

# COUNCIL MEETING AGENDA

TUESDAY, DECEMBER 10, 2013

Members may attend in person or by telephone

Ed Foster, Mayor  
Michael Jewitt, Vice Mayor

Carol Kelley  
Mark Orgeron  
Monica Timberlake

Norma Crooks  
Mary Scott

**Quartzsite Town Hall  
Council Chambers  
465 North Plymouth Avenue  
Quartzsite, Arizona**

**Regular Meeting  
9:00 a.m.**

### **SPEAKING TO THE COUNCIL**

*If you are interested in speaking to the Council during Public Hearings, Communications from Citizens, or other designated agenda items, you must fill out a speaker card (located on the table inside the front entrance to the Council Chambers) and deliver it to the Town Clerk prior to the convening of the meeting. Each individual will be limited to three (3) minutes for their remarks.*

*All persons attending the Council meeting, whether speaking to the Council or not, are expected to observe the Council Rules, as well as the rules of politeness, propriety, decorum and good conduct. Any person interfering with the meeting in any way, or acting rudely or loudly, will be asked to leave.*

### **CELL PHONES AND RECORDING DEVICES**

*As a courtesy to others please turn off or silence all cell phones or pagers. Reporters or others with recording devices need to be staged at the back of the public seating area.*

***The times listed for agenda items are estimated.  
Items may be discussed earlier or in a different sequence.***

<b>Est. Time</b>	<b>AGENDA ITEM</b>	<b>COUNCIL ACTION</b>
9:00	<b>CALL TO ORDER OF REGULAR MEETING</b>	
9:00 – 9:05	<b>INVOCATION AND PLEDGE OF ALLEGIANCE</b> <i>The invocation may be offered by a person of any religion, faith, belief or non-belief. Interested persons should contact the Clerk for further information.</i>	
9:05 – 9:06	<b>ROLL CALL</b>	
9:06 – 9:07	<b>APPROVAL/AMENDMENT OF AGENDA</b>	Discussion, possible action by MOTION.

9:07 – 9:10	1.	<b>CONSENT AGENDA</b>  <i>All items listed below are considered consent calendar items and may be approved by a single motion unless removed at the request of Council for further discussion/action. Other items on the agenda may be added to the consent calendar and approved under a single motion.</i>	
	1-a.	<b>LEDGER OF ACCOUNTS PAID</b> – Consider approval of check series 36535 - 36591, totaling \$225,948.90.	Discussion; possible action by MOTION; may be acted upon with single motion.
	1-b.	<b>MINUTES</b> – Consider approval of the minutes of the Regular Meeting of November 26, 2013 and the Special Meeting of December 3, 2013.	Discussion; possible action by MOTION; may be acted upon with single motion.
		<b>ADMINISTRATIVE ITEMS</b>  <i>Administrative items are for Council discussion and action. It is at the discretion of the majority of the Council regarding public input requests on any Administrative Item. Persons wishing to speak on an Administrative Item should complete a Request to Speak Form and indicate the Item they wish to address. Council may or may not accept public comment.</i>	
9:10 – 9:25	2.	<b>TROLLEY SERVICE CONTRACT</b> – Consider approval of a service contract to provide transportation services for the Quartzsite Trolley for general public fixed-route and paratransit services.	Discussion; possible action by MOTION.
9:25 – 9:55	3.	<b>USDA-RUS SEWER LOAN</b> – Consideration and possible adoption of a resolution approving the form and authorizing the execution and delivery of a Ground Lease and a Town Lease, approving the execution and delivery by Town of Quartzsite Municipal Property Corporation of such Ground Lease and Town Lease and the government documents (as such term is defined herein), the negotiation of a note to the United States Government, acting through Rural Utilities Service, United States Department of Agriculture; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by such ground lease, town lease and government documents and this resolution and declaring an emergency.	Discussion; possible action by MOTION.

9:55 – 10:05	4.	<b>ELECTION DATES</b> – Consideration and possible approval of an ordinance of the Mayor and Common Council of the Town of Quartzsite, Arizona, amending the code of Quartzsite, Arizona, Chapter 2 Mayor and Council, Article 2-1 Council, by amending Section 2-1-5 Compensation; amending Article 2-3 Council Election, by amending Section 2-3-6 Election Dates; amending Article 2-6 Initiative and Referendum, by amending Section 2-6-1 Power Reserved; Time of Election; all related to consolidating the Town’s election dates with the State of Arizona’s election dates, as required by A.R. S. § 16-204; providing for repeal of conflicting ordinances; and providing for severability.	Discussion; possible action by MOTION.
10:05 – 10:15	5.	<b>AFTER-SCHOOL RECREATION PROGRAM</b> – Update, discussion and possible direction regarding a request for additional funding for the Town’s after-school recreation program.	Discussion; possible action by MOTION.
10:15 – 10:20	6.	<b>HOLIDAY TIME OFF</b> – Consideration and possible approval for employee’s discretion, either two (2) half days on December 24 <sup>th</sup> and December 31 <sup>st</sup> , or one full day.	Discussion; possible action by MOTION.
10:20 – 10:25	7.	<b>NEXT COUNCIL MEETING</b> – Consider re-scheduling or cancellation of the December 24, 2013 Regular Meeting of the Town Council.	Discussion; possible action by MOTION.
10:25 – 10:30	8.	<b>ALTERNATE ELECTED DESIGNEE</b> – Consider nomination and approval of an additional, Alternate Elected Designee for purposes of signing bank drafts and checks on behalf of the Town.	Discussion; possible action by MOTION.
10:30 – 10:35	9.	<b>WAIVER OF ATTORNEY-CLIENT PRIVILEGE</b> – Discussion and consideration of waiver of the attorney-client privilege for two designated attorney-client privileged communications dated 11/19/2013 and 12/02/2013.	Discussion; possible action by MOTION.

10:35 – 10:40	10.	<b>REQUEST TO TOWN ATTORNEY</b> – Discussion and possible action to comply with Mayor Foster’s request made directly to the Town Attorney that the Town Attorney provide to him documents and communications with the Town Manager subsequent to the December 5, 2012 decision in the litigation entitled <i>Brannan, Johnson, Yackley v. Town of Quartzsite</i> .	Discussion; possible action by MOTION.
10:40 – 11:00	11.	<b>SEWER RATES</b> – Discussion and possible action regarding sewer rates. Presentation by Shawn Farish from the RV park owners and managers association.	Discussion; possible action by MOTION.
11:00 – 11:10	12.	<b>OPEN MEETING LAW</b> – Discussion and possible action regarding open meeting law complaints of the Municipal Corp. Board meeting.	Discussion; possible action by MOTION.
		<b>COMMUNICATIONS</b>	
11:10 – 11:15	13.	Announcements and Reports from the MAYOR on current events.	
11:15 – 11:20	14.	Announcements and Reports from the COUNCIL on current events.	
11:20 – 11:25	15.	Reports from the TOWN MANAGER to the Council.	
11:25 – 11:40		<b>COMMUNICATIONS FROM CITIZENS</b> <i>At this time, members of the public may comment on matters within the jurisdiction of the Town but not on the agenda. For the official record, individuals must state their name. <b>There is a 3 minute limit for each speaker.</b> The Council’s response is limited to responding to criticism, asking staff to review a matter commented upon, or asking that a matter be put on a future agenda.</i>	
11:40		<b>ADJOURN</b>	MOTION to adjourn.

**Certification of Posting**

The undersigned hereby certifies that a copy of the attached notice was duly posted at the following locations: Quartzsite Town Hall, 465 N. Plymouth Ave, Quartzsite, AZ, U.S. Post Office, 80 W. Main Street, Quartzsite, AZ and The Senior Center, 40 Moon Mountain Ave, Quartzsite, AZ, on the \_\_\_\_ day of \_\_\_\_\_, 2013, at \_\_\_\_ a.m./p.m. in accordance with the statement filed by the Town of Quartzsite with the Town Clerk, Town of Quartzsite.

By: \_\_\_\_\_, Town Clerk's Office.



## TOWN OF QUARTZSITE

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### REGULAR COUNCIL MEETING

Tuesday, December 10, 2013

**Agenda Item #1-a.** Consider approval of check series 36535-36591, totaling \$225,948.90.

**Summary:** The Quartzsite Town Council Procedure Policy states that at least once each month the Council shall review a list of all the bills paid, and may ask for clarification at any time.

The Procedure Policy also states the Council should designate the check numbers being approved.

**Responsible Person:** Laura Bruno, Town Manager

**Attachment:** Ledger of Accounts Paid: check series 36535 - 36591.

**Action Requested:** Motion to approve the Ledger of Accounts Paid; Check series 36535 - 36591.

**Quartzsite Town Council Meeting of  
December 10, 2013  
Check Register/ Revenue/ Consent Agenda**

**Horizon Community Bank- Begin Ck# 36535 - 36591**

**Balances on all cash accounts as of December 6, 2013**

Checking Account	\$	2,005,254.32
LGIP Account	\$	686,505.95
WIFA Debt Reserve Account	\$	182,445.40

<b>Total Expensed Dollar Amount for Consent Agenda</b>	<b>\$</b>	<b>298,033.78</b>
<b>Total Payroll for Pay Period Ending 11/23/13</b>	<b>\$</b>	<b>72,084.88</b>
<b>YTD Total Revenue Dollar Amount for Consent Agenda</b>	<b>\$</b>	<b>643,458.08</b>
<b>YTD Total Sewer Sales Revenue as of 11/20/13</b>	<b>\$</b>	<b>343,659.10</b>
<b>YTD Total Sewer Cap Revenue as of 11/20/13</b>	<b>\$</b>	<b>2,609.05</b>
<b>YTD Total Water Sales Revenue as of 11/20/13</b>	<b>\$</b>	<b>291,948.53</b>
<b>YTD Total Water Cap Revenue as of 11/20/13</b>	<b>\$</b>	<b>5,241.40</b>

## Report Criteria:

Report type: GL detail

Check Check Number = 36535-36591

Check Issue Date	Check Number	Payee	Invoice Amount	Description	Invoice GL Account	Amount
<b>36552</b>						
12/05/2013	36552	ACC Business	12.92	Phone Services	01-110-5048	12.92
12/05/2013	36552	ACC Business	129.22	Phone Services	01-130-5048	129.22
12/05/2013	36552	ACC Business	142.04	Phone Services	01-140-5048	142.04
12/05/2013	36552	ACC Business	51.69	Phone Services	01-150-5048	51.69
12/05/2013	36552	ACC Business	38.82	Phone Services	01-160-5048	38.82
12/05/2013	36552	ACC Business	25.94	Phone Services	01-185-5048	25.94
12/05/2013	36552	ACC Business	38.82	Phone Services	03-220-5048	38.82
12/05/2013	36552	ACC Business	25.94	Phone Services	15-500-5048	25.94
12/05/2013	36552	ACC Business	25.94	Phone Services	16-550-5048	25.94
Total 36552:			491.33			
<b>36553</b>						
12/05/2013	36553	Alsco - Steiner Corp	259.69	Cleaning Services for PW Dept	03-220-5022	259.69
Total 36553:			259.69			
<b>36554</b>						
12/05/2013	36554	APS	197.08	Electric Service	01-185-5048	197.08
12/05/2013	36554	APS	431.56	Electric Service	01-140-5048	431.56
12/05/2013	36554	APS	148.48	Electric Service	01-180-5048	148.48
12/05/2013	36554	APS	225.48	Electric Service	03-220-5048	225.48
12/05/2013	36554	APS	574.44	Electric Service	03-220-5049	574.44
12/05/2013	36554	APS	4,283.97	Electric Service	15-500-5048	4,283.97
12/05/2013	36554	APS	12,515.51	Electric Service	16-550-5048	12,515.51
Total 36554:			18,376.52			
<b>36555</b>						
12/05/2013	36555	Arizona State Treasurer	7,532.81	Fees Collected in November 2013	01-000-2212	7,532.81
12/05/2013	36555	Arizona State Treasurer	8.00	Add'l Fee Collected in October 20	01-000-2212	8.00
Total 36555:			7,540.81			
<b>36556</b>						
12/05/2013	36556	BLM	2,040.00	AZ027765 Right of Way Rental	16-550-5051	2,040.00
Total 36556:			2,040.00			
<b>36557</b>						
12/05/2013	36557	Blue Cross& Blue Shield O	1,747.59	Employee Medical - Payroll Dedu	01-000-2208	1,747.59
12/05/2013	36557	Blue Cross& Blue Shield O	209.37	Employee Medical	01-110-5016	209.37
12/05/2013	36557	Blue Cross& Blue Shield O	968.44	Employee Medical	01-130-5016	968.44
12/05/2013	36557	Blue Cross& Blue Shield O	4,511.23	Employee Medical	01-140-5016	4,511.23
12/05/2013	36557	Blue Cross& Blue Shield O	1,547.00	Employee Medical	01-150-5016	1,547.00
12/05/2013	36557	Blue Cross& Blue Shield O	719.10	Employee Medical	01-160-5016	719.10
12/05/2013	36557	Blue Cross& Blue Shield O	979.37	Employee Medical	01-170-5016	979.37
12/05/2013	36557	Blue Cross& Blue Shield O	502.48	Employee Medical	01-180-5016	502.48
12/05/2013	36557	Blue Cross& Blue Shield O	293.11	Employee Medical	01-185-5016	293.11
12/05/2013	36557	Blue Cross& Blue Shield O	3,257.13	Employee Medical	03-220-5016	3,257.13
12/05/2013	36557	Blue Cross& Blue Shield O	209.36	Employee Medical	01-230-5016	209.36

