and empowered to execute the FY2013-2014 Amendment to the Intergovernmental Agreement among the Willcox Unified School District No. 13 and the City of Willcox, Cochise County, Arizona as presented herewith as Exhibit "A", as presented.

SECTION 2: The Mayor is authorized and empowered to execute this Resolution as presented.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, this 17th day of June, 2013.

APPROVED/EXECUTED:

ROBERT A. IRVIN, MAYOR

ATTEST:

VIRGINIA A. MEFFORD, City Clerk

APPROVED AS TO FORM:

ANN P. ROBERTS, City Attorney

RESOLUTION 2013-44

CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION

Agenda Item 14
Tab Number 9
Date: 6/17/13

<u>Date Submitted:</u> June 11, 2013	<u>Action:</u> <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Formal <input type="checkbox"/> Other	<u>Subject:</u> Adoption of the Tentative Fiscal Year 2013-2014 Budget In the amount of \$20,111,684
---	---	--

TO: MAYOR AND COUNCIL
FROM: Finance Director Ruth Graham

DISCUSSION:

The City Council carefully reviewed the City's operations to create a financial plan that creates a policy statement for Willcox, and that fairly represents the City's plan to meet the needs of its citizens within the means available. The budgeting process considers the City's resources as well as its needs.

Staff recommends adoption of the Tentative Budget for the City of Willcox for Fiscal Year 2013-2014 in the amount of \$20,111,684, net of Inter-fund transfers totaling \$1,406,838. The tentative budget covers the operation of the funds managed by the City, including the General Fund, Streets, Streets Capital, Grants and Special Revenue Grants, Debt Service, General Fund Capital, Repair and Demolition, the Gas Utility, Water Utility, Sewer Utility, Refuse Utility, and the Magistrate Court and the Firemen's Pension Fund fiduciary funds. In addition to the operating needs of the City, this budget includes planned capital expenditures for the General Fund and the Utilities funds, as well as a wastewater treatment plant at an estimated cost of \$10 million dollars. The FY12-13 budget totaled \$22,286,659, net of Interfund transfers of \$849,409. Copies of the FY 13 and FY14 Budget Summaries are attached for your reference.

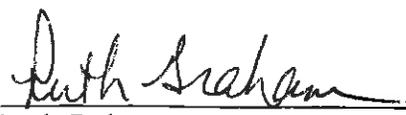
The Mayor and Council of the City of Willcox have held a number of public work sessions on budget planning for the Fiscal Year 2013-2014 (FY13-14). The Council has reviewed the services provided by the City, as well as the estimated revenues and expenses for FY13-14. The tentative budget has been published on the City's website and copies are available in each of the City offices and at the Library. Budget summary schedules will be published in the Willcox Range News on June 19, 2013 and June 26, 2013. The first Public Hearing on the budget will be held on July 1, 2013. The second Public Hearing will be held July 15, 2013 at which time the Mayor and Council will consider adoption of the final FY13-14 budget.

The tentative proposed budget for FY13-14 meets the requirements for municipal budgeting as established by the State of Arizona.

RECOMMENDATION:

Motion to approve the Tentative Budget for the City of Willcox for Fiscal Year 2013-2014 in the amount of \$20,111,684, net of inter-fund transfers of \$1,406,838.

Submitted by:


Ruth Graham


Pat McCourt, City Manager

City of Willcox
Budget for Fiscal Year 2012-2013

Fund Number	Fund Name	7/1/12 Projected Opening Balance	FY13 Budgeted Revenues	Inter-fund Transfers		FY13 Budgeted Expenses	6/30/13 Projected Ending Balance	FY 12-13 Projected Change in Ending Balance
				In	Out			
10	General Fund	\$ 1,753,527	3,080,701	A/B \$ 604,988	E \$ 6,500 F \$ 100,000 G \$ 121,900	\$ 4,394,809	\$ 816,007	\$ (937,520)
15	HURF	\$ 327,256	\$ 985,350		C \$ 10,321	\$ 1,038,357	\$ 263,928	\$ (63,328)
16	Grants	\$ -	\$ 1,162,023	C \$ 10,321		\$ 1,172,344	\$ -	\$ -
17	Special Rev Grants	\$ 70,422	\$ 59,570	E \$ 6,500		\$ 170,730	\$ (34,238)	\$ (104,660)
20	Debt Service	\$ 160,320	\$ 157,300	D \$ 5,700		\$ 163,000	\$ 160,320	\$ -
21	Capital Improv	\$ 42,450		G \$ 121,900		\$ 164,900	\$ (550)	\$ (43,000)
22	Repair & Demolition	\$ -	\$ -	F \$ 100,000		\$ 100,000	\$ -	\$ -
50	Gas - Operating Regulator Station	\$ 1,018,190	\$ 1,294,173		A \$ 190,731	\$ 1,193,953	\$ 927,679	\$ (90,511)
51	Water	\$ 1,533,528	\$ 778,089		A \$ 128,264 D \$ 5,700	\$ 660,210	\$ 1,517,443	\$ (16,085)
52	Sewer Plant Construction	\$ 962,624	\$ 755,491		A \$ 127,361	\$ 705,737	\$ 885,017	\$ (77,607)
53	Refuse Due to GF \$59,280	\$ 10,855	\$ 669,481		A \$ 122,833 B \$ 35,799	\$ 510,849	\$ (24,944)	\$ -
61	Magistrate Court Trust Fund	\$ 1,407	\$ 9,370			\$ 9,370	\$ 1,407	\$ -
72	Firemen's Pension Trust Fund	\$ 224,009	\$ 7,050			\$ 2,400	\$ 228,659	\$ 4,650
		\$ 6,104,589	\$ 20,958,598	\$ 849,409	\$ 849,409	\$ 22,286,659	\$ 4,776,527	\$ (1,328,061)

Fiscal Year 12-13 Tentative Operating Budget Total (net of transfers) \$ 22,286,659

Legend:

- A Utilities transfers to General Fund
- B Budgeted Refuse loan repayment to General Fund
- C Ft. Grant Beautification Project
- D General Obligation Bond for Water paid by Water Utility
- E Skatpark/Fireworks Transfers from General Fund
- F Repair & Demolition Fund - loan from General Fund
- G General Fund Capital Improvement Projects

*Prior Year -
for Comparison
Purposes*

PRINTED @ 7/16/12

CITY OF WILLCOX, COCHISE COUNTY, ARIZONA

RESOLUTION 2013-45

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, ADOPTING THE TENTATIVE BUDGET OF THE CITY OF WILLCOX FOR FISCAL YEAR 2013-2014, AUTHORIZING AND DIRECTING PUBLICATION OF STATEMENTS AND SCHEDULES OF THE TENTATIVE BUDGET AND SETTING THE DATES FOR THE PUBLIC HEARINGS ON THE TENTATIVE BUDGET BEFORE FINAL ADOPTION.

WHEREAS, the Mayor and City Council have conducted multiple budget work sessions to make an estimate of the amounts required to meet public expenditures for the ensuing year and an estimate of revenues from sources other than direct taxation and the amount to be raised by taxation upon real and personal property of the City of Willcox; and,

WHEREAS, the estimated public expenses and estimated revenues shown on the accompanying schedules in the amount of **\$20,111,684.00, net of inter-fund transfers of \$1,406.838.00** as presented herewith, accurately reflect the proposed Tentative Budget of the City of Willcox, Cochise County, Arizona for the Fiscal Year 2012-2013; and,

WHEREAS, the City Clerk is required to publish, the attached statements and schedules of said Tentative Budget, together with a copy of this Resolution and give Notice of Public Hearings of the City Council, for the purposes of conducting public hearings when and where any citizen may appear and be heard or submit written comments in favor of or against any proposed use within the budget or the tax levy. The proposed Budget may be examined on weekdays at the Willcox City Hall located at 101 S. Railroad Avenue, Willcox, Arizona between the hours of 8:00 a.m. and 4:00 p.m.; and,

WHEREAS, it is the desire of the Mayor and City Council that this item be presented for consideration at the regular City Council Meeting on June 17, 2013.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, as follows:

SECTION 1: That the estimates of public expenses and estimates of revenues shown on the accompanying schedules in the amount of **\$20,111,684.00, net of inter-fund transfers of \$1,406.838.00** are hereby adopted as the Tentative Budget of the City of Willcox, Cochise County, Arizona for the Fiscal Year 2012-2013; and,

SECTION 2: The Clerk is hereby authorized and directed to publish, in the manner prescribed by law, the attached statements and schedules of said Tentative Budget, together with a copy of this Resolution and the Notice of Public Hearings on said Budget of the Mayor and City Council to be held on July 1, 2013 and July 15, 2013, as required by law; and,

SECTION 3: The Mayor is authorized and empowered to execute the Resolution as presented.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, this 17th day of June, 2013.

APPROVED/EXECUTED:

ROBERT A. IRVIN, MAYOR

ATTEST:

VIRGINIA A. MEFFORD, City Clerk

APPROVED AS TO FORM:

ANN P. ROBERTS, City Attorney

RESOLUTION 2013-45

**City of Willcox Fiscal Year 2013-2014
Revenues, Expenses and Fund Balances -- Preliminary Budget 5/22/2013**

Fund Number	Fund Name	7/1/13 Estimated Bal	FY14 Budgeted Revenues	Inter-fund Transfers			FY14 Budgeted Expenses	6/30/14 Ending Balance	FY14 YTD Fund Bal. Change
				In	Out				
10	General Fund	\$ 1,798,718	3,231,292	A \$ 557,900 H \$ 35,799	D \$ 3,500 F \$ 300,000 I \$ 80,900	\$ 4,369,437	\$ 869,872	\$ (928,846)	
15	Streets/Hwy User Rev. Fund (HURF)	\$ 418,636	\$ 1,028,087		G \$ 65,836	\$ 978,781	\$ 402,106	\$ (16,530)	
85	Streets/Hwy User Capital Fund	\$ -	\$ -	G \$ 65,836		\$ 65,836	\$ -	\$ -	
16	Grants	\$ 22,946	\$ 1,009,942	E		\$ 1,009,942	\$ 22,946	\$ -	
17	Special Rev Grants	\$ 84,321	\$ 55,970	D \$ 3,500		\$ 143,791	\$ -	\$ (84,321)	
20	Debt Service	\$ 156,335	\$ 166,513			\$ 166,513	\$ 156,335	\$ -	
21	General Fund Capital Improvements	\$ 42,482	\$ -	I \$ 80,900		\$ 123,382	\$ -	\$ (42,482)	
22	Repair & Demolition	\$ -	\$ -	F \$ 300,000		\$ 300,000	\$ -	\$ -	
A	Utilities transfers to General Fund								
B	Enterprise Capital Funds funded through use of fund balance, revenues.								
C	Sewer plant \$10M revenue estimated @ \$5M loan/\$5M grant funds.								
D	Fireworks transfer from General Fund to Fund 17								
E	Grant revenues includes allowance for grant funds that may be applied for in FY14								
F	Demolition expense (estimated) for burned property on South Haskell Avenue								
G	Streets Capital Purchases (Leases) and Street Construction/Improvement Costs								
H	Solid Waste transfer to repay General Fund Operating Advances								
I	General Fund transfers to General Fund Capital Improvements Fund								

**City of Willcox Fiscal Year 2013-2014
Revenues, Expenses and Fund Balances -- Preliminary Budget 5/22/2013**

Fund Number	Fund Name	7/1/13 Estimated Bal	FY14 Budgeted Revenues	Inter-fund Transfers		FY14 Budgeted Expenses	6/30/14 Ending Balance	FY14 YTD Fund Bal. Change
				In	Out			
50	Gas - Operating	\$ 954,319	\$ 1,307,948		A \$ 215,995 B \$ 130,089	\$ 1,050,989	\$ 865,194	\$ (89,125)
80	Gas - Capital	\$ 29,402		B \$ 130,089		\$ 130,089	\$ 29,402	\$ -
51	Water	\$ 1,374,193	\$ 672,294		A \$ 116,053 B \$ 165,447	\$ 474,997	\$ 1,289,990	\$ (84,203)
81	Water - Capital	\$ 80,219		B \$ 165,447		\$ 165,447	\$ 80,219	\$ -
52	Sewer	\$ 1,053,887	\$ 753,861		A \$ 121,485 B \$ 67,367	\$ 538,957	\$ 1,079,939	\$ 26,052
82	Sewer - Capital Sewer Plant Replacement	\$ -	\$ 10,000,000	B \$ 67,367 C		\$ 67,367 \$ 10,000,000	\$ -	\$ -
53	Refuse	\$ 52,005	\$ 663,922		A \$ 104,367 H \$ 35,799	\$ 523,756	\$ 52,005	\$ -
	Total Oper/Capital	\$ 6,067,463	\$ 18,889,829			\$ 20,109,284	\$ 4,848,008	\$ (1,219,455)
61-72	Fiduciary Funds:							
61	Magistrate Court Trust Fund	\$ 4,735	\$ -			\$ -	\$ 4,735	\$ -
72	Firemen's Pension Trust Fund	\$ 225,087	\$ 7,050			\$ 2,400	\$ 229,737	\$ 4,650
	Total All Funds	\$ 6,297,285	\$ 18,896,879			\$ 20,111,684	\$ 5,082,480	\$ (1,214,805)

Fiscal Year 2013-2014 Tentative Operating Budget Total (net of transfers) \$ 20,111,684

PRINTED @ 5/29/2013

**CITY OF WILLCOX
REQUEST FOR COUNCIL ACTION**

Agenda Item 15
Tab Number 10
Date: 6/11/2013

Date Submitted:

October 29, 2012

Action:

Resolution
 Ordinance
 Formal

Subject:

BASE CONTRACT FOR
SALE & PURCHASE OF
NATURAL GAS WITH
SEMINOLE ENERGY

TO: MAYOR AND COUNCIL
FROM: Finance Director Ruth Graham

DISCUSSION:

The City purchases natural gas to supply to the customers of the Gas Utility. The City's estimated annual volume of natural gas purchases is 89,850 units. In relation to other gas providers in Arizona and the surrounding area, we are a small purchaser. Our gas attorney, John Gregg, once described the Willcox volume as "smaller than the dot at the end of the sentence."

In 2001, the City contracted with Wasatch Energy to provide natural gas at a price equal to San Juan Basin at the gate plus \$0.03 (3 cents) per MMBtu (or decatherm, 1,000 cubic ft.). In the summer of 2007, BP Energy purchased Wasatch Energy and BP became our provider. In response to a competitive bid, the cost was reduced to cost plus \$0.005 (1/2 cent) per unit. However, this spring BP Energy notified the City that the company was losing money on our account and the cost was increasing to cost plus \$0.05 per unit. In June the cost increased to cost plus \$0.06 (6 cents). While BP Energy has expressed an interest in continuing to work with the City of Willcox, we have been informed that the price is not negotiable.