Check Issue Date	Check Number	Payee	Invoice Amount	Description	Invoice GL Account	Amount
12/05/2013	36557	Blue Cross& Blue Shield O	272.17	Employee Medical	01-181-5016	272.17
12/05/2013	36557	Blue Cross& Blue Shield O	892.06	Employee Medical	15-500-5016	892.06
12/05/2013	36557	Blue Cross& Blue Shield O	1,310.77	Employee Medical	16-550-5016	1,310.77
12/05/2013	36557	Blue Cross& Blue Shield O	125.61	Employee Medical	20-121-5016	125.61
Total 36557:			17,544.79			
<b>36558</b>						
12/05/2013	36558	C & B Lock and Key	856.66	Door Closers, Lever & Keys for W	15-500-5030	856.66
12/05/2013	36558	C & B Lock and Key	85.85	Stand Alone Key Touch Entry Loc	01-130-5030	85.85
12/05/2013	36558	C & B Lock and Key	85.83	Stand Alone Key Touch Entry Loc	01-140-5035	85.83
12/05/2013	36558	C & B Lock and Key	85.83	Stand Alone Key Touch Entry Loc	01-160-5022	85.83
12/05/2013	36558	C & B Lock and Key	85.83	Stand Alone Key Touch Entry Loc	15-500-5030	85.83
12/05/2013	36558	C & B Lock and Key	85.83	Stand Alone Key Touch Entry Loc	16-550-5030	85.83
12/05/2013	36558	C & B Lock and Key	85.83	Stand Alone Key Touch Entry Loc	03-220-5022	85.83
Total 36558:			1,371.66			
<b>36559</b>						
12/05/2013	36559	Centerline Supply West	516.11	Signs for Elementary School	03-220-5028	516.11
Total 36559:			516.11			
<b>36560</b>						
12/05/2013	36560	Connected Computer & Re	782.87	Installation of Cameras in Library	01-170-5035	782.87
Total 36560:			782.87			
<b>36561</b>						
12/05/2013	36561	D And L Auto Parts	147.84	Auto Parts	03-220-5025	147.84
12/05/2013	36561	D And L Auto Parts	84.59	Auto Parts	03-220-5060	84.59
12/05/2013	36561	D And L Auto Parts	29.79	Auto Parts	01-130-5025	29.79
12/05/2013	36561	D And L Auto Parts	61.76	Auto Parts	01-140-5025	61.76
12/05/2013	36561	D And L Auto Parts	29.79	Auto Parts	01-180-5025	29.79
12/05/2013	36561	D And L Auto Parts	29.79	Auto Parts	01-230-5025	29.79
12/05/2013	36561	D And L Auto Parts	29.79	Auto Parts	15-500-5025	29.79
12/05/2013	36561	D And L Auto Parts	29.79	Auto Parts	16-550-5025	29.79
Total 36561:			443.14			
<b>36562</b>						
12/05/2013	36562	Davis Building Supply	24.58	Glue for Hydrant Reflectors	03-220-5029	24.58
12/05/2013	36562	Davis Building Supply	17.19	Materials for Flood Trailer	03-220-5029	17.19
12/05/2013	36562	Davis Building Supply	8.44	Material for Public Work's Sign	03-220-5030	8.44
Total 36562:			50.21			
<b>36563</b>						
12/05/2013	36563	Dennis Patterson	25.00	Pest Control	15-500-5035	25.00
12/05/2013	36563	Dennis Patterson	37.00	Pest Control	01-130-5035	37.00
12/05/2013	36563	Dennis Patterson	33.00	Pest Control	03-220-5035	33.00
12/05/2013	36563	Dennis Patterson	30.00	Pest Control	01-140-5035	30.00
12/05/2013	36563	Dennis Patterson	60.00	Pest Control	01-185-5035	60.00
Total 36563:			185.00			

Check Issue Date	Check Number	Payee	Invoice Amount	Description	Invoice GL Account	Amount
<b>36564</b>						
12/05/2013	36564	Fabiola Garcia	56.25	Per Diem: APO Standards & Trng	01-140-5043	56.25
Total 36564:			56.25			
<b>36565</b>						
12/05/2013	36565	Inland Builders Supply, Inc.	129.43	Tree & Supplies for Cemetery Proj	01-181-5060	129.43
12/05/2013	36565	Inland Builders Supply, Inc.	26.44	Supplies for Park Dept	01-180-5022	26.44
Total 36565:			155.87			
<b>36566</b>						
12/05/2013	36566	Jack Pots Portables, Inc.	190.53	Porta Potties for QTZ Park	01-180-5035	190.53
Total 36566:			190.53			
<b>36567</b>						
12/05/2013	36567	Kansas State Bank	149.21	Konica Minolta Bizhub C654 Copi	01-130-5058	149.21
12/05/2013	36567	Kansas State Bank	54.97	Konica Minolta Bizhub C654 Copi	01-130-5057	54.97
Total 36567:			204.18			
<b>36568</b>						
12/05/2013	36568	La Paz County Sheriff's De	35.00	Fees Collected in November 2013	01-000-2212	35.00
Total 36568:			35.00			
<b>36569</b>						
12/05/2013	36569	La Paz County Treasurer	39.63	Fees Collected in November 2013	01-000-2212	39.63
12/05/2013	36569	La Paz County Treasurer	1.00	Add'l Fee Collected for October 2	01-000-2212	1.00
Total 36569:			40.63			
<b>36570</b>						
12/05/2013	36570	La Paz Regional Hospital	75.00	CDL Physical for E. Brinkerhoff	03-220-5035	75.00
Total 36570:			75.00			
<b>36571</b>						
12/05/2013	36571	Lyle Race	405.00	Year Round Business Appreciatio	01-145-5044	405.00
Total 36571:			405.00			
<b>36572</b>						
12/05/2013	36572	Mickelson & Ray, Inc.	5,050.00	Final Payment on Cemetery Wall	01-181-5062	5,050.00
Total 36572:			5,050.00			
<b>36573</b>						
12/05/2013	36573	Ozuna, Felipe	375.00	Good Lab Practices Trng	15-500-5043	375.00
12/05/2013	36573	Ozuna, Felipe	375.00	Good Lab Practices Trng	16-550-5043	375.00
Total 36573:			750.00			
<b>36574</b>						
12/05/2013	36574	Parker Oil Products	2,577.99	Fuel-QPD	01-140-5024	2,577.99

Check Issue Date	Check Number	Payee	Invoice Amount	Description	Invoice GL Account	Amount
12/05/2013	36574	Parker Oil Products	115.68	Fuel-Community Dev Svcs	01-160-5024	115.68
12/05/2013	36574	Parker Oil Products	586.17	Fuel-Parks Dept	01-180-5024	586.17
12/05/2013	36574	Parker Oil Products	1,402.40	Fuel-PW Dept	03-220-5024	1,402.40
12/05/2013	36574	Parker Oil Products	838.97	Fuel-Transit	01-230-5024	838.97
12/05/2013	36574	Parker Oil Products	369.77	Fuel-WWW Dept	15-500-5024	369.77
12/05/2013	36574	Parker Oil Products	607.62	Fuel-Water	16-550-5024	607.62
Total 36574:			6,498.60			
<b>36575</b>						
12/05/2013	36575	Precision Striping Inc.	1,285.00	Parking Lot Striping	03-220-5029	1,285.00
Total 36575:			1,285.00			
<b>36576</b>						
12/05/2013	36576	Principal Financial Group	993.68	Payroll Payables	01-000-2209	993.68
12/05/2013	36576	Principal Financial Group	161.16	Cobra Payables	01-000-2300	161.16
12/05/2013	36576	Principal Financial Group	44.24	Employee Detal Insurance	01-110-5016	44.24
12/05/2013	36576	Principal Financial Group	138.41	Employee Detal Insurance	01-130-5016	138.41
12/05/2013	36576	Principal Financial Group	656.00	Employee Detal Insurance	01-140-5016	656.00
12/05/2013	36576	Principal Financial Group	211.56	Employee Detal Insurance	01-150-5016	211.56
12/05/2013	36576	Principal Financial Group	83.64	Employee Detal Insurance	01-160-5016	83.64
12/05/2013	36576	Principal Financial Group	209.25	Employee Detal Insurance	01-170-5016	209.25
12/05/2013	36576	Principal Financial Group	58.99	Employee Detal Insurance	01-180-5016	58.99
12/05/2013	36576	Principal Financial Group	113.14	Employee Detal Insurance	01-185-5016	113.14
12/05/2013	36576	Principal Financial Group	36.87	Employee Detal Insurance	01-181-5016	36.87
12/05/2013	36576	Principal Financial Group	73.20	Employee Detal Insurance	01-230-5016	73.20
12/05/2013	36576	Principal Financial Group	487.53	Employee Detal Insurance	03-220-5016	487.53
12/05/2013	36576	Principal Financial Group	113.78	Employee Detal Insurance	15-500-5016	113.78
12/05/2013	36576	Principal Financial Group	208.06	Employee Detal Insurance	16-550-5016	208.06
12/05/2013	36576	Principal Financial Group	75.41	Employee Detal Insurance	20-121-5016	75.41
Total 36576:			3,664.92			
<b>36577</b>						
12/05/2013	36577	Purcell Tire Co	633.38	Inv#70302880-Tires for QPD	01-140-5025	633.38
12/05/2013	36577	Purcell Tire Co	410.80	Inv#70303248-Tires for PW Dept	03-220-5025	410.80
12/05/2013	36577	Purcell Tire Co	365.42	Inv#70303250-Tires for WW Dept	15-500-5025	365.42
Total 36577:			1,409.60			
<b>36578</b>						
12/05/2013	36578	Quill Corporation	45.68	Office Supplies: Admin	01-130-5021	45.68
12/05/2013	36578	Quill Corporation	216.32	Office Supplies: Police Dept	01-140-5022	216.32
12/05/2013	36578	Quill Corporation	86.59	Office Supplies: Magistrate Court	01-150-5021	86.59
12/05/2013	36578	Quill Corporation	42.93	Office Supplies: WW Dept	15-500-5021	42.93
12/05/2013	36578	Quill Corporation	9.78	Office Supplies: Water Dept	16-550-5021	9.78
12/05/2013	36578	Quill Corporation	9.78	Office Supplies: PW Dept	03-220-5022	9.78
12/05/2013	36578	Quill Corporation	40.22	Office Supplies: Admin	01-130-5021	40.22
12/05/2013	36578	Quill Corporation	47.90	Office Supplies: Magistrate Court	01-150-5021	47.90
12/05/2013	36578	Quill Corporation	7.83	Office Supplies: Water Dept	16-550-5021	7.83
12/05/2013	36578	Quill Corporation	7.83	Office Supplies WW Dept	15-500-5021	7.83
Total 36578:			514.86			

Check Issue Date	Check Number	Payee	Invoice Amount	Description	Invoice GL Account	Amount
<b>36579</b>						
12/05/2013	36579	Road Runner Sanitary Sup	41.01	Janitorial Supplies	01-130-5021	41.01
12/05/2013	36579	Road Runner Sanitary Sup	44.37	Janitorial Supplies	01-140-5034	44.37
12/05/2013	36579	Road Runner Sanitary Sup	41.01	Janitorial Supplies	01-150-5034	41.01
12/05/2013	36579	Road Runner Sanitary Sup	41.00	Janitorial Supplies	01-160-5034	41.00
12/05/2013	36579	Road Runner Sanitary Sup	41.01	Janitorial Supplies	01-170-5034	41.01
12/05/2013	36579	Road Runner Sanitary Sup	97.60	Janitorial Supplies	03-220-5022	97.60
12/05/2013	36579	Road Runner Sanitary Sup	41.01	Janitorial Supplies	15-500-5034	41.01
12/05/2013	36579	Road Runner Sanitary Sup	41.01	Janitorial Supplies	16-550-5034	41.01
12/05/2013	36579	Road Runner Sanitary Sup	93.83	Janitorial Supplies	01-185-5034	93.83
Total 36579:			481.85			
<b>36580</b>						
12/05/2013	36580	Sams Club Credit	59.56	Lights & Batteries for LS	20-121-5096	59.56
12/05/2013	36580	Sams Club Credit	68.20	Snacks for Recreation Dept	01-185-5095	68.20
12/05/2013	36580	Sams Club Credit	81.45	Crafts & Games for Life Skills	20-121-5096	81.45
12/05/2013	36580	Sams Club Credit	14.95	Walmart: Meow Mix for PW Dept	03-220-5022	14.95
Total 36580:			224.16			
<b>36581</b>						
12/05/2013	36581	Tlaquepaque Imports	30.00	Refund: Dbl Pmt on Business Lice	01-000-4220	30.00
Total 36581:			30.00			
<b>36582</b>						
12/05/2013	36582	Universal Police Supply Co	865.32	Uniform Allownance M. Lancaster	01-140-5019	865.32
Total 36582:			865.32			
<b>36583</b>						
12/05/2013	36583	Ups	86.19	Package Pick up for WWTP	15-500-5042	86.19
Total 36583:			86.19			
<b>36584</b>						
12/05/2013	36584	US Bank	61,418.38	GADA Infrastructure Revenue Bo	15-500-5063	61,418.38
12/05/2013	36584	US Bank	84,816.00	GADA Infrastructure Revenue Bo	16-550-5063	84,816.00
Total 36584:			146,234.38			
<b>36585</b>						
12/05/2013	36585	Verisight Inc.	209.84	Employee Retirement-457	01-150-5035	209.84
12/05/2013	36585	Verisight Inc.	209.84	Employee Retirement-457	01-140-5035	209.84
12/05/2013	36585	Verisight Inc.	66.69	Employee Retirement-401K	01-130-5035	66.69
12/05/2013	36585	Verisight Inc.	66.69	Employee Retirement-401K	01-140-5035	66.69
12/05/2013	36585	Verisight Inc.	66.69	Employee Retirement-401K	01-150-5035	66.69
12/05/2013	36585	Verisight Inc.	66.69	Employee Retirement-401K	01-170-5035	66.69
12/05/2013	36585	Verisight Inc.	104.38	Employee Retirement-401K	15-500-5035	104.38
12/05/2013	36585	Verisight Inc.	104.37	Employee Retirement-401K	16-550-5035	104.37
12/05/2013	36585	Verisight Inc.	104.37	Employee Retirement-401K	03-220-5035	104.37
Total 36585:			999.56			

Check Issue Date	Check Number	Payee	Invoice Amount	Description	Invoice GL Account	Amount
<b>36586</b>						
12/05/2013	36586	Vision Service Plan	322.68	Employee Payroll Deduction	01-000-2209	322.68
Total 36586:			322.68			
<b>36587</b>						
12/05/2013	36587	Yuma Nursery Supply	360.47	Trees for Cemetery Project	01-181-5060	360.47
12/05/2013	36587	Yuma Nursery Supply	28.63	Bushes for Town Hall	01-130-5030	28.63
Total 36587:			389.10			
<b>36588</b>						
12/05/2013	36588	Yuma Winnelson Co.	1,054.76	System Maint/Supplies for Water	16-550-5052	1,054.76
Total 36588:			1,054.76			
<b>36589</b>						
12/05/2013	36589	BLM	2,890.00	AZA034786 Right of Way Rental	16-550-5051	2,890.00
Total 36589:			2,890.00			
<b>36590</b>						
12/05/2013	36590	Connected Computer & Re	2,000.00	Initial Deposit for New Phone Syst	01-140-5048	2,000.00
Total 36590:			2,000.00			
<b>36591</b>						
12/05/2013	36591	US Bank	216.66	Admin Fee for GADA Loan	15-500-5035	216.66
12/05/2013	36591	US Bank	216.67	Admin Fee for GADA Loan	16-550-5035	216.67
Total 36591:			433.33			
Grand Totals:			225,948.90			
Grand Totals:			225,948.90	225,948.90-	.00	

## Report Criteria:

Report type: GL detail

Check.Check Number = 36535-36591



## TOWN OF QUARTZSITE

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### **REGULAR COUNCIL MEETING**

Tuesday, December 10, 2013

**Agenda Item # 1-b.** Consider approval of the minutes of the Regular Meeting of November 26, 2013 and the Special Meeting of December 3, 2013.

**Summary:** The Town Clerk shall keep the minutes of all meetings of the Common Council. Upon approval by the Council, the Clerk shall enter the approved minutes in a book constituting the official record of the Council.

**Responsible Person:** Tina Abriani, Town Clerk

**Attachment:** Minutes of the Regular Meeting of November 26, 2013 and the Special Meeting of December 3, 2013.

**Action Requested:** **Motion to approve the Minutes of the Regular Meeting of November 26, 2013 and the Special Meeting of December 3, 2013.**

**MINUTES**  
**TOWN OF QUARTZSITE**  
**REGULAR MEETING OF THE COMMON COUNCIL**  
**TUESDAY, NOVEMBER 26, 2013, 9:00 AM**

**CALL TO ORDER:** 9:00 AM

**INVOCATION:** Pastor Bruce said a prayer.

**PLEDGE OF ALLEGIANCE:** Led by Vice Mayor Jewitt.

**ROLL CALL:** Roll Call.

**Present:** Mayor Foster, Vice Mayor Jewitt, Council Member Kelley, Council Member Crooks, Council Member Orgeron, Council Member Scott, Council Member Timberlake.

**ABSENT:** No one

**STAFF PRESENT:** Town Manager, Laura Bruno; Town Attorney, Susan Goodwin; Town Clerk, Tina Abriani

**APPROVAL/AMENDMENT OF AGENDA:** The Mayor stated he would like Item numbers 2-c and 2-d removed from the Consent Agenda.

**Vice Mayor Jewitt moved to approve** the Agenda as presented with the exceptions of Items 2-c and 2-d to be removed for discussion from the Consent Agenda and **Council Member Scott seconded** the motion. The vote was unanimous. **Motion Passed.**

**PRESENTATIONS; PROCLAMATIONS:**

**1. QUARTZSITE TROLLEY – Presentation and discussion on the new Quartzsite Trolley.**

Mrs. Janet Collier, the Quartzsite Transit Coordinator, and Mr. John Andoh of the Yuma County Intergovernmental Public Transit Authority, gave a PowerPoint presentation on the new Quartzsite Trolley.

Information included the service that will be provided, proposed fares, marketing and public relations, proposed cost and program monitoring. The next steps will be to obtain Town Council Approval and print and distribute schedules.

Council Member Scott stated Council action cannot be taken as it is not on the agenda.

Town Manager Bruno stated if there is nothing further from Council, the Trolley Service will begin with ratification at the next Council meeting.

## **2. CONSENT AGENDA:**

**Vice Mayor Jewitt moved** to approve the Consent Agenda as presented with the exception of Items 2-c and 2-d. **Council Member Kelley seconded** the motion. The vote was unanimous. **Motion Passed.**

**2-a. LEDGER OF ACCOUNTS PAID – Consider approval of check series 36460 – 36534, totaling \$130,799.62.**

**2-b. MINUTES – Consider approval of minutes of the Regular Meeting of November 12, 2013 and the Special Meeting of November 20, 2013.**

**2-c. PURCHASE – Consider approval of purchase of one 2014 Service Truck from Jones Ford at a price below what we would pay under the State Master Contract.**

Town Manager Bruno stated this is funded by HURF fund money.

Emmett Brinkerhoff, Director of Public Works, spoke regarding the unsafe vehicle driven now. A replacement is necessary and will probably last ten years.

**Council Member Crooks moved** to approve the purchase of one service truck from Jones Ford at a price below what we would pay under the State Master Contract and authorize the Town Manager to execute the contract. **Vice Mayor Jewitt seconded** the motion. The vote was unanimous. **Motion Passed.**

**2-d. PURCHASE – Consider approval of a purchase contract with Eforce Software for a law enforcement records management software application system for the police department.**

Vice Mayor Jewitt stated the current system is sixteen years old.

Town Manager Bruno stated funding for this is coming from existing forfeiture funds the Town does have.

Council Member Timberlake asked if other options were looked at in addition to the presented.

Sergeant Frausto spoke regarding his opinion of the software and the fact that several law enforcement agencies use it. He went on to say we are getting a greater than \$10,000 break in the software's regular cost.

The Mayor asked about the forfeiture funds and their legal use.

The Town Attorney stated she did not know if these funds could be appropriately used for this purpose. She stated she will find out and that the Council can approve the use of the funds for this contingent upon verification of the Town Attorney's office.

**Vice Mayor Jewitt moved** to approve the purchase of this software with the addendum that before it gets signed we get the legal approval that was mentioned earlier and that the funds are available to use in general law enforcement. **Council Member Timberlake seconded** the motion. The vote was unanimous. **Motion Passed.**

**2-e. PARADE – Consider approval of the parade route for the annual Christmas Electric Light Parade to take place on Saturday, December 7, 2013.**

**ADMINISTRATIVE ITEMS:**

**3. POLICE CHIEF SALARY RANGE – Discuss Police Chief recruitment process and consider approval of a proposed annual salary range for the position of Quartzsite Police Chief.**

Town Manager Laura Bruno stated there is a flyer to be put onto the web nationwide, but she needs to list an estimated salary range. She said the recommendation is an annual salary range of \$60,000 - \$90,000 with the ability to negotiate a starting salary commensurate with the final candidate's qualifications.

Council Member Scott would like to see a copy of the flyer.

Council Member Timberlake asked when the advertising would begin and Town Manager Bruno stated as soon as she gets the salary range, probably advertising will start next week.

Council Member Scott and Council Member Timberlake want to see the job description before it is publicized.

**Council Member Timberlake moved** to table this until they have the job description. **Council Member Kelley seconded** the motion. The vote was 4 (four) ayes and 3 (three) nays. **Motion Passed.**

**4. AFTER-SCHOOL RECREATION PROGRAM – Discussion and consideration of additional funding to increase the hours of a part-time position for the Town's after-school recreation program.**

Yesenia Jackson, of the Park and Recreation Department, spoke regarding the after-school program and distributed a hand-out for the Council to read.

The Council took a moment to read the document.

Shanana GoldenBear of the Desert Messenger said she would need direction from the Town Manager to advertise for the Town. She asked if volunteers working with children need a background check.

The Town Attorney stated a background check is not a legal requirement but is recommended.

Shanana GoldenBear spoke about Cenpatico funds and the Quartzsite Substance Abuse Prevention Coalition.

Jennifer Jones stated that if she receives something from the Town she will put it in her paper at no charge.

The Mayor suggested that the matter be laid over and brought back in two weeks.

**Council Member Timberlake moved** to direct staff to advertise in the paper for volunteers and donations and bring this back before Council in two weeks. **Council Member Kelley** seconded the motion. The vote was unanimous. **Motion Passed.**

**COMMUNICATIONS:**

**5. Announcements and Reports from the MAYOR on current events.**

No announcements or reports from the Mayor.

**6. Announcements and Reports from the COUNCIL on current events.**

Council Member Kelley asked for help with Christmas for the Food Bank.

**7. Reports from the TOWN MANAGER to the Council.**

No announcements or reports from the Town Manager.

**COMMUNICATIONS FROM CITIZENS:**

Dean Taylor, citizen of Quartzsite and tax-payer, spoke regarding the support of the Quartzsite After-School Recreation Program and the Quartzsite Trolley Service.

Jennifer Jones stated she was disappointed with the agenda. She spoke regarding getting an Interim Chief; who is responsible for the Police Department; the lack of officers during the season; and the Trolley Service.

Shanana Rain GoldenBear welcomed the new Town Clerk. She spoke regarding the expense of the new television screens and the After-School Recreation Program.

Violet Kiss spoke regarding the Community Center usage and fees; citizen involvement in our community and making the Community Center feel more like a Community Center.

**Vice Mayor Jewitt moved** to adjourn and **Council Member Crooks** seconded the motion. The vote was unanimous. **Motion Passed.**

**ADJOURNMENT:** 10:07 AM

**CERTIFICATION:**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of November 26, 2013, of the Town Council of Quartzsite, Arizona, held on November 26, 2013.

I further certify that the meeting was duly called and held and that a quorum was present.

DATED this 10<sup>th</sup> day of December 2013

\_\_\_\_\_  
Tina M. Abriani, Town Clerk

On behalf of the Common Council

Approved:

\_\_\_\_\_  
Ed Foster, Mayor

DRAFT

**MINUTES**  
**TOWN OF QUARTZSITE**  
**SPECIAL MEETING OF THE COMMON COUNCIL**  
**TUESDAY, DECEMBER 3, 2013, 1:30 PM**

**CALL TO ORDER:** 1:30 PM

**INVOCATION:** None

**PLEDGE OF ALLEGIANCE:** Vice Mayor Jewitt led the pledge.

**ROLL CALL:**

**Present:** Mayor Foster, Vice Mayor Jewitt, Council Member Kelley, Council Member Crooks, Council Member Orgeron, Council Member Scott, Council Member Timberlake.

**ABSENT:** No one

**STAFF PRESENT:** Laura Bruno, Town Manager, Patricia Ronan, Town Attorney, Tina Abriani, Town Clerk

**APPROVAL/AMENDMENT OF AGENDA:** Vice Mayor Jewitt moved to approve the agenda as presented. Council Member Orgeron seconded the motion. The vote was unanimous. **Motion Passed.**

**ADMINISTRATIVE ITEMS:**

1. **TROLLEY RESOLUTION – Consider approval of a contract with Parking Concepts, Inc. to provide transportation services for the Quartzsite Trolley for general public fixed-route and paratransit services.**

Council Member Kelley said to remove the 'if' in number 9 (nine) from the Trolley hand-out packet from the last Regular Council Meeting of November 26, 2013.

Council Member Timberlake stated the Council has not had sufficient time to review the documentation.

Council Member Timberlake asked for a Memorandum of Understanding (M.O.U.).

Mr. John Andoh of the Yuma County Intergovernmental Public Transit Authority, stated that a copy of the M.O.U. will be forth coming.

Town Attorney Ronan stated that this item could be put on the next agenda, turned down, or approved today.

**Council Member Timberlake** moved to table the item until the next regularly scheduled Council Meeting. **Council Member Scott** seconded the motion. **Motion Passed.**

**2. INDEMNIFICATION ORDINANCE – Consider approval of an ordinance amending Town Code, Chapter 3 Administration, by adding new Article 3-7 relating to the indemnification and defense of officers and employees acting within the scope of their duties.**

The Mayor asked the Town Attorney about pending litigation in relation to this ordinance.

Official liability and personal liability are different stated Town Attorney Ronan.

The Mayor asked if this ordinance will be retroactive. The Town Attorney stated that once the ordinance is adopted, it will apply to all on-going law suits and future filings and not retroactive in that sense.

The title of the ordinance was read into the record.

An ordinance of the Mayor and Common Council of the Town of Quartzsite, Arizona, amending the Code of Quartzsite, Arizona, Chapter 3 Administration by adding new Article 3-7 Indemnification and Defense of Officers And Employees Acting Within The Scope Of Their Duties related to indemnification and defense of officers and employees acting within the scope of their duties; providing for repeal of conflicting ordinances; and providing for severability.

**Vice Mayor Jewitt** moved to approve this ordinance as presented and **Council Member Crooks** seconded the motion.

**Roll Call Vote: Motion Passed (summary: Yes = 6, No = 1, Abstain = 0).**

**Yes:** Vice Mayor Jewitt, Council Member Kelley, Council Member Crooks, Council Member Orgeron, Council Member Scott, Council Member Timberlake.

**No:** Mayor Foster.

ADJOURN TO EXECUTIVE SESSION: 2:32 PM

**Council Member Orgeron** moved to go into executive session and **Vice Mayor Jewitt** seconded the motion. The vote was unanimous. **Motion Passed.**

**3. EXECUTIVE SESSION**

**An executive session pursuant to A.R.S. § 38-431.03(A)(1) for discussion or consideration of employment of a town manager, including review of resumes to establish a final list of candidates to interview.**

RETURN TO OPEN SESSION: 3:29 PM

**Roll Call.**

**Present:** Mayor Foster, Vice Mayor Jewitt, Council Member Kelley, Council Member Crooks, Council Member Orgeron, Council Member Scott, Council Member Timberlake. **Vice Mayor Jewitt moved** to adjourn the meeting and **Council Member Kelley seconded** the motion. The vote was unanimous. **Motion Passed.**

**ADJOURNMENT:** 3:29 PM

**CERTIFICATION:**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of December 3, 2013, of the Town Council of Quartzsite, Arizona, held on December 3, 2013.

I further certify that the meeting was duly called and held and that a quorum was present.

DATED this 10<sup>th</sup> day of December 2013.

\_\_\_\_\_  
Tina M. Abriani, Town Clerk

On behalf of the Common Council

Approved:

\_\_\_\_\_  
Ed Foster, Mayor



## TOWN OF QUARTZSITE

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### REGULAR COUNCIL MEETING

Tuesday, December 10, 2013

**Agenda Item #2** Consider approval of a service contract to provide transportation services for the Quartzsite Trolley for general public fixed-route and paratransit services.

**Summary:** The Town proposes to operate a shuttle (Trolley) transit service within the Town of Quartzsite connecting general public passengers from the seasonal area to various related businesses on Main Street and US 95 for the period beginning December 13, 2013 through February 2, 2014, with the option to continue service to February 23, 2014.