A limited number of suppliers are available to provide natural gas to the City. Staff contacted suppliers to obtain information about competitive pricing and consistently received quotes at cost plus \$0.05. When we talked to Tom Kasunic at Sierra Southwest, a division of Seminole Energy, Seminole offered the City cost plus \$0.03 beginning July 1, 2013. Seminole will manage the City's purchases on an as-needed basis.

In order to have Seminole Energy supply gas to the City, Seminole will need to have a Base Contract for Sale and Purchase of Natural Gas, a standard North American Energy Standards Board (NAESB) contract, in place as well as an Addendum to Gas Supply Contract to continue to work with the Municipal Energy Resources Corporation (MERC), the company that provides a discount to the City on its purchases. Currently the discount is at the rate of \$0.30 per MMBtu. The City transports the gas over the El Paso pipeline. Seminole will also require an Agency Agreement Authorization with Seminole to transport the gas over the El Paso lines. The agreements are the same agreements that we have had in place with Wasatch and then BP.

The ongoing natural gas purchases from Seminole Energy meets the requirements of the City's Municipal Code, Section 3-1-3, City of Willcox Procurement Policy, Section L, Sole Source Procurement.

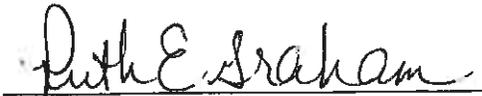
RECOMMENDATION:

Motion to approve the Base Contract for Sale and Purchase of Natural Gas, a standard North American Energy Standards Board (NAESB) contract, and an Addendum to Gas Supply Contract by and between Seminole Energy and the City of Willcox, as Agency Agreement Authorization with Seminole Energy to allow the scheduling and transport of natural gas to the City of Willcox on the El Paso gas line.

FINANCIAL IMPACT: N/A.

Submitted by:

Approved by:



Ruth Graham, Finance Director



Pat McCourt, City Manager

CITY OF WILLCOX, COCHISE COUNTY, ARIZONA

RESOLUTION 2012-46

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, "CITY", APPROVING AND AUTHORIZING THE BASE CONTRACT FOR THE SALE AND PURCHASE OF NATURAL GAS WITH SEMINOLE ENERGY COMPANY; DIRECTING AUTHORIZED CITY OFFICERS AND AGENTS TO CARRY OUT THE PURPOSES AND INTENT OF THIS RESOLUTION; AND, DECLARING AN EMERGENCY TO EXIST.

WHEREAS, the CITY is empowered pursuant to Arizona Revised Statutes, Title 9, Section 9-240(B)(2) to appropriate money and provide for payment of its debts and expenses, and authorized pursuant to A.R.S. §9-514 to engage in business of the a public nature, specifically, gas distribution; and,

WHEREAS, the CITY desires to purchase natural gas to supply to the customers of the City's gas utility from Seminole Energy; and,

WHEREAS, To purchase gas from Seminole Energy, CITY will be required to execute the Base Contract for Sale and Purchases of Natural Gas, Exhibit "A", which is a standard North American Energy Standards Board (NAESB) contract, and the Seminole Energy Services, LLC., Amendment to NAESB Standard Contract Form, Exhibit "B", both of which are being presented herewith and incorporated herein; and,

WHEREAS, further, to purchase gas from Seminole Energy, CITY will also be required to execute the Addendum to Gas Supply Contract, Exhibit "C", and the Agency Agreement Authorization, Exhibit "D", which allows for the transportation of natural gas over the El Paso Gas Pipeline, both of which are also being presented herewith and incorporated herein; and,

WHEREAS, the Mayor and City Council have determined that formal action on this Resolution is in the best interest of the CITY and its citizens; and,

WHEREAS, it is the desire of the Mayor and City Council that this item be presented for consideration at the regular City Council Meeting on June 17, 2013; and,

WHEREAS, it is necessary for the preservation of peace, health, and the safety of the City of Willcox, Cochise County, State of Arizona, that an emergency be declared to exist and directing that this Resolution shall become effective immediately upon its passage and adoption.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, as follows:

SECTION 1: The Mayor and City Council hereby authorize and approve the Base Contract for Sale and Purchases of Natural Gas, presented herewith as Exhibit "A", to be entered into with Seminole Energy Services, LLC., for the purpose of purchasing and distributing natural gas; and,

SECTION 2: The Mayor and City Council hereby authorize and approve the Seminole Energy Services, LLC., Amendment to NAESB Standard Contract Form, presented herewith as Exhibit "B", to be entered into with Seminole Energy Services, LLC., for the purpose of purchasing and distributing natural gas; and,

SECTION 3: The Mayor and City Council hereby authorize and approve the Addendum to Gas Supply Contract, presented herewith as Exhibit "C", to be entered into with Seminole Energy Services, LLC., for the purpose of purchasing and distributing natural gas; and,

SECTION 4: The Mayor and City Council hereby authorize and approve the Agency Agreement Authorization, presented herewith as Exhibit "D", to be entered into with Seminole Energy Services, LLC., for the purpose of purchasing and distributing natural gas; and,

SECTION 5: CITY Officials and Administrators are authorized and directed to take all action required to participate and perform under the terms and conditions of the foregoing approved Agreements; and,

SECTION 6: The Mayor is authorized and empowered to execute and deliver the foregoing approved Agreements and this Resolution as presented; and,

SECTION 7: That the immediate operation of the provisions of this Resolution is necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, and this Resolution shall be in full force and effect from and after its passage by the City of Willcox, Cochise County, Arizona.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, this 17th day of June, 2013.

APPROVED/EXECUTED:

ROBERT A. IRVIN, MAYOR

ATTEST:

VIRGINIA A. MEFFORD, City Clerk

APPROVED AS TO FORM:

ANN P. ROBERTS, City Attorney

RESOLUTION 2012-46

Page 3 of 3

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: June 11, 2013. The parties to this Base Contract are the following:

Seminole Energy Services, L.L.C.
1323 E. 71st Street, Suite 300, Tulsa, OK 74136
 Duns Number: 025112181
 Contract Number: _____
 U.S. Federal Tax ID Number: 73-1544967

and City of Willcox
101 S Railroad Ave, Ste B, Willcox, AZ 85643
 Duns Number: 056049265
 Contract Number: _____
 U.S. Federal Tax ID Number: 86-6000270

Notices:

Same Address as Above
 Attn: Julie Agro
 Phone: 918-477-3421 Fax: 918-492-3075

Same Address as Above
 Attn: Ruth Graham
 Phone: (520) 384-4271 x4202 Fax: (520) 384-2590

Confirmations:

Same Address as Above
 Attn: Jim Kelly
 Phone: 918-858-1502 Fax: 918-492-3075

Same Address as Above
 Attn: City Manager
 Phone: (520) 384-4271 x4201 Fax: (520) 384-2590

Invoices and Payments:

Payments: PO Box 26706, Section 4130, Oklahoma City, OK 73126-0706
 Invoices: Same Address as Above
 Attn: Joe Cuzalina
 Phone: 918-477-3416 Fax: 918-492-3075

Payments: Same Address as Above
 Invoices: Same Address as Above
 Attn: Finance Department
 Phone: (520) 384-4271 x4201 Fax: (520) 384-2590

Wire Transfer or ACH Numbers (if applicable):

BANK: International Bank of Commerce
 ABA: 114902528
 ACCT: 1604446285
 Other Details: _____

BANK: J. P. Morgan Chase
 ABA: _____
 ACCT: _____
 Other Details: _____

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select only one box from each section:

<p>Section 1.2 <input checked="" type="checkbox"/> Oral (default) Transaction <input type="checkbox"/> Written Procedure</p>	<p>Section 7.2 <input checked="" type="checkbox"/> 25th Day of Month following Month of Payment Date delivery (default) <input type="checkbox"/> 5th Day of Month following Month after delivery (default) <input type="checkbox"/> Last Day of Month following Month of delivery</p>
<p>Section 2.5 <input checked="" type="checkbox"/> 2 Business Days after receipt (default) Confirm <input type="checkbox"/> _____ Business Days after receipt Deadline</p>	<p>Section 7.2 <input checked="" type="checkbox"/> Wire transfer (default) Method of <input type="checkbox"/> Automated Clearinghouse Credit (ACH) Payment <input type="checkbox"/> Check</p>
<p>Section 2.6 <input type="checkbox"/> Seller (default) Confirming <input checked="" type="checkbox"/> Buyer Party</p>	<p>Section 7.7 <input checked="" type="checkbox"/> Netting applies (default) Netting <input type="checkbox"/> Netting does not apply</p>
<p>Section 3.2 <input type="checkbox"/> Cover Standard (default) Performance <input checked="" type="checkbox"/> Spot Price Standard Obligation</p> <p>Note: The following Spot Price Publication applies to both of the immediately preceding.</p> <p>Section 2.26 <input checked="" type="checkbox"/> Gas Daily Midpoint (default) Spot Price <input type="checkbox"/> _____ Publication</p>	<p>Section 10.3.1 <input checked="" type="checkbox"/> Early Termination Damages Apply (default) Early Termination <input type="checkbox"/> Early Termination Damages Do Not Apply Damages</p> <p>Section 10.3.2 <input checked="" type="checkbox"/> Other Agreement Setoffs Apply (default) Other Agreement <input type="checkbox"/> Other Agreement Setoffs Do Not Apply Setoffs</p> <p>Section 14.5 Choice Of Law <u>Oklahoma</u></p>
<p>Section 6 <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point Taxes (default) <input type="checkbox"/> Seller Pays Before and At Delivery Point</p>	<p>Section 14.10 <input checked="" type="checkbox"/> Confidentiality applies (default) Confidentiality <input type="checkbox"/> Confidentiality does not apply</p>
<p><input checked="" type="checkbox"/> Special Provisions Number of sheets attached: 1 <input type="checkbox"/> Addendum(s): _____</p>	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

SEMINOLE ENERGY SERVICES, L.L.C.
 Party Name
 By _____
 Name: Mike Westbrook
 Title: Vice President

Robert A. Irvin
 Party Name
 By _____
 Name:
 Title: Mayor, City of Willcox

General Terms and Conditions

Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.7.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract. However, nothing herein shall be construed as a waiver of any objection to the admissibility of such evidence.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.

2.2. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.

2.3. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).

- 2.4. "Business Day" shall mean any day except Saturday, Sunday or Federal Reserve Bank holidays.
- 2.5. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.6. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.7. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation.
- 2.8. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.9. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.10. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.11. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature.
- 2.12. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.13. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.14. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.15. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.16. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.17. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.
- 2.18. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.
- 2.19. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.
- 2.20. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.
- 2.21. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.
- 2.22. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.23. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.
- 2.24. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.
- 2.25. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.
- 2.26. "Spot Price" as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average

of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

2.27. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.

2.28. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.

2.29. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or interruptible basis, as agreed to by the parties in a transaction.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.

Cover Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s); or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s); or (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available, then the sole and exclusive remedy of the performing party shall be any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller and received by Buyer for such Day(s). Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

Spot Price Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer, provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 14.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payments and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount and for the term reasonably acceptable to X, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or a performance bond or guaranty (including the issuer of any such security).

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; or (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law or that are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is reasonably practicable, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

Other Agreement Setoffs Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff (i) any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract; or (ii) any Net Settlement Amount payable to the Defaulting Party against any amount(s) payable by the Defaulting Party to the Non-Defaulting Party under any other agreement or arrangement between the parties.

Other Agreement Setoffs Do Not Apply:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount owed to the Non-Defaulting Party against any margin or other collateral held by it in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of such amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount shall accrue from the date due until the

date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Agreement; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6 and Section 10, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

SECTION 14. MISCELLANEOUS

14.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

14.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

14.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

14.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

14.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

14.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

14.7. There is no third party beneficiary to this Contract.

14.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

14.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

14.10. Unless the parties have elected on the Base Contract not to make this Section 14.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, or (iv) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

14.11 The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties.

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

Special Conditions:

The parties acknowledge and agree that the volumes retained by Transporter as fuel shall be added to the total quantities delivered to the Delivery Point, and such total volume shall constitute the quantity of Gas delivered under this Transaction Confirmation and paid for at the Contract Price for each billing cycle.

Seller: SEMINOLE ENERGY SERVICES, L.L.C.

By: _____

Title: Mike Westbrook, Vice President

Date: _____

Buyer: CITY OF WILLCOX

By: _____

Title: Robert A. Irvin, Mayor

Date: _____

SEMINOLE ENERGY SERVICES, LLC
AMENDMENT TO NAESB STANDARD CONTRACT FORM

The parties hereto agree that they will be bound by the following changes to the North American Energy Standards Board's Base Contract for Sale and Purchase of Natural Gas dated June 11, 2013 between Seminole Energy Services, L.L.C. and City of Willcox, Arizona.

New sections 4.4 and 11.7 are inserted as follows:

4.4 If there is ever a material change in any law, order, or pipeline tariff regarding imbalances such that the continued performance of this Contract has been rendered impracticable or uneconomical, either party may terminate or request renegotiation of this Contract.

11.7 An event of Force Majeure shall not excuse either party from liquidated damages related to the settlement of any fixed price quantities.

Seller: SEMINOLE ENERGY SERVICES, L.L.C.

Buyer: CITY OF WILLCOX

By: _____

By: _____

Title: Mike Westbrook, Vice President

Title: Robert A. Irvin, Mayor

Date: _____

Date: _____

ADDENDUM TO GAS SUPPLY CONTRACT

This Addendum to Gas Supply Contract (this "*Addendum*"), dated as of July 1, 2013, among the City of Willcox, (hereinafter referred to as the "*Buyer*"), Seminole Energy Services, L.L.C. (hereinafter referred to as the "*Supplier*"), and BP Energy Company, a Delaware corporation (hereinafter referred to as the "*Dealer*"),

WITNESSETH:

WHEREAS, the Buyer and the Supplier have entered into a contract dated as of June 11, 2013 (hereinafter, together with extensions and replacements thereof and amendments thereto entered into by the Buyer and the Supplier, referred to as the "*Supply Contract*"), under which, for the term, on the conditions, and up to the maximum amount specified therein, the Supplier has agreed to sell and deliver to the Buyer, at the point or points designated therein or pursuant thereto (hereinafter referred to as the "*Buyer's Point of Receipt*"), a portion of the Buyer's requirements for natural gas in accordance with transactions agreed to by them from time to time;

WHEREAS, Municipal Gas Acquisition and Supply Corporation (hereinafter referred to as "*MuniGas*") has offered to admit the Buyer as a party to a Joint Gas Purchase Contract, dated as of January 1, 2006 (hereinafter, as amended from time to time, referred to as the "*Cooperative Contract*") under which MuniGas would sell and deliver through the City of La Grange, Texas (herein referred to as the "*Agent*") to the Buyer, and the Buyer would receive and purchase from the Agent, at the Buyer's Point of Receipt certain quantities of gas at a lower price than the price of gas delivered to the Buyer by or on behalf of the Supplier pursuant to the Supply Contract;