The Yuma County Intergovernmental Public Transportation Authority (TCIPTA) has made the trolley vehicle available to the Town of Quartzsite for \$1 per year. Under a cooperative services purchase assignment with YCIPA, the Town can also secure the services of an outside bus contractor to provide certified bus operators, insurance, maintenance services, training, transit program compliance, shared dispatcher from a remote location and customer assistance. The Town will provide fuel and oil, cellular phones, printing and advertising services.

Parking Concepts, Inc. dba Transportation Concepts is the provider of transit services for the cities of Yuma and Blythe. By using an outside service provider, the Town will realize savings on vehicle liability insurance, administrative staff requirements, and training costs. The proposed contract provides for a maximum obligation of \$22,219.73 which is supported by advertising sales and ridership fees.

The Town's Cooperative Purchasing Code provides that purchases may be made without a formal bidding process whenever other governmental units have done so for the same item if a separate bidding process is not likely to result in a lower price for such items.

**Responsible Person:** Laura Bruno, Town Manager

**Attachment:**

1. Quartzsite Trolley Seasonal Service Plan
2. Proposed Independent Contractor Contract with Parking Concepts, Inc. dba Transportation Concepts for operations and maintenance of the trolley.
3. Lease Agreement (for information only)

**Action Requested:**

**Motion to approve a contract with Parking Concepts, Inc. to provide transportation services for the Quartzsite Trolley for general public fixed-route and paratransit services, and authorize the Town Manager to execute the contract.**

**Town of Quartzsite  
Quartzsite Trolley Seasonal Service Plan  
December 10, 2013**



**Introduction**

The Town of Quartzsite has received a proposal from Dennis Kuehl regarding the proposed implementation of a shuttle service that would operate within the Town of Quartzsite connecting general public passengers from the seasonal area (Rock Show) to various related businesses on Main Street and US Highway 95. This route can assist with reducing traffic congestion, improving air quality and provide a great way for winter visitors to see Quartzsite and to patronize Quartzsite's businesses.

This pilot project would need to be supported by the business community in order for the service to be successful. It is anticipated that this service would run from Friday, December 13, 2013 to Sunday, February 2, 2014 with the option to continue service to Sunday, February 23, 2014, excluding Christmas Day and New Years Day. The service will operate a total of 50 days, with a possibility of operating 71 days depending on funding and service success.

**Service Description**

Quartzsite Trolley would operate in a counter clockwise loop starting at Quartzsite Town Park and ending back at Quartzsite Town Park approximately 45 minutes later. The route would operate on a 45 minute frequency between 8:20 a.m. and 5:20 p.m. seven days a week. 11 trips would operate with a lunch break between 12:50 p.m. and 1:35 p.m.

There would be approximately 27 trolley stops that would be identified by a Quartzsite Trolley sign. The proposed trolley route will serve all major destinations in the Town limits including:

- Main Event
- Businesses along Main Street
- Events along Kuehn Road
- Parking Lot sites along US Highway 95 south of Kuehn Road

The 31-foot trolley vehicle obtained would be leased through the Yuma County Intergovernmental Public Transportation Authority (YCIPTA) at a rate of \$1.00 per year, would have bicycle racks,

fareboxes, stop request system, destination signs, rear doors, wheelchair lift, ability to remove the side panel for an open air environment, requires air brakes, on a Freightliner chassis, diesel powered and have low miles. The trolley seats 20 with standees up to 30. There are two wheelchair positions on the trolley.

**Comparable Services and Demonstration Period**

Similar communities that operate a trolley service for seasonal events are as follows:

- City of Scottsdale, AZ (Hospitality Trolley)
- Town of Paradise Valley, AZ
- City of Santa Cruz, CA
- Desert Roadrunner, Blythe, CA
- Tuolumne County Transit, Sonora, CA

Careful attention should be paid towards the implementation of this trolley fixed route service. The deviated fixed route pilot should operate for a one season period to test viability. At the end of the demonstration period, the trolley fixed route service would be evaluated.

**Proposed Fares**

The proposed fare structure is:

<b>Category</b>	<b>All Passengers</b>
General Fare	\$2.00
Hop On – Hop Off Day Pass	\$5.00
Season Pass	\$75.00 <i>(ride 1.21 times a day, for 62 days to pay for itself)</i>

Trolley season passes would be printed and sold at Quartzsite Town Hall during business hours and the Chamber of Commerce. A bus pass outlet agreement would be created with Town staff reconciling revenue regularly.

**Proposed Cost**

Trolley		PROPOSED CONTRACT FY 2013/2014	Comments
	Administrative Overhead	-	Share with Transit budget
5011	Wages	-	Contractor to provide
5012	FICA Employee Share	-	Contractor to provide
5014	Overtime	-	Contractor to provide
5015	Workers Compensation	-	Contractor to provide
5018	Unemployment Ins	-	
5024	Gas and Oil	15,000.00	Vehicle Fuel - Diesel based on \$3.35 per gallon
5025	Vehicle Repair/Maintenance	3,500.00	Maintenance on trolley vehicle - parts over \$250.00 for Trolley
5033	Printing and Advertising	1,500.00	Marketing expenses for the trolley - website, brochures, rider's guides, flyers, newspaper ad, social media, decal for vehicle
5035	Other Services	11,608.49	Contract costs with Transit Operator - \$27.59 per hour (includes operations)
		3,422.80	Fixed costs for Contractor (includes maintenance, drug & alcohol)
5041	Telephone	-	Cell phones/radios for driver communication (use existing Town phones)
5042	Postage	-	Mailing for marketing (use existing Town postage meter)
5046	Insurance	1,034.64	Insurance for trolley for three months (through Contractor)
5053	Miscellaneous	500.00	Misc supplies
5060	Small Tool/Equipment	500.00	Purchase of trolley stop signs and small capital items to support operation
5084	Drug & Alcohol Screening	-	Drug and Alcohol testing (through Contractor)
<b>Total:</b>		<b>37,065.93</b>	
			<b>Revenues</b>
	Business Sponsorships	-	Special event vendors Sponsoring the Trolley
	Advertising Sales	11,799.45	Need person to sell ads inside trolley
	Fees Collected	9,266.48	Passenger revenues (25% farebox recovery)
	Town Subsidy	15,000.00	Use of Transit Budget
	Misc Revenues	1,000.00	Interest income, other misc revenues
		<b>37,065.93</b>	
			(0.00)

The above budget represents that the trolley service would be contracted out to a third party and that several Town resources such as postage, cellular phone would be used to reduce the overall budget. The budget assumes that a contractor would provide a bus operator, insurance, maintenance services, training, compliance with operation of a transit program and shared dispatcher from a remote location.

Using a transit operations contractor similar to the cities of Phoenix, Scottsdale, Yuma, Tucson and Blythe has realized net savings of approximately 25% vs. directly operating the service with Town

employees. The biggest savings is through vehicle liability insurance, reduced administrative staff and training costs.

There is a deficit towards implementing the trolley. In order to generate revenue for the trolley, a few options as shown below would need to be implemented. Suggestions include:

- Sponsorships from the large special event hosts and local businesses (in place now).
- Selling advertising space inside and outside the trolley (in place now).
- Charging an additional fee on top of all business licenses (requires Town Council action)

Trolley advertising prices to break even are defined below:

Type of Ad	Quantity	Cost	Total if Sold
Windows	15	\$ 250.00	\$ 3,750.00
Passenger Side	3	\$ 500.00	\$ 1,500.00
Driver Side	3	\$ 500.00	\$ 1,500.00
Extreme Side Back	2	\$ 750.00	\$ 1,500.00
Center Back	1	\$ 1,500.00	\$ 1,500.00
Sides Back	2	\$ 750.00	\$ 1,500.00
Small Electrical Box	1	\$ 150.00	\$ 150.00
Large Electrical Box	1	\$ 300.00	\$ 300.00
Interior	45	\$ 100.00	\$ 4,500.00
<b>Grand Total</b>			<b>\$16,200.00</b>

### Marketing & Public Outreach

- Rider's Guide
- Trolley stop signage
- Flyers
- Utility mail outs
- [www.ci.quartzsite.az.us](http://www.ci.quartzsite.az.us)
- Advertisements in the Chamber of Commerce guide/map, local Town newsletters and newspapers.

### Monitoring

The importance to a successful transit service is monitoring the performance. The following performance measures are proposed to ensure that the transit system is meeting the expectations for success:

- Passengers per hour should be 20.0 or greater
- Subsidy per passenger should be \$10.00 or less
- Passengers trips per day should be 200 or greater
- Passenger per mile should be 1.5 or greater
- Cost per operating hour should be \$60.00 or less
- Farebox recovery ratio should be at least 25% (Revenue generated by passengers)

Should the performance objectives listed above not be met, corrective action should be taken to improve the productivity of the trolley service, including additional marketing and public outreach. Further poor performance would result in discontinuance and/or alternative service delivery methods.

### Next Steps

The goal is to implement this new trolley service in December, to coincide with the start of the “snowbirds” arriving to Quartzsite. This means the following actions would need to take place:

1. Public Discussion – *Mid October*
2. Negotiate with a transit contractor – *Mid October*
3. Finalize the route, schedule and trolley stop locations – *Late October*
4. Lease trolley vehicle – *November*
5. Obtain Town Council Approval – *2nd meeting in November*
6. Print and distribution of materials, flyers, press releases and other marketing materials – *Last week in November and 1st/2nd week in December*
7. Install trolley stop signs – *December*
8. Implement service, including special ribbon cutting ceremony – *December 13 - Tentative (Ribbon Cutting Ceremony, December 18 in partnership with Chamber)*
9. Monitor and report to the Town Council following the end of trolley service implementation – *March*

Additional questions regarding this proposal can be directed to John Andoh at 928.304.2297 or via email to [jandoh@ycipta.az.gov](mailto:jandoh@ycipta.az.gov) or Janet Collier at 928.927.4333 or via email to [townhall@ci.quartzsite.az.us](mailto:townhall@ci.quartzsite.az.us).

## INDEPENDENT CONTRACTOR CONTRACT

A. The Town of Quartzsite, Arizona ("Quartzsite" or "TOWN") contracts with Parking Concepts, Inc as an Independent Contractor ("Contractor") for the performance of certain tasks as described in this contract.

B. Contractor's principal place of business is located at the following address: 12 Mauchly, Building I, Irvine, CA 92618.

C. Contractor declares that Contractor is engaged in an independent business and has complied with all laws governing the said business and the tasks to be performed under this Contract.

D. Contractor declares that Contractor holds services out to the public as a separate business entity from Quartzsite and is not in business for the purpose of providing services solely to Quartzsite.

Therefore, in consideration of the foregoing representations and the following terms and conditions, the parties agree:

1. **SERVICES.** Quartzsite engages Contractor to perform the services described in EXHIBIT A.

2. **PAYMENT.** Quartzsite shall pay Contractor the compensation set forth in EXHIBIT B. Contractor shall submit payment requests within thirty (30) days of providing services under this Contract. Each payment request shall be for all services completed. Quartzsite shall pay Contractor for services satisfactorily completed within thirty (30) days from submittal of a payment request.

3. **INSTRUMENTALITIES.** Contractor shall supply all equipment, tools, materials and supplies to accomplish the designated tasks except as described in EXHIBIT A.

4. **CONTROL.** Contractor retains the sole and exclusive right to choose his/her assistants and control or direct the manner or means by which the work described herein is to be performed.

5. **PAYROLL OR EMPLOYMENT TAXES.** No payroll or employment taxes of any kind shall be withheld or paid with respect to payments to Contractor. The payroll or employment taxes that are the subject of this paragraph include but are not limited to FICA, FUTA, federal personal income tax, state personal income tax, state disability insurance tax, and state unemployment insurance tax. Contractor shall be responsible for any payroll or employment taxes of Contractor's employees, if any.

6. **OTHER TAXES.** Contractor shall be responsible for payment of all taxes related to the provisions of the services described in EXHIBIT A.

7. **WORKERS' COMPENSATION.** No workers' compensation insurance has been or will be obtained by Quartzsite on account of Contractor or Contractor's employees. Contractor will comply with the workers' compensation laws with respect to Contractor and Contractor's employees.

8. INDEMNIFICATION. Contractor agrees to indemnify, defend and hold harmless Quartzsite and all of its officers, agents and employees for all demands, claims, proceedings, suits, damages, losses and expenses (including but not limited to, attorneys fees and court costs), including demands, claims, proceedings, suits, damages, losses and expenses of members of the general public using the services described in Exhibit A, relating to, arising out of or alleged to have resulted from acts, errors, mistakes, omissions of any kind caused by Contractor, its officers, agents or employees or any subcontractor of Contractor. Contractor's duty to indemnify, defend and hold harmless Quartzsite, its officers, agents and employees shall include but is not limited to the application of the Fair Labor Standards Act, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the Internal Revenue Code, the Immigration and Naturalization Act, Arizona revenue and taxation laws, Arizona Workers' Compensation Law, and Arizona Unemployment Insurance Law. Insurance provisions set forth in this contract are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions.

9. INSURANCE. Contractor shall provide a certificate of insurance evidencing insurance policies satisfactory to Quartzsite prior to commencement of services as defined in Exhibit A.

10. IMMIGRATION LAW COMPLIANCE WARRANTY. Contractor warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). Contractor further warrants that after hiring an employee, Contractor verifies the employment eligibility of the employee through the E-Verify program. A breach of this warranty shall be deemed a material breach of the Contract that is subject to penalties up to and including termination of the Contract. Quartzsite shall have the right to conduct an audit to ensure that the Contractor is complying with the warranty.

11. ADMINISTRATIVE CONFLICT OF INTEREST. This Contract may be terminated pursuant to the provisions of A.R.S. § 38-511.

12. TERM: TERMINATION. The term of this Contract is for six and a half months, commencing December 10, 2013 ending on June 30, 2014. There are no extensions associated with this Contract. Either party may terminate this Contract if the other party fails to perform the duties required by this Contract. Notice of termination shall be given at the address set forth in Paragraph 13. If TOWN gives notice of termination for failure of CONTRACTOR to perform any duties required by this Contract, CONTRACTOR shall immediately cease its services unless the notice states otherwise.

13. NOTICES. Any notice to be given under this Contract shall be in writing, shall be deemed to have been given when personally served or when mailed by certified or registered mail, addressed as follows:

QUARTZSITE:

Town Manager  
Town of Quartzsite  
PO Box 2812  
Quartzsite, AZ 85346

CONTRACTOR:

Chief Operating Officer  
Parking Concepts, Inc  
12 Mauchly, Building I,  
Irvine, CA 92618

The address may be changed from time to time by either party by serving notices as provided above.

14. CONTROLLING LAW. This Contract is to be governed by the laws of the State of Arizona

Agreed to this 3rd Day of December, 2013,

TOWN OF QUARTZSITE

CONTRACTOR

\_\_\_\_\_  
Town Manager

\_\_\_\_\_  
Chief Operating Officer

Approved as to Form:

\_\_\_\_\_  
Curtis, Goodwin, Sullivan, Udall & Schwab, PLC

By:

Attest:

\_\_\_\_\_  
Town Clerk

## EXHIBIT A SCOPE OF WORK

1. Service Provided. CONTRACTOR shall provide an annual total of 550 vehicle revenue hours. CONTRACTOR shall provide sufficient supervisory and dispatching personnel to adequately handle transit services described in this scope of work herein. CONTRACTOR shall provide office space and maintenance facility. TOWN shall provide fuel and parking for the TOWN's transit fleet at the TOWN Hall located at 465 North Plymouth Avenue in Quartzsite or other designated locations as approved by the TOWN. Fueling would be conducted at the TOWN's fueling station.

Quartzsite Trolley services are generally provided between 8:20 a.m. and 5:20 p.m., excluding New Year's Day and Christmas Day. This service will operate every 45 minutes and between December 13, 2013 and February 2, 2014 with a possible extension to February 28, 2014.

Additional details are shown in the Quartzsite Trolley Rider's Guide which is attached as EXHIBIT D.

2. Fare and Pass Schedule. A copy of the Quartzsite Trolley Rider's Guide is attached as EXHIBIT D with the present fare structure. CONTRACTOR must operate service in accordance with the established fare structure.

These fares are subject to change and the CONTRACTOR will be advised if the fares are changed. TOWN shall have the sole responsibility in setting the fare structure.

3. DBE/EEO: CONTRACTOR shall submit a signed affidavit certifying compliance with the Disadvantaged Business Enterprise (DBE) and Equal Employment Opportunity (EEO) requirements as specified in Contract, if applicable.
4. On-site Management: CONTRACTOR shall at all times provide a qualified Project Manager for this Contract. The CONTRACTOR shall have the necessary certifications to train bus operators as defined in Section H.1. TOWN may request a change in Project Manager at any time for any reason, if determined by TOWN that Project Manager is not meeting the needs of the TOWN. CONTRACTOR's Project Manager may be shared with another CONTRACTOR operation with the time allocated for the Project Manager being equally charged to the TOWN.
5. Training and Retraining. CONTRACTOR shall provide ongoing training, retraining, and safety education for all vehicle operators, maintenance personnel and supervisory personnel which conform to applicable regulatory requirements, e.g., Federal and State Departments of Transportation, Arizona Highway Patrol and other applicable agencies.
6. Drug and Alcohol Testing. CONTRACTOR shall provide pre-employment, post-accident, just-cause, and random drug and alcohol testing of its employees in "safety-sensitive" positions, pursuant to the requirements of the Federal Transit Administration (FTA) and/or the Arizona Highway Patrol.

7. Tickets, Passes and Transfers. CONTRACTOR shall accept transfers and other fare instruments from other transit systems that interact with Quartzsite Trolley as directed by TOWN.
8. Telephone Information and Reservations. TOWN shall be responsible for providing information regarding Quartzsite Trolley services.
9. Dispatching and Radios. CONTRACTOR shall provide an adequate number of persons to staff the vehicle dispatch functions. There must be a dispatcher on duty at all times that service is operating. After office business hours, the dispatcher must be available via cellular telephone or radio. Dispatchers shall be responsible for maintaining communication (radio, cell phone or other methods) with all vehicles in service, and for maintaining the daily dispatch log to be proposed by CONTRACTOR. Scheduling and dispatching personnel shall be trained in professional techniques in the areas of: radio protocol, telephone etiquette, handling of difficult people and professional interactions with TOWN employees, local businesses and news media. TOWN shall provide an adequate communication system (cellular telephone).

CONTRACTOR will create a daily bus operator manifest by using Microsoft Excel or some other software approved by the TOWN. Information for all trips made will be kept during the term of this Contract.

The TOWN will also require the daily trip information be analyzed for one random day per week as determined by the TOWN. This analysis will be included in the Monthly Report. This information will identify productivity by bus and time of day, number of buses out during each service hour, number of one way trips during each service hour, average wait and travel time by service hour and bus, longest wait time and passenger ride time by bus, service hour and day and purpose of trip by passenger.

The dispatcher should facilitate transfers with Quartzsite Transit Services (QTS) by calling these services as the bus approaches the connection point so that passengers have a seamless transfer between the two systems. Transfers to QTS are possible, but are not guaranteed at various locations throughout the service area identified in EXHIBIT D.

10. Control and Distribution of Passes. CONTRACTOR shall maintain strict control of all passes issued by the TOWN. The number and type of passes issued to bus operators shall be documented and bus operators shall return transfers at the end of each shift. All passes not being used in revenue service, or issued to bus operators, shall be kept in a secure place. It is the responsibility of the CONTRACTOR to secure passes in a secured area at all times.

CONTRACTOR shall be responsible for delivering bus passes to TOWN authorized vendors and depositing revenues from vendors with the TOWN's Finance Department monthly as directed by the TOWN.

11. Contact of TOWN/CONTRACTOR Personnel. TOWN personnel shall have the right to make contact with CONTRACTOR personnel, other than the management and dispatch

functions, as needed when CONTRACTOR personnel are in revenue service. CONTRACTOR personnel shall have the right to contact TOWN personnel without fear of retaliation from CONTRACTOR. TOWN shall not intervene with CONTRACTOR issues related to personnel unless State or Federal laws are violated.

12. ADA Passengers. CONTRACTOR shall ensure that if an ADA passenger is stranded due to a lift failure or service interruption that the passenger is picked up within 30 minutes. The vehicle that has the lift failure shall be removed from service and replaced as soon as possible. The lift must be repaired before the vehicle is returned to service. There shall be no ADA trip denials.
13. Service Development. TOWN shall have the responsibility of developing all routes (revenue and deadhead) and schedules with input from the CONTRACTOR. TOWN is not obligated to utilize input from the CONTRACTOR. CONTRACTOR shall provide the schedule used for developing routes (runcut) for review and approval by TOWN prior to its implementation.
14. Security Cameras. CONTRACTOR shall be fully responsible for the proper operation of video surveillance systems (VSS) on TOWN buses, if installed. CONTRACTOR shall routinely check each VSS to ensure it is operating properly and report malfunctions to TOWN immediately. CONTRACTOR will be responsible for maintenance of the VSS equipment. CONTRACTOR shall download and review video from buses whenever an incident occurs on board a bus wherein video of the incident might assist in the resolution of the incident. CONTRACTOR shall operate and maintain the equipment in accordance with the manufacturer specifications and arrange for any necessary training to use VSS provided equipment.
15. Automated Vehicle Locator Service and Real Time Transit Information. At such time as TOWN provides an Automated Vehicle Location (AVL) and real time transit information system, CONTRACTOR shall utilize said system to the fullest extent intended by its manufacturer. TOWN will install said AVL and real time transit information monitoring equipment in office space provided by CONTRACTOR and be responsible for initial start-up of the system. CONTRACTOR shall assist TOWN in the start-up of the system and be trained by the system installer at TOWN expense. CONTRACTOR shall be responsible for the maintenance of such equipment after the initial set up has been completed with authorized TOWN vendors capable of maintaining such equipment at its cost.
16. Email. CONTRACTOR's Project Manager, Dispatcher, Mechanic and any other administrative staff member shall have access to electronic mail over the internet with their own email address provided by CONTRACTOR's email system. Email address from third parties such as Google, Yahoo, Hotmail and/or others shall not be permitted.
17. Advertising. CONTRACTOR shall cooperate with TOWN in TOWN's program to provide advertising on the interior and exterior of TOWN buses. Said advertising includes all signs up to and including full bus wraps. If directed by TOWN, CONTRACTOR shall work with TOWN's contractor related to the installation of interior advertising cards and exterior signs/wraps including coordinating access for the TOWN's Contractor. TOWN shall retain all revenues associated with advertising on TOWN buses.

18. Bus Operator Bids and Employee Schedules. CONTRACTOR shall provide TOWN with a copy of its bus operator run assignment sheet and employee schedules upon TOWN's request. TOWN shall have approval over all bus operator bids and employee schedules.
19. Use of Transit Vehicles For Emergency Preparedness Drills & Exercises. CONTRACTOR shall make available the use of TOWN transit vehicles for emergency preparedness exercises upon request by TOWN. CONTRACTOR's participation shall be included in the fixed cost.
20. Detours. CONTRACTOR in coordination with TOWN shall establish detours when road closures are occurring or roadways within the Quartzsite Trolley service area become impassable due to other obstructions. CONTRACTOR shall post rider alerts on a TOWN approved format if the detour lasts more than 24 hours.
21. Lost and Found. CONTRACTOR shall make a reasonable attempt to identify and return lost items to the passenger the same day it was found. When it is not reasonable to return the item, CONTRACTOR shall: 1) tag the item and note the route, or location where the item was found, time and date found, 2) Include the name of the person turning in the item and a brief description of the item, 3) Maintain a log of lost and found items, 4) dispose of the lost item with the local Police Department of charity within 30 days of non claiming, 5) store the item in a secure container as approved by TOWN.
22. Transit System Security Program Plan. CONTRACTOR shall develop – in coordination with TOWN – a Transit System Security Program and Emergency Preparedness Plan (TSSEPP) that covers passengers, employees, vehicles and facilities. Guidance on the development of this plan is available in a report entitled, the Public Transportation System Security and Emergency Preparedness Planning Guide (DOT-VNTSC-FTA-03-01) dated January 2003. The TSSEPP should assign responsibility for security management from the most senior executive to the first line supervisory staff. The TSSEPP must address the following mechanisms:
  - Interagency coordination with TOWN, Town of Quartzsite Police, La Paz County Sheriff, and Arizona Highway Patrol and other transit operators
  - Evacuation assistance plan utilizing TOWN's Fleet Investigating Security Incidents
  - Security and Emergency Management Training for all personnel
  - Regular threat and vulnerability analyses in cooperation with TOWN
  - Compilation and reporting of data associated with the National Transit Database's Safety and Security Module.

The TSSEPP shall include a plan to respond to emergencies and routine problems that may occur. Occurrences include, but are not limited to:

- Passenger injuries
- Passenger disturbances
- Passenger illnesses
- Vehicle failures

- Inclement weather Accidents
- Detours
- Employee injuries
- Strikes/Walkouts/Work Stoppage Terrorist Incidents
- Diablo Nuclear Event
- Earthquakes

23. Customer Comments. CONTRACTOR shall resolve citizen complaints to the best of its ability utilizing a written procedure subject to TOWN approval and revision at direction of TOWN. Unresolved complaints should be directed to TOWN transit staff. Customer comments shall be tracked in a spreadsheet and submitted to the TOWN monthly.

**B. EQUIPMENT INCLUDING VEHICLES**

1. Vehicles. TOWN will provide one accessible transit vehicle. The vehicle provided is a 2006 diesel powered, 31 foot long trolley that seats 20 passengers, two wheelchair tiedowns, farebox, manual destination signs and a bicycle rack. It shall be TOWN's responsibility to have its vehicles registered with the Arizona Motor Vehicles Division of the Arizona Department of Transportation (ADOT) prior to delivery to CONTRACTOR.

CONTRACTOR's responsibilities include, but are not limited to full maintenance of appearance, inspections (fluid levels, tire pressure, etc.), preventative maintenance and operating the vehicles in accordance with Contract and this Scope of Work. A fleet inventory of all TOWN vehicles used in the transit service as of this signing of this Contract is included EXHIBIT E. Mechanical and technical maintenance of TOWN's vehicles shall be the obligation of CONTRACTOR as defined in the TOWN's Maintenance Plan in EXHIBIT F.

2. Warranties. CONTRACTOR shall be responsible for maintaining all TOWN provided vehicles and equipment including warranties. CONTRACTOR shall be liable for the cost of repairing or replacing any physical or mechanical damage caused by CONTRACTOR's negligence and not caused by TOWN.
3. Availability. CONTRACTOR shall store at the TOWN vehicle(s) at the TOWN Hall, 465 North Plymouth Avenue, Quartzsite, AZ 85346 and/or other locations as approved by TOWN. CONTRACTOR shall be allowed to access vehicle for service as determined by TOWN. TOWN shall make vehicle available to CONTRACTOR no later than Monday, December 2, 2013.
4. Return of Equipment. CONTRACTOR shall return all equipment including vehicles to TOWN Hall, 465 North Plymouth Avenue, Quartzsite, AZ 85346 when termination of Contract occurs or upon earlier termination in the same condition as accepted less any ordinary wear and tear. Ordinary wear and tear shall be interpreted according to the equipment's/vehicles use. In any event, CONTRACTOR shall be liable for the cost of repairing or replacing any physical or mechanical damage not caused by TOWN.
5. Inventory. TOWN and CONTRACTOR agree to prepare a joint written inventory of all TOWN provided equipment, vehicles, and supplies. This inventory shall be conducted at the commencement and termination of Contract. CONTRACTOR shall be responsible

for returning the vehicles with the same or replacement items, equipment and supplies (all less ordinary wear and tear) as originally delivered.

6. Alterations. CONTRACTOR shall not have the right to install equipment, or make any minor or major alterations to any TOWN owned equipment or vehicles without prior written consent of TOWN. Removal of parts from the TOWN's vehicles is grounds for immediate termination.
7. Use. No TOWN-provided vehicles shall be operated beyond the limits established in the applicable policies of insurance as hereinafter set forth, and may only be used for the transportation of passengers as provided in Contract or other transit-type services pre-approved in writing by TOWN. CONTRACTOR agrees to use equipment including vehicles in a careful and proper manner and to comply with all Federal, State, local, or other governmental laws, regulations, requirements and rules with respect to the use, maintenance and operation of the equipment, including vehicles subject to the Contract. CONTRACTOR shall not use equipment in any unlawful trade, or for any unlawful purpose whatsoever, or in violation of Contract.
8. Liens. TOWN shall not suffer, create or permit to be imposed upon the vehicles any lien or encumbrance which may interfere with CONTRACTOR's intended utilization of the vehicles.