WHEREAS, in order to enable MuniGas to perform its obligations under the Cooperative Contract without excessive transportation costs for (and to accommodate seasonal imbalances in supply of and demand for) all or a portion of the gas to be sold and delivered to the Buyer pursuant to the Cooperative Contract, MuniGas and the Dealer have entered into a Gas Exchange and Annual Balancing Agreement, dated as of January 1, 2006 (as amended from time to time, herein referred to as the "*Exchange Agreement*") under which the Dealer is required to deliver certain quantities of gas to MuniGas at the Buyer's Point of Receipt, from and to the extent of gas sold and delivered to the Dealer by the Supplier pursuant hereto, in exchange for gas delivered by MuniGas to the Dealer at one or more other locations;

WHEREAS, the Supplier is willing to enter into this Addendum to sell and deliver gas to the Dealer at the Buyer's Point of Receipt and to reduce the quantities of gas required to be received and purchased by the Buyer from the Supplier at the Buyer's Point of Receipt pursuant to the Supply Contract; and

WHEREAS, although the gas sales agreement between the Supplier and the Dealer and the amendment to the Supply Contract between the Buyer and the Supplier, respectively, are being documented together in this Addendum for convenience, they are independent two-party transactions for which other parties to this Addendum bear no liability (except only as expressly stated herein);

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants, agreements, conditions, and undertakings herein set forth, the parties hereto agree as follows:

1. ***Sale and Delivery to the Dealer.*** On each day while the Supply Contract and this Addendum are in effect, the Supplier shall sell and deliver to or for the account of the Dealer, and the Dealer shall receive or cause to be received and purchased from the Supplier, at the Buyer's Point of

Receipt and for the same price as the price for gas sold and delivered by the Supplier to the Buyer pursuant to the Supply Contract, quantities of gas equal to the Supplier's Share of the quantities of gas nominated and confirmed for delivery to the Buyer at the Buyer's Point of Receipt on such day pursuant to the Cooperative Contract, but not more than the lesser of (a) the maximum quantity of gas then required to be sold and delivered by the Supplier to the Buyer at the Buyer's Point of Receipt pursuant to the Supply Contract, determined without giving effect to *Section 2* hereof, or (b) the Supplier's Share of the quantity of gas which MuniGas schedules for delivery to the Buyer on such day at the Buyer's Point of Receipt. Such sale and purchase of gas between the Supplier and the Dealer shall be made on the same terms (including warranties and indemnities of the Supplier and the effect of *force majeure*) and subject to the same conditions as the terms and conditions of the Supply Contract to the same extent and for all purposes as if the Supplier and the Dealer had entered into the Supply Contract, except as otherwise provided herein and except that the Dealer shall not make (and shall not be deemed to have made) any representations, warranties, covenants, or certifications of the Buyer or the Supplier under the Supply Contract and the Supplier shall not have the right to audit the Dealer's books and records. If more than one price is set forth in the Supply Contract for gas sold and delivered thereunder by the Supplier (e.g., due to graduated volume discounts), the price for gas sold to the Dealer pursuant to this paragraph shall be the weighted average price (determined in accordance with *Section 3* hereof) for gas sold and delivered by the Supplier to the Buyer pursuant to the Supply Contract. The Buyer and the Supplier acknowledge that the net amounts payable by the Buyer to the Supplier pursuant to the Supply Contract (as amended by this Addendum) shall equal the amounts payable by the Buyer to the Supplier pursuant to the Supply Contract (determined as if not amended by this Addendum), less the amounts payable by the Dealer to the Supplier pursuant to this Addendum. As used herein, the "*Supplier's Share*" for any day or month is equal to a fraction, the numerator of which is equal to quantity of gas then required to be sold and delivered by the Supplier to the Buyer at the Buyer's Point of Receipt pursuant to the Supply Contract, determined without giving effect to *Section 2* hereof, and the denominator of which is equal to the aggregate quantities of gas then required to be sold and delivered to the Buyer at the Buyer's Point of Receipt by the Supplier and all other gas producers and dealers who have entered into Addenda with the Buyer and the Dealer substantially similar to this Addendum (determined without giving effect to such Addenda). If the Buyer specifies a Supplier's Share that causes the limitations described in this Section to be exceeded, then such confirmation shall be deemed to confirm a sale from the Supplier to the Buyer, rather than to the Dealer, to the extent of any such excess. The Buyer shall receive from MuniGas at the Buyer's Point of Receipt all gas there delivered by the Supplier to the Dealer hereunder, and the Dealer shall be obligated to receive gas from the Supplier hereunder only to the extent of such receipt by the Buyer.

2. *Sale and Delivery to Buyer.* The quantity of gas to be sold and delivered by the Supplier to the Buyer and received and purchased by the Buyer from the Supplier at the Buyer's Point of Receipt pursuant to the Supply Contract on each day shall be reduced by the quantity of gas sold and delivered by the Supplier to or for the account of the Dealer at the Buyer's Point of Receipt pursuant to *Section 1* hereof, and the Buyer and the Supplier release each other from all obligations under the Supply Contract relating to such quantity of gas, other than the representations, warranties, covenants, and certifications of the Buyer in respect thereof that are not made by the Dealer hereunder. If more than one price is set forth in the Supply Contract for gas sold and delivered thereunder by the Supplier, then the price at which such reduced quantity of gas shall be sold to and purchased by the Buyer thereunder shall be equal to the weighted average price referred to in *Section 1* hereof.

3. *Payments.* The Buyer shall send (or shall cause the Supplier to send) a copy of each transaction confirmation to the Dealer and MuniGas when and as issued or received, and the Buyer shall also compute and, on or before the last business day of each month, shall notify MuniGas and the Supplier of the Supplier's Share of all gas confirmed for delivery by MuniGas to the Buyer at the Buyer's Point of Receipt in such month pursuant to the Cooperative Contract. To the extent of gas delivered by

the Supplier at the Buyer's Point of Receipt in such month, the Supplier's Share of the quantities so notified by MuniGas shall be deemed to be delivered to the Dealer, rather than to the Buyer, in such month, subject to the further provisions of this paragraph. The Supplier shall cause such deliveries to be invoiced to the Dealer, at the price referred to in *Section 1* hereof, by the 10th day of the following month, and the Dealer shall pay for such deliveries by the later of the 25th day of such following month or 10 days after receipt of such invoice or, if the day for such payment is not a Business Day, then on the next Business Day. All other gas delivered by the Supplier at the Buyer's Point of Receipt in such month shall be deemed to be delivered and shall be invoiced by the Supplier to the Buyer at the same price in accordance with the provisions of the Supply Contract. Solely for purposes of computing any applicable weighted average price, all gas sold and delivered by the Supplier to the Buyer or the Dealer at the Buyer's Point of Receipt in such month pursuant to this Addendum or the Supply Contract shall be deemed to have been sold and delivered to the Buyer. The Dealer and the Supplier shall be entitled to net and set off amounts owing hereunder against any other amounts owed under any other agreement between the Supplier and the Dealer. The Buyer does not guaranty and shall not be liable for any payment owed by any other party hereto to any other party hereto.