Neither CONTRACTOR nor any of his /her agents shall suffer, create or permit to be imposed upon the vehicles any lien or encumbrance whatsoever, and shall return equipment to TOWN free of any liens, claims or encumbrances resulting from its use of equipment. CONTRACTOR agrees to notify any third party furnishing services, supplies, or other necessities to CONTRACTOR that neither CONTRACTOR nor any of his/her agents have the right to incur, create or permit to be imposed on the vehicles any lien whatsoever.

9. Permits, Charges, Taxes. TOWN shall be responsible for securing and maintaining vehicle related licenses, permits and authorizations necessary for the intended vehicle operation.
10. Repossession. In the event of termination of Contract, TOWN shall have the right to take immediate possession of all TOWN-provided equipment including vehicles and CONTRACTOR shall reimburse TOWN all expenses, including attorney's fees, incurred by TOWN in effecting such repossession.

In the event that a suit or an action is instituted by TOWN, or those claiming by, through, or under it, to recover possession of the equipment, including vehicles, to collect damages or to enforce any right possessed by TOWN under the terms of Contract, CONTRACTOR agrees and promises to pay such additional sum as the court may adjudge reasonable as attorney's fees in said suit or action.

11. Other Equipment. CONTRACTOR is responsible for providing **all materials, supplies, and/or equipment** needed to perform this Contract, which are not otherwise specifically provided by TOWN. This includes a digital camera, accident kits, office supplies, , transfer punches, transfer punch holders for the bus operators, accident and blood borne pathogen kits, bus operator route bags, clipboards for bus operators, Driver Inspection Reports, Driver Log Books, copier and cleaning and maintenance tools and supplies necessary for the

maintenance of the vehicles. CONTRACTOR shall purchase items above, plus items not listed above at CONTRACTOR's cost within the fixed costs.

12. Bus Operator Shuttling. CONTRACTOR will be responsible to provide vehicle transportation for bus operators to and from any shift changes while the TOWN provided vehicle(s) are in service. CONTRACTOR may request permission from the TOWN to utilize its vehicles for shuttling of its bus operators.
13. CONTRACTOR Provided Vehicles. Any CONTRACTOR supplied vehicles will be kept in safe, clean operating condition at all times. The CONTRACTOR will be responsible for all maintenance on all vehicles supplied by the CONTRACTOR for use with this Contract. All CONTRACTOR supplied vehicles will be maintained on a regular maintenance Preventive Maintenance Inspection (PMI) schedule that meets or exceeds the Original Equipment Manufacturer's (OEM's) recommendation. TOWN will approve all vehicles supplied by the CONTRACTOR, and vehicles older than 2005 will not be approved. The CONTRACTOR may be allowed to park additional vehicles at the TOWN's Hall located at 465 North Plymouth Avenue, Quartzsite, AZ 85346. TOWN will approve designated parking spaces for the revenue vehicles located at TOWN's Hall. CONTRACTOR shall not include costs associated with the provision of its own vehicles in the TOWN's budget.
14. Fuel. Fuel facilities for vehicles shall be provided a designated TOWN fueling site. Fuel costs for TOWN vehicles shall be the responsibility of TOWN. TOWN shall provide fuel cards and employee access to gasoline and/or diesel fuel pumps for the purposes of fueling TOWN transit vehicles assigned to CONTRACTOR only.
15. Department of Transportation Number. In addition CONTRACTOR shall have its United States Department of Transportation (USDOT) number placed on all TOWN operated vehicles along with the phrase "Operated by (CONTRACTOR Name)" under the USDOT number.

### **C. VEHICLE, FACILITY, EQUIPMENT & BUS STOP MAINTENANCE AND MAINTENANCE FACILITY**

1. General. CONTRACTOR shall identify a location to maintain transit vehicles. CONTRACTOR shall use due diligence maintaining the cleanliness of all equipment and vehicles. CONTRACTOR is responsible for general housekeeping, wear and tear, and security of equipment when in CONTRACTOR'S possession. CONTRACTOR is responsible to correct any damage caused by CONTRACTOR.

CONTRACTOR responsibilities include, but are not limited to, maintenance of appearance, inspections (fluid levels, tire pressure, etc.), preventative maintenance and operating the vehicles in accordance with Contract and this Scope of Work. Mechanical and technical maintenance of TOWN's provided vehicles shall be the obligation of CONTRACTOR.

TOWN reserves the right to bring a third party maintenance auditor to review TOWN provided vehicles and equipment and monitor/review CONTRACTOR's maintenance program.

CONTRACTOR shall be responsible for the towing of all vehicles assigned to CONTRACTOR in this Contract.

2. Maintenance Personnel. Maintenance personnel assigned to work on TOWN owned vehicle(s) and equipment shall have thorough knowledge of:
  - a. Engines, transmissions, and related mechanical equipment.
  - b. Methods and procedures used in servicing mechanical equipment.
  - c. Vehicle chassis and bodies.
  - d. Tools, precision instruments, equipment, and procedures used in the general repair and maintenance of vehicle equipment.
  - e. Decimals, fractions, and specifications related to vehicle mechanics.
  - f. Specialized areas such as painting, upholstery, brake relining, air conditioning, wheelchair lifts, and electronic destination signs.
  - g. Conduct preventive maintenance inspections and complete associated paperwork.
  - h. Inspect vehicle engines, transmissions, and other mechanical, electric, and electronic parts and components.
  - i. Diagnose vehicle engine, transmission, electrical and electronic component system problems.
  - j. Repair vehicle engines, transmissions, and other mechanical, electric, and electronic parts and components.
3. Maintenance Technical Training. CONTRACTOR shall provide technical training of maintenance personnel necessary to insure a consistent level of current, thorough knowledge in the maintenance and repair of the several types of vehicles and equipment used in fixed route and demand responsive service, including air conditioning systems, wheelchair lifts, and other ancillary equipment.
4. Preventive Maintenance. CONTRACTOR shall document and submit a pro-active preventive maintenance program for review and approval by TOWN within thirty (30) days of the effective date of this Contract. As a minimum, CONTRACTOR'S preventive maintenance program shall adhere to the preventive maintenance schedules and standards of the industry, and shall be sufficient so as not to invalidate or lessen warranty coverage of any TOWN vehicle or associated equipment. Adherence to preventive maintenance schedules shall not be regarded as reasonable cause for deferred maintenance in specific instances where CONTRACTOR'S employees observe that maintenance is needed in advance of schedule.

CONTRACTOR shall not defer maintenance for reasons of shortage of maintenance staff or operable buses, nor shall service be curtailed for the purpose of performing maintenance without prior written consent of TOWN. Preventive maintenance and running repairs shall receive first priority in the use of CONTRACTOR'S maintenance resources. CONTRACTOR shall adjust the work schedules of its employees as necessary to meet

all scheduled services and complete preventive maintenance activities according to the schedule approved by TOWN. CONTRACTOR shall adhere to the Preventive Maintenance Program identified in TOWN established maintenance plan and the TOWN approved Maintenance Plan shown in EXHIBIT F.

5. Mechanical Maintenance Program. CONTRACTOR shall be responsible for the safe and efficient maintenance of all:
- a. Vehicles and equipment,
  - b. Communications systems,
  - c. All other TOWN provided equipment, furnishings, and accessories;

required in connection with its operation of TOWN transit services in a clean, safe, sound, and operable condition at all times, and fully in accord with any Original Equipment Manufacturer (OEM) Specifications and Requirements, in strict conformity to TOWN approved Preventive Maintenance Program, applicable requirements of any federal or state statute, and Arizona Highway Patrol regulations and orders.

CONTRACTOR'S duty and responsibility to maintain all vehicles and equipment shall not be delegated to any other person, firm or corporation.

All parts, materials, tires, lubricants, fluids, oils and procedures used by CONTRACTOR on all TOWN vehicles and equipment shall meet or exceed Original Equipment Manufacturer (OEM) Specifications and Requirements. All parts installed by CONTRACTOR on TOWN vehicles and equipment shall become property of TOWN.

The CONTRACTOR shall implement a pro-active Quality Assurance Plan, subject to approval by the TOWN, to verify the quality of work performed.

CONTRACTOR, at its sole cost and expense, shall provide all:

- a. Labor
- b. Repairs
- c. Parts (any trolley part over \$250 will be reimbursed by TOWN)
- d. Supplies
- e. Tires
- f. Maintenance tools and equipment
- g. Lubricants
- h. Maintenance
- i. Cleaning
- j. Major components (reimbursed by TOWN as defined in section C.8)
- k. Component rebuilding and replacement
- l. Service facilities and such other components, facilities, and services which may be required to fulfill its maintenance responsibilities pursuant to this Contract outside of what is provided by TOWN.

CONTRACTOR shall ensure that the following is addressed:

- a. All wheelchair lift-related equipment shall be inspected, serviced and lubricated at intervals necessary to insure that the wheelchair lifts are fully operational whenever the vehicle is used in revenue service.
- b. Brake inspections and adjustment shall be performed at intervals that insure the safe and efficient operation of the braking system.
- c. All components of the vehicle bodies, appurtenances, and frames shall be maintained in a safe, sound, and undamaged condition at all times. Damage (including body, glass, and all vehicle appurtenances) shall be repaired in a professional manner within three weeks (21 calendar days) of occurrences.
- d. All mechanical, electrical, fluid, air, and/or hydraulic systems shall be maintained in a safe and fully functional, as designed, condition at all times.
- e. The interior passenger compartment shall be free of exhaust fumes from the engine, engine compartment, and exhaust system of the vehicle.
- f. Heating, ventilation and air conditioning (HVAC) systems shall be maintained and used to insure that the passenger compartment temperature is comfortably maintained under all climatic conditions at all times on all in-service runs. CONTRACTOR shall maintain the A/C systems in an operable condition throughout the entire year.
- g. Seats shall be maintained in proper operating condition at all times. All rips, tears, cuts, gum, graffiti and other damage shall be cleaned or repaired in a professional manner immediately upon their discovery. CONTRACTOR shall replace seat covers, which are worn or cannot be professionally repaired, using materials, which are identical in design and color as those materials being replaced.
- h. Tires shall always be matched (by manufacturer, size, and tread pattern) on each axle. Tires shall not vary more than 3/32" between inner and outer tires and not more than 4/32" between curb side and road side.
- i. Cradle motor mounts shall be replaced in pairs.
- j. Radiators may be re-cored or replaced at the time of engine replacement/rebuild.

CONTRACTOR shall ensure that all vehicle brakes are maintained as discussed below:

- a. Drums shall be turned with hubs attached.
- b. Brake blocks shall be matched to drums by size; i.e., 1X, 2X, etc.
- c. Both brakes on an axle shall be replaced at the same time.
- d. Premium brake blocks shall be used.
- e. Wheel seals shall be replaced with every brake job and bearings shall be checked.

7. Vehicle Repair. All repairs to TOWN vehicles shall be performed by CONTRACTOR or other vendors and suppliers subject to prior approval by TOWN. Repairs shall include, but not be limited to, work to correct loss or damage; adjustments due to normal wear and tear; and overhaul, rebuilding or replacement of components. Repair work shall be conducted as soon as practicable upon learning that such work is required. CONTRACTOR shall perform repair work expeditiously in response to identification of problems by bus operators or other staff members. CONTRACTOR shall assure TOWN that required repairs shall not be deferred beyond a reasonable time. **CONTRACTOR shall not remove parts or equipment from other TOWN owned vehicles and/or equipment to fix other buses or equipment or it is grounds for immediate termination.** CONTRACTOR shall be familiar

with vehicle and equipment warranties and shall comply with all warranty provisions in the conduct of its maintenance functions.

8. Engine, Transmission, Turbochargers and Differential Overhaul. CONTRACTOR shall be responsible to monitor the condition and performance of vehicle engines, transmissions and differentials so as to maximize useful life and avoid costly catastrophic failures. As a minimum, the CONTRACTOR's monitoring program shall consider miles accumulated, fuel and oil consumption trends, loss of power, erratic performance, and regular periodic laboratory analysis of engine oil, transmission fluid, and differential oil. The monitoring program will provide the basis for recommending scheduled overhaul of engines and transmissions.

If CONTRACTOR determines that an engine transmission or differential needs to be overhauled or replaced, CONTRACTOR shall notify TOWN in writing detailing the reasons for such a determination. The determination shall include detailed findings of tests, oil analysis or consumables data that support the conclusion. After inspection, TOWN may direct CONTRACTOR, in writing, to proceed with the recommended work.

Engine, transmission and differential overhaul shall be approved by TOWN in advance of work, using only OEM parts and OEM minimum overhaul standards. TOWN will reimburse CONTRACTOR only for actual costs incurred for engine, transmission and differential work accomplished following the above guidelines. If TOWN determines that such work was a result of poor maintenance performance, failure to monitor overhaul criteria, neglect or abuse by CONTRACTOR, TOWN will not be liable for any costs. CONTRACTOR must submit a detailed invoice to TOWN for all such work.

CONTRACTOR shall be responsible for removal and replacement of engines, transmissions, turbochargers and differentials. In addition, during the overhaul, CONTRACTOR shall replace ancillary parts, including all cooling hoses, engine and transmission mounts, drive belts, and rebuild or replace the radiator. Also, CONTRACTOR shall assess all other components, lines, hoses or systems. Those items determined to have never been replaced or found not to meet the OEM minimum standards for serviceability shall be rebuilt or replaced to minimum OEM specifications at the time of the overhaul. CONTRACTOR shall bill TOWN for costs of equipment necessary for replacement of engines, transmissions, turbochargers and differentials and costs associated with related ancillary parts.

CONTRACTOR shall remain responsible for all costs related to repair or replacement of engine driven parts such as generators, hydraulic pumps, water pumps, fuel pumps, valve covers, oil pans, alternators, radiators, voltage regulators, air compressors, air conditioning compressors, vacuum pumps, and starter motors. CONTRACTOR shall also remain responsible for all costs related to repair or replacement of transmission related parts such as oil coolers, external oil lines, external filters, external linkage modulators, external speedometers, "driven" gears or sensors, neutral start switches and temperature sensors. CONTRACTOR shall also remain responsible for all costs related to repair or replacement of differential related parts such as rear axle housing, bearings, shafts and seals.

9. Parts Inventory. CONTRACTOR shall establish and maintain an ongoing spare parts inventory sufficient to minimize vehicle down-time and ensure that peak vehicle requirements

are met. Parts and equipment shall not be removed from other vehicles owned by TOWN without written approval from TOWN.

10. Tools and Equipment. All tools and equipment used for TOWN transit maintenance shall be provided and maintained by CONTRACTOR.
11. Emissions Control Programs. CONTRACTOR shall perform and certify such tests of equipment required to meet TOWN, other local, State, and Federal requirements related to exhaust smoke and engine emissions.
12. Oil Analysis. A laboratory engine oil analysis shall be performed on every TOWN provided vehicle engine as required by the TOWN's Preventative Maintenance Inspection (PMI) program. The analysis program used by CONTRACTOR shall be subject to approval by TOWN. Results of the analyses shall be reported to TOWN and kept on site for a minimum of one year.

A laboratory transmission oil analysis shall be performed on every TOWN provided vehicle transmission as required by the TOWN's PMI program. The analysis program used by CONTRACTOR shall be subject to approval by TOWN. Results of the analyses shall be reported to TOWN and kept on site for a minimum of one year.

13. Daily Vehicle Servicing. CONTRACTOR shall perform daily vehicle servicing on all TOWN vehicles and equipment used in this Contract. For purposes of this Contract, daily servicing shall include, but not be limited to:
  - a. Fueling
  - b. Engine oil, coolant, water and transmission fluid check/add
  - c. Vault pulling and replacement
  - d. Wheelchair lift check
  - e. Brake check
  - f. Light and flasher check
  - g. Interior sweeping and dusting
  - h. Exterior and interior visual inspection
  - i. Check of all vehicle performance defects reported by bus operators to identify potential safety and reliability items requiring immediate attention
  - j. Additional requirements as specified by vehicle manufacturers.

CONTRACTOR shall develop, implement, and maintain a written checklist of items included in the daily servicing of each vehicle. The checklist shall be utilized and kept on file for TOWN review.

14. Right of Inspection by TOWN. TOWN and its representatives shall have the right to inspect, at any time, all TOWN-provided equipment. CONTRACTOR shall correct any problems, within twenty-four (24) hours of written notification by TOWN, if the problem can be corrected within such time. If the situation is not correctable within 24 hours, then arrangements for correction shall have commenced within said period. CONTRACTOR is responsible for notifying TOWN immediately of any maintenance safety violations for correction.

15. Corrections. If CONTRACTOR fails to correct a problem after receiving TOWN notification, TOWN may make, at its discretion, corrections and shall charge the actual reasonable cost to CONTRACTOR for these corrections. TOWN may deduct these charges from any amount due or that may become due to CONTRACTOR under Contract. CONTRACTOR will use due diligence to maintain TOWN's vehicles in a clean, orderly, and safe manner and in accordance with TOWN standards. TOWN shall have the right to inspect at any and all times TOWN-provided equipment to verify CONTRACTOR compliance with the foregoing. This provision shall also apply to any equipment, including leased equipment, used by CONTRACTOR for backup service.
16. Safety Inspections. TOWN may request a third party maintenance auditor at its own cost inspect, audit and monitor TOWN vehicles and/or equipment and CONTRACTOR'S maintenance program. CONTRACTOR is expected to fully cooperate and provide any records requested by TOWN's maintenance auditor or personnel.
17. Interior & Exterior Cleaning and Maintenance. CONTRACTOR shall maintain the exterior and interior cleanliness of all vehicles to the highest standards at all times. CONTRACTOR shall supply all materials and supplies for this purpose. All gum, litter, newspapers, graffiti, or other foreign materials shall be removed by CONTRACTOR in a professional manner and immediately upon their discovery. Physical damage to the exterior or interior not correctable with diligent cleaning methods, such as tears in the seats, interior body panel cracks or cracked lamp lenses, shall be reported by CONTRACTOR to TOWN at time of observance.
  - a. Daily Servicing. All vehicles that have been in revenue service shall have the following items performed on a nightly basis:
    1. Interior Cleaning
      - a. Interior Sweeping. Using brooms, sweep the complete interior of each vehicle starting in the rear and working to the front. Sweep trash from step wells into an appropriate trash can.
      - b. Trash Bag. Empty the trash receptacle located near the front of each vehicle.
      - c. Accident Kit. CONTRACTOR shall provide accident kits to be carried on all revenue vehicles at all times. The kit shall consist of forms for use in reporting accidents or incidents, disposable camera for photographing damage in the event of an accident, body fluid cleanup kit, and any other materials prescribed by TOWN. CONTRACTOR is responsible for ensuring that an Accident Kit is on each bus and is properly stocked and stored as it enters service.
      - d. Dusting. Using a clean damp rag, wipe clean the dashboard, farebox and all operator controls.

- e. Vandalism/Graffiti Inspection. Inspect the vehicle interior to assure that no seat damage or graffiti exists. Seats that are found damaged should be reported to TOWN at time of observance. CONTRACTOR shall remove graffiti at time of observance.
  - f. Seat Securement. Inspect individual seat inserts to assure each is secured to the seat frame. If seat is not secure, report to TOWN at time of observance.
  - g. Lights. All lights including the high beams will be checked daily upon the start of a bus operator's shift.
  - h. Wheelchair Lift. The wheelchair lift on each vehicle shall be cycled one complete cycle prior to start of revenue service. If the wheelchair lift fails to complete the cycle, the failure must be reported to TOWN and the vehicle repaired prior to commencing service or another vehicle assigned.
  - i. Vehicle Storage. All vehicles shall be stored at the TOWN Hall parking lot located at 465 North Plymouth Avenue, Quartzsite, AZ 85346 or other approved locations as designated by TOWN, when not in service. All doors, windows and safety hatches of vehicle shall be closed and secured.
18. Weekly Servicing. CONTRACTOR shall maintain a list of all vehicles that have been serviced. This list shall be used to assure that all vehicles have had the action items listed below completed at the frequency described, or that a particular vehicle was not available for revenue servicing during any given week. A Vehicle Cleaning Report signed by the Project Manager that details all vehicles cleaned during a one-week period will be submitted to TOWN each month as part of the monthly report following the end of the reporting month.

<u>Action</u>	<u>Frequency</u>
Mop Floors	Once Weekly
Wash Exterior of the vehicle	Once Weekly
Wash Wheels	Once Weekly
Clean Operator's Compartment	Once Weekly
Clean Inside Windows	Once Weekly
Clean Side Panels/Ceilings	Once Weekly
Clean Seat Frames/Backs	Once Weekly
Remove Graffiti	As Needed

- a. Mop Floors. Floors shall be wet-mopped starting at the rear of the vehicle working forward, assuring to also mop wheel-well inner extension areas and step well. **Use of excessive amounts of water or other fluids shall not be allowed on the floors or other interior parts of the vehicle.**
- b. Wash Wheels. Wheels shall be degreased and rinsed clean.
- c. Operators Compartment. Operator's compartments shall be thoroughly cleaned, including vacuuming of trash from around foot controls; wiping clean dashboard,

operator's seat and all operators' controls. Upon completion, the dashboard shall be treated with anti-static spray.

**CAUTION: Do not spray anti-static spray on steering wheel or operator's seat.**

d. Remove Graffiti. Any graffiti on interior or exterior of any vehicle shall be removed immediately upon discovery. CONTRACTOR shall obtain approval of all graffiti removal materials prior to their use.

e. Windows. Using the cleaner approved for use only on windows, the interiors of all windows shall be sprayed, cleaned and wiped dry with a rag. Windows include windshields, door windows and interior mirrors.

19. Detailing. Each vehicle shall receive a thorough detailing at the end of the Contract. The detailing of these vehicles will be scheduled and completed by the CONTRACTOR and a report verifying the detailing of TOWN provided vehicles. CONTRACTOR shall obtain the monthly preventative maintenance schedule used by TOWN to develop detailing schedule. Each detailing shall include at a minimum the following:

a. Wash exterior of the vehicle, including wheels.

b. Sweep and vacuum interior thoroughly. Remove gum and other substances that may be stuck to the floor, sidewalls, ceiling or seats.

c. Remove any and all graffiti from interior and/or exterior of vehicle using TOWN approved graffiti remover.

d. Remove any and all foreign materials from the seats and other interior areas of the vehicle and clean the vehicle thoroughly, using industrial cleaner, aerosol all- purpose cleaner, aerosol or mixed concentrated window cleaners. Rinse all washed areas and wipe dry. Clean and dry all windows. Do not use a water hose in the interior of the vehicle.

e. Remove all side and rear double and triple seat cushions, not requiring tools, for cleaning underneath. Replace seats.

f. Clean interior dome lights as necessary.

g. Polish and clean aluminum wheels with TOWN approved method.

h. Apply protective coating to bumpers, dashboard, rubber fender walls and tires to improve appearance of vehicle. Do not apply to steering wheel, seats or floors.

20. Bodily Fluids and Blood borne Pathogens. All bodily fluids and blood borne pathogens will be cleaned up immediately. If a vehicle is in service at the time of the discovery of any bodily fluids and/or blood borne pathogens, that vehicle will be replaced and removed from service and cleaned immediately. All TOWN provided vehicles shall have a bloodborne pathogens kit provided by CONTRACTOR.

21. Records. CONTRACTOR shall submit proposed Daily Vehicle Reports, Checklists and Inspection Report, Vehicle Cleaning Report and any other applicable reports to TOWN for approval within the first 15 days of operation.
22. Trolley Stop and Facility Maintenance. CONTRACTOR shall assist TOWN with installing and removing trolley stops. TOWN shall be responsible for trolley stop maintenance.
23. Turnover of Vehicles. This procedure is designed to determine the condition of TOWN vehicles and equipment at the time of turnover between CONTRACTORS. A Turnover Procedure shall be implemented toward the end of the current contract term and prior to the commencement of the new Contract. At TOWN's option, a Turnover Inspection may be implemented with or without a change in CONTRACTORS. Such turnover procedure shall include an audit meeting, inspection, period to cure defects and then formal acceptance.
  - a. Vehicle Acceptance Standards. All TOWN vehicles will undergo a detailed inspection, performed jointly by representatives of TOWN and CONTRACTOR, prior to CONTRACTOR accepting any TOWN vehicle during a transition between CONTRACTORS. TOWN and CONTRACTOR agree that TOWN vehicles will be delivered to CONTRACTOR in good condition and with each vehicle meeting or exceeding the following specifications for the first 30 days of vehicle acceptance by CONTRACTOR:
    1. Vehicle body and all attachments thereto will be free of dents and scratches in excess of 1" in length. All body parts shall be properly attached to vehicle chassis and free of rust.
    2. Exterior paint and decals shall be free from scrapes, scratches in excess of 1" in length, rust and tar. All decals shall be properly applied and free from peeling.
    3. Vehicle tires shall be of proper load range for the vehicle and be of a type equivalent to that originally supplied by the manufacturer. All tires shall be of the same manufacturer and model. All tires will be free from side wall damage, shall have a minimum of 8/32 inch tread depth on front tires and a minimum of 6/32 inch tread depth on rear tires and shall be free from damage due to improper alignment or balancing or curb damage.
    4. Vehicles shall contain a spare tire and wheel meeting the standards of paragraph 3 above if the vehicle was so equipped when purchased by TOWN.
    5. Vehicle destination signs, if vehicles are so equipped, shall have all current route indicators and shall be in proper working order.
    6. All vehicle lights shall be in working order.
    7. All decals or painting identifying the vehicle with a prior contractor or other operator shall be removed prior to delivery and all paint damage from said removal shall be properly repaired.

8. All vehicle doors and windows shall be in proper operating condition and properly sealed against the entry of fumes or water.

9. All components of the emission control and exhaust system shall be free from leaks, rust and be in proper operating condition. Vehicles shall have current state emission certification, if so required.

10. Vehicle engine shall be in proper operating condition. Proper condition shall be established through oil analysis and compression testing. If engine has been rebuilt, TOWN shall supply documentation of rebuilder and assure CONTRACTOR that engine rebuild meets manufacturers' specifications.

11. Vehicle transmission shall be in proper operating condition, free from leaks, bad gears or slippage. If transmission has been rebuilt, TOWN shall supply documentation of rebuilder and assure CONTRACTOR that transmission rebuild meets manufacturer's specifications.

12. Vehicle electrical system shall be in proper operating condition. Alternator shall be supplying specified output and battery(ies) shall fall within manufacturers' specifications for output and specific gravity. All vehicle wiring shall be free from fraying and shall be properly loomed and attached to the vehicle in such a way as to prevent fraying. Any alterations to wiring not completed by vehicle manufacturer shall be performed so as to not overload any circuit and not to cause any short circuit.

13. All heaters and air conditioners shall be free from leaks and shall perform to the manufacturers' specifications.

14. All brake linings, drums and rotors shall meet manufacturers' specifications and shall have at least 50% life remaining as measured in 32nds of an inch from new. All wheel cylinders and brake lines shall be free from leaks. All brake parts shall be in proper repair.

15. Vehicle radios, antennas and all other communications devices shall be in proper working order and mounted so as to not constitute a safety hazard.

16. The wheelchair lift shall meet all current state requirements and be in proper working condition. All wheelchair tiedowns and other securement equipment shall be in good condition and not be frayed or worn so as to constitute a safety hazard. Wheelchair lift interlocks, if so equipped, shall be in proper operating condition and meet state requirements.

17. Vehicles shall be equipped with a fire extinguisher with current tag, a complete first aid kit, full and complete safety triangle kit and all other safety equipment required by law.

18. All passenger seats and all other interior surfaces shall be cleaned and free from stains, tears and graffiti. Seats shall be properly secured to the vehicle with the proper grade of securement device.

19. Vehicles shall have a current preventive maintenance inspection including oil and filter change, transmission service, etc., in accordance with the requirements of CONTRACTOR in this Contract and state requirements.

20. Vehicles will have all current required state inspection and registration certificates, if required.

21. Vehicles will be cleaned to the standards of this Contract and shall be completely fueled. All other fluid levels shall meet manufacturers' requirements.

22. All vehicle repair and inspection records shall be delivered with the vehicles.

23. All glass shall be free from chips, scratches and cracks.

24. All suspension and steering components shall be within the manufacturer's wear limits specifications and free from cracks and leaks.

25. All other items not specifically listed herein shall be in serviceable condition meeting generally accepted standards and practices of the public transportation industry and meeting all requirements of the state and federal government and all requirements contained in this Contract.