4. *No Liability; Indemnity.* The Supplier and the Buyer agree that the Dealer shall not be liable under any theory to the Supplier or the Buyer for (a) any breach by the Buyer of any term of the Supply Contract, the Cooperative Contract, this Addendum, or any other contract to which the Buyer is a party, (b) any breach by the Supplier of any of the terms of the Supply Contract, this Addendum, or any other contract to which it is a party, or (c) any breach by either the Supplier or the Buyer, or their agents, of any duty of care, law, regulation, or other legal obligation applicable to it, for gas sold and delivered by the Supplier to the Buyer (or to the Dealer hereunder) pursuant to the Supply Contract or any other supply arrangement applicable to any third party seller of gas to the Buyer (or to the Dealer hereunder). The Dealer and the Buyer agree that the Supplier likewise shall not be liable under any theory to the Buyer or the Dealer for (a) any breach by the Buyer of any term of the Supply Contract, the Cooperative Contract, or any other contract to which the Buyer is a party, (b) any breach by the Dealer of any of the terms of the Exchange Agreement or any other contract to which it is a party, or (c) any breach by either the Dealer or the Buyer of any duty of care, law, regulation, or other legal obligation applicable to it, for gas sold or exchanged and delivered by the Dealer pursuant to the Exchange Agreement. In addition, the Dealer shall have no obligation to nominate or confirm for delivery any quantity of gas for any period. Except for the obligations to receive and purchase gas at the price described in *Section 1*, the Dealer shall have no obligations or liabilities in favor of the Supplier or any other person hereunder or under the Supply Contract (whether or not in the context of *force majeure*), including, without limitation, obligations or liabilities (i) for taxes, warranties of title or merchantability, royalties, indemnities, scheduling fees, imbalance charges, overpull or unauthorized gas penalties or charges, operational flow order penalties or charges, or similar costs, or losses resulting from the liquidation of hedge positions or (ii) to maintain or operate any measurement or transportation facilities, to manage transportation contracts or pipeline capacity, to enter into financial hedge transactions with the Buyer, to provide risk management services or consulting services of any type (including, but not limited to, hedging strategies, projecting gas supply costs and fuel requirements, or regulatory services), to pay any early termination damages or cover damages, to provide security or collateral, to provide any type of fixed price, trigger price, or other risk management products to Buyer, or to act as agent in any capacity for Buyer or Supplier under the Supply Contract. The obligations of the Dealer to the Supplier hereunder shall not be affected by any failure by MuniGas to observe and perform its obligations under the Exchange Agreement or any imbalance existing thereunder. The Supplier acknowledges that any event which constitutes force majeure or otherwise excuses performance by the Buyer under the Supply Contract or by MuniGas under the Exchange Agreement or Cooperative Contract with respect to any receipt or purchase of gas supplied pursuant to this Addendum, including any breach by contractual counterparties under any related contract that has such effect, shall excuse performance by the Dealer hereunder.

The Supplier shall indemnify the Dealer and hold it harmless from and against any loss, cost or liability accruing to the Dealer resulting from (a) any claim by the Buyer or any other person of breach by the Supplier of, or negligence or misconduct by the Supplier in performance under, the Supply Contract or this Addendum, or breach of any duty of care, law, regulation, or other legal obligation applicable to the Supplier in connection therewith or herewith, (b) any claim which attaches before title to gas sold and delivered by the Supplier to the Dealer hereunder passes to the Dealer, and (c) any failure of gas sold and delivered by the Supplier to the Dealer hereunder to meet quality standards under the Supply Contract.

The Dealer shall indemnify the Supplier and hold it harmless from and against any loss, cost or liability accruing to the Supplier resulting from (a) any claim by the Buyer or any other person of breach by the Dealer of, or negligence or misconduct by the Dealer in performance under, the Supply Contract, Exchange Agreement or this Addendum, or breach of any duty of care, law, regulation, or other legal obligation applicable to the Dealer in connection therewith or herewith, and (b) any claim which attaches after title to gas sold and delivered by the Supplier to the Dealer hereunder passes to the Dealer.

5. Nondisclosure by Dealer. The Dealer shall not disclose to any person the terms of the Supply Contract (the "**Confidential Information**") except for disclosures of such terms (i) to Municipal Energy Resources Partners, Ltd. ("**MERP**"), Municipal Energy Resources Corporation ("**MERC**"), MuniGas, and directors, officers, employees, contractors, auditors, agents, and representatives of and counsel to the Dealer and the Dealer's parent companies and affiliates (the "**Representatives**"), MERP, MERC, or MuniGas who need the Confidential Information for purposes of performing the services provided under this Addendum, the Exchange Agreement, and all other documents executed by Dealer in connection herewith and therewith or (ii) that are requested or required (by oral questions, interrogatories, requests for information or documents in legal proceedings, subpoena, civil investigative demand, or other similar process) to be disclosed or otherwise are required to be disclosed by law or in connection with legal proceedings regarding this Addendum, or the Exchange Agreement or the enforcement hereof or thereof. Notwithstanding the foregoing, the following will not constitute Confidential Information for purposes of this Addendum, or the Exchange Agreement: (i) information which is or becomes generally available to the public other than as a result of a disclosure by the Dealer or its Representatives; (ii) information which was already known to the Dealer on a nonconfidential basis prior to being furnished to the Dealer by the Supplier or the Buyer; and (iii) information which becomes available to the Dealer on a nonconfidential basis from a source other than the Supplier or the Buyer or a representative of the Supplier or the Buyer, if such source was not subject to any prohibition against transmitting the information to the Dealer and was not bound by a confidentiality agreement with the Supplier or the Buyer.

6. Governing Law. This Addendum shall be governed by and construed in accordance with the laws of the State of Texas.

7. Notices. Except as otherwise provided in this Addendum, any notice, request, demand, statement, bill, or other document required to be given to any party by this Addendum, and any notice which any party hereto may desire to give any other party hereto, shall be in writing and will be considered duly delivered when mailed by registered mail, return receipt requested, or sent by facsimile or electronic transmission with receipt acknowledged, to the address or number of the receiving party listed opposite its signature below or to any other address or number previously furnished in writing for such purpose by the receiving party to the other parties hereto.

8. Successors and Assigns. The provisions of this Addendum shall be binding upon and inure to the benefit of the successors and assigns of each of the parties hereto. No party hereto may

assign any of its rights or obligations hereunder without the consent of the other parties hereto, except to a trustee, individual or corporate, as security for bonds, securities, or other contractual obligations. No such consent shall be unreasonably withheld, *provided* that any party may refuse so to consent if the assignee does not meet such party's credit requirements. Upon such consent and assignment, the assigning party shall be released from all further liability hereunder, unless otherwise agreed by it.

9. **Waivers.** No waiver by any party hereto of any default by any other party hereto in the observance or performance of any provision of this Addendum shall operate as a waiver of any future default, whether of a like or of a different character.

10. **Entire Addendum.** This Addendum and the Supply Contract contain the entire agreement among the parties, and except as stated herein or therein there are no oral promises, agreements, warranties, obligations, or conditions, precedent or otherwise, affecting it.

11. **Amendments.** Any change, modification, or alteration of this Addendum shall be in writing, signed by the parties hereto, and no course of dealing between or among any parties hereto shall be construed to alter any term hereof, except as expressly stated herein. No amendment to the Supply Contract shall affect the rights and obligations of the Dealer hereunder (other than changing the price at which gas is to be purchased by it hereunder) unless approved in writing by the Dealer. The Buyer shall provide the Dealer and MuniGas with a copy of each such amendment promptly after execution thereof.

12. **Severability.** Except as otherwise stated herein, if any provision hereof or application thereof shall be declared or rendered unlawful by a court of law or regulatory agency with jurisdiction over any party hereto or deemed unlawful because of a statutory change, the remaining applications thereof and provisions of this Addendum shall nevertheless remain valid and enforceable.

13. **Corporate Obligations.** No recourse under or upon any obligation, covenant, or agreement contained in this Addendum, or for any claim based thereon or otherwise arising in respect thereof, shall be had against any incorporator or sponsor, or against any past, present, or future director, officer, employee, or member of the governing body, as such, of any party hereto or of any successor, or against any person or entity with whom any such party has contracted for goods or services, either directly or through such party, whether by virtue of any constitution or statute or rule of law, or by the enforcement of any assessment, judgment, or penalty, or otherwise; it being expressly understood that this Addendum is solely a corporate obligation, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, sponsors, directors, officers, or employees, as such, of such party or any successor, or any member of its governing body, or any such contracting person, or any of them, by reason of the obligations, covenants, or agreements contained in this Addendum or implied therefrom, and that any and all such personal liability either at common law or equity or by constitution or statute of, and any and all such rights and claims against, every such incorporator, sponsor, member, director, officer, employee, or person, as such, are hereby expressly waived and released as a condition of, and in consideration for, the execution of this Addendum.

14. **Government Regulation.** The delivery and receipt of gas by the Dealer, the Buyer, and the Supplier or their designees hereunder are subject to all valid laws with respect to the subject matter hereof and to all valid present and future orders, rules, and regulations of duly constituted governmental authorities having jurisdiction.

15. **Benefits of Contract.** Nothing in this Addendum, expressed or implied, shall give any benefit or any legal or equitable right, remedy, or claim under this Addendum to any person or entity other than the parties hereto, MuniGas, and their successors and assigns permitted hereby.

16. **Effective Date.** Notwithstanding the date hereof, this Addendum shall not become operative or effective until the first day of the month following the later of (1) the effective date for qualification of the Buyer as a "Participant" under the Exchange Agreement and (2) first effective date for designation of a "Dealer's Point of Receipt" under the Exchange Agreement.

17. **Term and Termination.** This Addendum shall extend for a period of 30 years unless sooner terminated pursuant to this Section. This Addendum shall terminate on the earliest of (a) the cancellation, termination, or expiration of the Supply Contract, (b) the extension, renewal, modification, amendment, or replacement of the Supply Contract in a manner that adversely affects the rights and obligations of the Dealer hereunder (other than by changing the price at which gas is to be purchased by it hereunder) without the prior written approval of the Dealer, or (c) cancellation, termination, or expiration of the Exchange Agreement or of the rights and obligations of the Buyer under the Cooperative Contract. The Buyer, the Supplier, and the Dealer shall give the other parties notice of any such event which is known to it and would result in the termination of this Addendum. In addition, the Supplier may terminate this Addendum on account of any default by the Dealer in paying its obligations hereunder on the same terms and conditions as the Supplier may terminate the Supply Contract on account of any such default by the Buyer in paying its obligations thereunder. No such termination shall affect the obligations of the parties hereunder to indemnify the other parties.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have duly authorized and caused this Addendum to be executed as of the date first hereinabove written in multiple originals.

Supplier's Addresses and Nos.:

Seminole Energy Services, L.L.C.
1323 East 71st Street, Suite 300
Tulsa, OK 74136
Telephone: (918) 492 - 2840
Facsimile: (918) 492 - 3075
Internet: www.seminoleenergy.com

SEMINOLE ENERGY SERVICES, L.L.C., as Supplier

By:
Name:
Title:

Dealer's Addresses and Nos.:

BP Energy Company
201 Helios Way
Houston, Texas 77079

BP ENERGY COMPANY, as Dealer

By:
Name:
Title:

For Confirmations:

Telephone: (713) 323-1866
Facsimile: (713) 323-4934

For invoices and payments:

Attn: Gas Accounting
Telephone: (713) 323-4919
Facsimile: (713) 323-5935

For all other communications:

Attn: Contract Administration
Telephone: (713) 323-2000
Facsimile: (713) 323-0203

Buyer's Addresses and Nos.:

City of Willcox
101 S Railroad Ave, Suite B
Willcox, AZ 85643
Telephone: (520) 384-4271
Facsimile: (520) 384-2590

THE CITY OF WILLCOX, as Buyer

By:
Name:
Title:

PARTICIPANT ADDENDUM NO. 2

This Addendum to that certain Gas Exchange and Annual Balancing Agreement, dated as of January 1, 2006 (as amended from time to time, the "*Exchange Agreement*"), between Municipal Gas Acquisition and Supply Corporation ("*MuniGas*") and BP Energy Company, a Delaware corporation (the "*Dealer*"), is entered into by such parties and the Participant designated herein to designate a Participant, or one or more of such Participant's Buyer's Points of Receipt or a new Supply Contract and Supplier for such Participant, all of which shall be as follows effective with the Day that commences on the Effective Date specified below:

Participant:	City of Willcox, Arizona 101 S. Railroad Avenue, Suite B Willcox, Arizona 85643
Participant's Buyer's Point(s) of Receipt:	All receipt points listed on Exhibit A of the attached Amending Agreement dated July 1, 1986, which amends the Gas Transportation Agreement between El Paso Natural Gas Company and the City of Willcox, Arizona dated September 11, 1985.
Effective Date:	August 1, 2007
Supplier No.1:	BP Energy Company
Supplier's Address No.1:	201 Helios Way Houston, Texas 77079
Supply Contract No.1:	Base Contract for Sale and Purchase of Natural Gas between BP Energy Company and the City of Willcox, Arizona dated August 1, 2007.
Supply Contract Expiration Date No.1:	Contract may be terminated by either party with 30 days written notice subject to the expiration of the latest Delivery Period of any transaction(s).
Supplier No.2:	Seminole Energy Services, L.L.C.
Supplier's Address No.2:	1323 East 71 st Street, Suite 300 Tulsa, OK 74136
Supply Contract No.2:	Base Contract for Sale and Purchase of Natural Gas between Seminole Energy Services, LLC and the City of Willcox, Arizona dated June 11, 2013.
Supply Contract Expiration Date No.2:	Contract may be terminated by either party with 30 days written notice subject to the expiration of the latest Delivery Period of any transaction(s).

This Addendum supersedes all prior addenda to the Exchange Agreement designating the same Participant.

Executed and delivered to be effective as of the above Effective Date.

BP ENERGY COMPANY

**MUNICIPAL GAS ACQUISITION AND
SUPPLY CORPORATION**

By:
Name:
Title:

By:
Name: Glen Pape
Title: President

CITY OF WILLCOX, ARIZONA

By:
Name: Robert Irvin
Title: Mayor

Agency Agreement Authorization

El Paso Natural Gas Company
 Mojave Pipeline Company, L.L.C.

The authorization provided by the terms of the Agency Agreement dated _____
 between _____ (Owner/Operator/Shipper)
 and _____ (Agent).

This Agency Agreement supersedes all previous authorizations at the level specified below.

Effective Date: _____ (Prospective basis only) Termination Date: _____

(Unless a termination date is specified, the term shall be 1 year from the effective date.)

The parties above intend that the payment for Gas Transportation Services be made to the applicable pipeline by: _____ //

// The party receiving the Transportation Invoice must be the same party submitting payment.

Owner/Operator/Shipper Current Invoicing Address:

Company Name: _____
 Address: _____
 City/State/Zip: _____
 Attention: _____
 Email: _____

Once this agency agreement becomes effective it shall terminate all previous agency agreements between Shipper and all other Agents. Please initial as acknowledgement. _____

Please initial level of agency authorization:

By Company (access to all locations and agreements)	
By Location (itemize on an attached sheet if needed)	
By Agreement (itemize below or on an attached sheet)	

Transportation Service Agreements(s): _____

Please specify Transportation Service Agreement(s) if Agent is not authorized to perform functions for all Shippers' Agreements.

Locations/Interconnect points(s): _____

Please specify Locations/Interconnect Point(s) if Agent is not authorized to perform at the company level.

Scheduling Activity

Please initial the transaction agent is authorized to perform:

Nominations/Confirmations	
---------------------------	--

Daily Scheduling Reports

Please initial the report(s) agent is authorized to receive:

Scheduled Deliveries by Pool Account	
Scheduled Deliveries by TSA	
Scheduled Volumes by Point	
Scheduled Deliveries by Company	

VISA Real-Time

Please initial the level at which agent is authorized to view VISA real-time data:

Index level (itemize interconnect points or list on an attached sheet)	
All levels	

Accounting Activity

Please initial the report(s) agent is authorized to receive:

Invoice 1/	
Shipper Imbalance Statement (for agreement activity)	

Please initial the report(s) agent is authorized to receive:

Measurement Audit Statement	
Allocation Statement (for location activity)	

(Unless specifically instructed otherwise by the Owner/Operator/Shipper, the agent may have the capability to view and/or receive electronic Flowing Gas Reports)

Please initial here if agent is authorized to receive:

Statement of Account (includes activity for all of Shipper's Agreements)	
--	--

Statement(s) will only be sent to one party.

Agent's address for mailing reports if applicable:

Company Name: _____
Address: _____
City/State/Zip: _____
Attention: _____
Email: _____

Agent's instructions for receiving payments if applicable:

Shipper Imbalance Management Services

Please initial the transaction(s) agent is authorized to perform:

Trade Transportation/Pooling Imbalances	
Post Transportation/Pooling Imbalances 2/	

2/ All cumulative imbalances for Shippers' Transportation/Pooling imbalances will be posted.

Other Services or Instructions:

List any other transactions Agent has authority to perform: (Services listed such as Request for Service, Capacity Release, Pre-Determined Allocation, etc., require separate PASSPORT authorization forms. Additionally, any special instructions on the treatment of amounts owed to the Owner/Operator/Shipper must be included here. For example, if the agent will pay the invoice but any amounts owed to the Owner/Operator/Shipper will be paid to it or credited to its account for future offset, Owner/Operator/Shipper must so indicate here. If payments are to be sent to Owner/Operator/Shipper, payment or wiring instructions must also be included here.)

Instructions: To authorize your agent, please fill in all blanks below. Written notice must be provided when the agency agreement terminates, if termination date is prior to date provided on this form.

This agency agreement authorization shall evidence Owner/Operator/Shipper's intent to allow the agent named hereunder to enter into those transactions listed above for all purposes and agrees to be bound thereby. Owner/Operator/Shipper agrees that any changes to the information contained herein may only be made in writing and sent to the applicable pipeline. Finally, this agency agreement may be executed in one or more counterparts (delivery of which may be made by email), each of which shall be deemed an original but all of which together shall constitute one and the same.

Agent Company Name

Agent Signature

Agent Telephone No

Agent Contact Name

Owner/Operator/Shipper Name

Owner/Operator/Shipper Signature

Owner/Operator/Shipper Telephone No

Owner/Operator/Shipper Name

Date: _____

If needed, fill out a supplemental sheet listing Location DRN Code(s) and Location description and/or Agreement Codes.

Send all information in care of Contract Administration at CSWPG@KinderMorgan.com.

TAB 11

**CITY OF WILLCOX
EXECUTIVE SESSION**

AGENDA

MONDAY, JUNE 17, 2013

7:00 p.m.

300 W. REX ALLEN DRIVE

Willcox, Arizona

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **CONSIDERATION PURSUANT TO ARIZONA REVISED STATUTES §38-431.03(A) (1) AND (A)(3) DISCUSSION OR CONSULTATION FOR LEGAL ADVICE WITH THE ATTORNEY OR ATTORNEYS OF THE PUBLIC FOR THE PURPOSE OF DISCUSSION OR CONSIDERATION OF EMPLOYMENT.**
Consideration and/or discussion pursuant to Arizona Revised Statutes §38-431.03(A) (1) and (A)(3), as stated relating to consultation for legal advice with the attorney(s) of the public for the purpose of discussion or consideration of employment.
4. **ADJOURN**



NOTICE OF EXECUTIVE SESSION

CITY COUNCIL

In accordance with Resolution No. 370 of the City of Willcox, and Section 38-431.01 of the Arizona Revised Statutes **NOTICE IS HEREBY GIVEN** that the **MAYOR AND COUNCIL** of the City of Willcox, County of Cochise, Arizona, will hold an **EXECUTIVE SESSION**, if approved, during the **REGULAR** meeting on **MONDAY**, the **17th** day of **JUNE 2013** at **7:00 p.m.**, in the **CITY COUNCIL CHAMBERS, 300 W. REX ALLEN DRIVE, WILLCOX, AZ**

Item for Consideration and Discussion are:

A.R.S §38-431.03(A) (1) AND (A)(3) DISCUSSION OR CONSULTATION FOR LEGAL ADVICE WITH THE ATTORNEY OR ATTORNEYS OF THE PUBLIC BODY FOR THE PURPOSE OF DISCUSSION OR CONSIDERATION OF EMPLOYMENT

Consideration and/or discussion regarding consultation for legal advice with the Attorney or Attorney's of the public body, for the purpose of discussion or consideration of employment.

DATED AND POSTED this 17TH day of June 2013, at 7:00 P.M.

CITY OF WILLCOX, ARIZONA

Virginia A. Mefford
Virginia A. Mefford, City Clerk

CITY OF WILLCOX, COCHISE COUNTY, ARIZONA**RESOLUTION 2013-47**

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, ARIZONA, "CITY", FOR THE PURPOSE OF APPROVING THE EMPLOYMENT AGREEMENT WITH TEDMOND J. SOLTIS; APPOINTING TEDMOND J. SOLTIS TO THE POSITION OF CITY MANAGER AND, AUTHORIZING THE MAYOR TO EXECUTE THE EMPLOYMENT AGREEMENT AS PRESENTED AND THIS RESOLUTION.

WHEREAS, the CITY is empowered pursuant to Title 9, A.R.S. §9-271(3), §9-303, §9-499.01, to create the office of City Manager and further, pursuant to Title I, Chapter 7, Article A, Section 1-7A-2 of the Willcox City Code, to appoint a person to serve in such position as City Manager; and,

WHEREAS, CITY and Tedmond J. Soltis have negotiated the terms and conditions of his employment as City Attorney and said terms and conditions of such employment are set forth in the Employment Agreement, attached hereto and by reference incorporated herein as Exhibit "A"; and,

WHEREAS, CITY desires to appoint Tedmond J. Soltis as City Manager with his employment to begin on July 1, 2013 and shall set his gross annual salary at \$90,000.00 per year; and,

WHEREAS, the Mayor and City Council of the City of Willcox desire to have this Resolution presented at its June 17, 2013 Council Meeting for the purpose of approving the appointment; and,

WHEREAS, the Mayor and Council have determined that formal action on this Resolution is in the best interest of the CITY, its citizens and its municipal system.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, as follows:

SECTION 1: The Mayor and City Council hereby approve the terms and conditions set forth in Soltis' Employment Agreement, attached hereto and by reference incorporated herein as Exhibit "A";

SECTION 2: The Mayor and City Council hereby appoint Tedmond J. Solis as City Manager effective July 1, 2013;

SECTION 3: The Mayor is authorized and empowered to execute Soltis' Employment Agreement, attached hereto and by reference incorporated herein as Exhibit "A", as presented; and,

SECTION 4: The Mayor is authorized and empowered to execute the Resolution as presented.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF WILLCOX, ARIZONA, this 17th day of June, 2013.

APPROVED/EXECUTED

ROBERT A. IRVIN, MAYOR

Dated: _____

ATTEST:

VIRGINIA A. MEFFORD, City Clerk

APPROVED AS TO FORM:

ANN P. ROBERTS, City Attorney

RESOLUTION 2013-47