In the event the joint vehicle inspection reveals defects in the vehicles as specified in this Section, then TOWN at its discretion may have the items repaired or authorize CONTRACTOR to repair the items at an hourly labor rate plus parts, materials, supplies and sublet as required to repair defects as negotiated between TOWN and CONTRACTOR. If necessary, additional maintenance personnel, with authorization from TOWN will be brought in to assist with completing repairs, their travel, meal and lodging expenses will also be paid by TOWN in accordance with the Internal Revenue Service per diem rates.

Upon completion of repairs, TOWN and CONTRACTOR will conduct a final inspection of the vehicles to ensure that items noted in the preliminary inspection were completed and that all vehicles are in compliance with this section.

#### **D. MARKETING AND PUBLIC RELATIONS PROGRAM**

1. Marketing Organization. During the term of Contract, CONTRACTOR will cooperate in marketing and advertising efforts with TOWN and other parties as determined by TOWN.
2. Marketing Identity. TOWN shall determine appearance, and approve all marketing material. CONTRACTOR shall not distribute any materials that can be directly or indirectly associated with TOWN or the transit services identified in Contract, without written approval of TOWN.

All printed, audio, or visual materials dealing with fares, trolley policies, promotional activities, public relations or other marketing communications materials distributed on board any vehicle must be approved by TOWN. From time to time, TOWN will supply

CONTRACTOR with marketing materials for distribution on the vehicles. CONTRACTOR shall distribute such materials on the vehicles when asked to do so by TOWN.

3. Media Referrals. CONTRACTOR will refer all requests from print, broadcast or other media for information on the transit services identified in Contract, to TOWN. Under no circumstances shall CONTRACTOR make any contact with the media or offer comment regarding the services identified in Contract.
4. Passenger Surveys. CONTRACTOR shall, when requested by TOWN, distribute surveys to passengers, and/or otherwise provide reasonable assistance in TOWN's monitoring and marketing activities.
5. On-Vehicle Advertising and Postings. CONTRACTOR shall not post or otherwise distribute any materials on the vehicles, unless specifically requested by TOWN, and TOWN shall approve in writing all materials prior to their distribution. Any revenue from posting or other distribution shall be TOWN's.

**E. ADMINISTRATION, REPORTS, ACCOUNTING, AUDITS AND LIQUIDATED DAMAGES**

1. Administration. CONTRACTOR shall employ adequate executive, administrative, supervisory, operational, maintenance, and bus cleaning personnel.
2. Reports. CONTRACTOR shall provide TOWN the following reports, based upon the identified schedule and in a form and format prescribed by TOWN:
  - a. Daily Driver Log Summary. Weekly summary of all transit service activity by program based upon daily driver passenger count logs. CONTRACTOR shall provide reports no more than three working weekdays following the week of service.
  - b. Monthly Summary Report. CONTRACTOR shall provide reports by the fifteenth (15th) day of the month following the reporting period. The cover sheet for the report shall be on CONTRACTOR letterhead and be signed by the Project Manager. This report shall be developed using a compatible version of Microsoft Excel and shall be provided in a printed and electronic format. The electronic copy may be sent via internet if approved by TOWN. Invoices shall not be paid without receipt of the complete Monthly Summary Report..
  - c. Fare Revenue. CONTRACTOR shall collect all farebox receipts in sealed fare boxes. The CONTRACTOR staff other than the bus operator will remove all farebox receipts from every service vehicle on a nightly basis. At no time will farebox receipts be left in a vehicle over night. All fares collected the prior business day shall be accounted for and deposited at the Quartzsite Town Hall Finance Department by 8:15 a.m. the next business day. Each month, as

part of the invoice and monthly report, CONTRACTOR shall provide a reconciliation sheet showing passengers carried, revenues received, and an over/short variance comparison.

- d. Other Reports. CONTRACTOR shall provide other reports (i.e. daily departure logs, unusual incident summaries, etc.) as defined by TOWN. CONTRACTOR shall provide reports as often as daily as directed by TOWN.
  - e. Dissemination of Data. CONTRACTOR shall not disseminate ridership, farebox, or other data or information to any party without first receiving approval for such from TOWN or as required by law.
3. Accounting Practices. During the period of Contract, CONTRACTOR shall maintain its books of account as they relate to the programs identified in Contract consistent with Generally Accepted Accounting Principles, and in TOWN approved format.
  4. Compliance with Regulatory Agency Requirements. Services provided under Contract shall conform to all the requirements of Federal, State, and/or local regulatory agencies, including, but not limited to: the Town of Quartzsite, La Paz County, Western Arizona Council of Governments, Arizona Department of Transportation, Arizona Highway Patrol, Federal Transit Administration and U.S. Department of Transportation, if applicable. CONTRACTOR shall cooperate in any audit requested by TOWN or any authorized representative of TOWN and/or regulatory agency and provide any necessary information for the purposes of conducting the audit.
  5. CONTRACTOR/TOWN Meetings. TOWN shall meet with CONTRACTOR on an as needed basis as determined by TOWN.
  6. Service Performance and Liquidated Damages. This Contract shall have no service performance incentives or liquidated damages.

## **F. INSURANCE**

1. Insurance: CONTRACTOR shall supply evidence of general liability coverage for the TOWN's operating facility, and collision, comprehensive, liability and property damage for any CONTRACTOR and/or TOWN provided vehicles used in provision of Contract. By separate endorsement the interest of TOWN and ADOT will be included as Additional Insured and Loss Payee for any TOWN owned vehicle used in this operation. CONTRACTOR shall be solely responsible for payment of all insurance deductible amounts.

CONTRACTOR shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by CONTRACTOR. The cost of such insurance shall be included in the CONTRACTOR's price proposal shown in EXHIBIT B.

Before the commencement of the term of Contract, CONTRACTOR shall furnish TOWN with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with this section. An endorsement naming TOWN as an additional insured for all liability coverage shall be furnished with the insurance certificates. Such certificates, which do not limit CONTRACTOR's indemnification, shall also contain substantially the following Statement:

"Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer afforded coverage shall provide thirty (30) days advance notice to TOWN by certified mail, Attention: Town Manager."

It is agreed that CONTRACTOR shall maintain in force at all times during the performance of Contract all appropriate coverage of insurance required by Contract with an insurance business in the State of Arizona.

No subcontract work shall commence until similar insurance coverage has been obtained by the subcontractor and verified by CONTRACTOR. CONTRACTOR shall then immediately notify TOWN, in writing, of the types and amounts of such insurance.

2. Coverage. CONTRACTOR shall maintain the following insurance coverage:

- a. Workers Compensation and Employers Liability Insurance. CONTRACTOR shall procure and maintain during the life of Contract Workers Compensation Insurance in conformance with the laws of the State of Arizona and with the laws of the United States and Employers Liability Insurance with a minimum of One Million Dollars (\$1,000,000).
- b. General Liability, Automobile Liability and Protection & Indemnity Insurance. CONTRACTOR shall procure and maintain during the life of Contract, Commercial General Liability Insurance and Automobile Liability Insurance on Acord commercial forms, or their equivalent with a minimum of Five Million Dollars (\$5,000,000) Combined Single Limit covering all legal liability for personal injury, bodily injury, death and property damage which may arise out of CONTRACTOR'S performance under Contract.
- c. Comprehensive and Collision. With respect to the vehicles to be used under the terms of Contract, including CONTRACTOR owned or the TOWN provided vehicle, CONTRACTOR shall maintain in full force and effect Comprehensive insurance and Collision insurance covering vehicle structure, engines and drive train, and all other portions of the vehicles, in an amount equal to the vehicles market value. The deductible on Comprehensive insurance and Collision insurance shall not exceed Five Thousand Dollars (\$5,000) per occurrence.
- d. Physical Damage Insurance/Total Loss Language. CONTRACTOR shall provide vehicle physical damage coverage (Comprehensive and Collision) to include such perils as fire; lightning; explosion; theft; windstorm; hail; earthquake; flood; mischief; vandalism; and overturn or collision with another object. The most

CONTRACTOR will pay for any one loss is the lesser of: 1) the actual cash value of the damaged or stolen property as of the date of the loss; or 2) the cost of repairing or replacing the damaged or stolen property with other property of like kind and quality; or 3) the property's stated value on the fleet inventory. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a "total loss". If a repair or replacement results in better than like kind or quality, CONTRACTOR will not pay for the amount of the betterment. The vehicle physical damage coverage shall name the vehicle owner as a loss payee, and shall be primary and in no respect excess to, contributory to, or contingent upon any physical damage coverage carried by the vehicle owner. CONTRACTOR shall provide the vehicle owner with a Certificate of Insurance showing compliance with the requirements of this paragraph.

4. Subrogation Waiver. Each of the foregoing policies shall expressly waive the right of subrogation against TOWN and its Councils, Boards and Commissions, officers, employees, and volunteers.
5. Failure to Secure. If CONTRACTOR at any time during the term hereof should fail to secure or maintain the foregoing insurance, TOWN shall be permitted to obtain such insurance in the CONTRACTOR's name or as an agent of CONTRACTOR and shall be compensated by CONTRACTOR for the costs of the insurance premiums plus interest at the maximum rate permitted by law computed from the date written notice is received that the premiums have been paid. CONTRACTOR shall indemnify and hold harmless TOWN from the failure to place, failure to maintain, or the failure of any of the insurance policies required above.
6. Additional Insureds. TOWN, ADOT and its Councils, Boards and Commissions, officers, employees, and volunteers shall be named as additional insureds under all insurance coverage, except Workers Compensation, required by Contract. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance required in this Contract.
7. Primary Insurance. Endorsement(s) shall be provided which state that coverage provided by both the Commercial General Liability insurance policy and the Commercial Automobile Liability insurance policy is Primary Insurance and that no the insurance that may be affected by TOWN will be called upon to contribute to these coverages.
8. Separation of Interest. Endorsement(s) shall be provided which state that coverage provided by both the Commercial General Liability insurance policy and the Commercial Automobile Liability insurance policy shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
9. Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:
  - a. TOWN, its officers, officials, employees, agents and volunteers are to be covered as insured as respects; liability arising out of activities performed by or on behalf of

CONTRACTOR; products and completed operations of CONTRACTOR; premises owned, occupied or used by CONTRACTOR; or automobiles owned, leased hired, borrowed or used by CONTRACTOR. The coverage shall contain no special limitations on the scope of protection afforded to TOWN, its officers, officials, employees, agents or volunteers.

- b. For any claims related to this project, CONTRACTOR'S insurance coverage shall be primary insurance as respects TOWN, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by TOWN, its officers, officials, employees, agents or volunteers shall be excess of CONTRACTOR'S insurance.
  - c. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to TOWN, its officers, officials, employees, agents or volunteers.
  - d. CONTRACTOR'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurers liability.
  - e. Each insurance policy required by this clause shall be endorsed to State that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to TOWN.
10. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.
11. Verification of Coverage. CONTRACTOR shall furnish TOWN with original certificates of insurance and endorsements effecting coverage required by this clause. The certificates of insurance and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates of insurance and endorsements are to be received and approved by TOWN before work commences.
12. Subcontractors. CONTRACTOR shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all of the requirements stated herein.

#### **G. CHANGES TO LEVEL OF SERVICE**

1. Annual Basic Level of Service. The "annual basic level of service" is the amount of service, approximately 550 annual revenue hours for the term of this Contract. TOWN is to be billed for actual revenue service hours operated. This means the time the bus goes into service at the first passenger stop until the bus goes out of service at the last passenger stop. Layover time and deadhead time are to be subtracted from the revenue service hours billed.
- TOWN may increase, decrease, or otherwise change the service to be provided.

Changes to service levels are provided as follows:

2. Emergency Adjustments. Temporary emergency adjustments in service may be initiated either by TOWN or CONTRACTOR only in the event of an emergency or circumstance

which requires a detour or an adjustment in routing or scheduling under circumstances where there is no opportunity for the parties to confer; provided, however, that such adjustments do not constitute a "substantial change" as defined later.

The party initiating the emergency adjustment shall notify the other party immediately of such occurrence. TOWN shall specify steps to be taken by CONTRACTOR to notify patrons of the change in routing and/or scheduling necessitated by such emergency adjustments, and/or modifications to the emergency adjustments made by CONTRACTOR. In making temporary emergency adjustments, should CONTRACTOR incur added expenses beyond those compensated under the primary terms of Contract, TOWN and CONTRACTOR shall negotiate a fair and equitable adjustment in compensation for service.

3. Non-Substantial Changes in Service Level. TOWN may order non-substantial increases, decreases or other alterations to the service upon written notice to CONTRACTOR. Non-substantial changes in service include minor rerouting, adjustments to schedules, minor route extensions, minor route reductions, or other adjustments that do not require significant revisions to the overall service. Said notice shall specify the change(s) requested and the effective date(s). CONTRACTOR shall be allowed thirty (30) days to implement non-substantial changes; however, TOWN shall endeavor to provide CONTRACTOR with earlier notice whenever possible. TOWN may also, from time-to-time, request minor miscellaneous transit service (i.e. tour of TOWN for new TOWN employees, group of senior citizens wishing to go on a field trip, school field trips, etc.) and provide one (1) week notice, whenever possible.
4. Substantial Changes in Service Level. Should the TOWN wish to add additional service hours to this Contract, including transition of QTS from TOWN operation to CONTRACTOR operation, a separate amendment to this Contract shall be negotiated between the TOWN and CONTRACTOR.
5. Notice. CONTRACTOR shall be given no less than thirty (30) days written notice of the intent to order such substantial changes, and shall have an opportunity to be heard prior to adoption of such order. Such order shall not be effective sooner than thirty (30) days from the date of adoption, unless mutually agreed otherwise in writing by both parties.
6. Compensation. CONTRACTOR shall be compensated following any substantial change to the service level according to the Payment Schedule in EXHIBIT B.
7. Changes in Subsidiary Duties. TOWN may request changes in CONTRACTOR's reporting requirements, training and safety programs, inventory requirements, testing procedures, personnel practices, and/or other operating details that do not result in changes to the service level. If CONTRACTOR declines such requests, or such request would result in a material increase in CONTRACTOR's costs or in the time required for performance, CONTRACTOR shall notify TOWN within seven (7) days after receipt of such request and shall submit a claim detailing such objections and/or increases. The parties shall negotiate an equitable settlement of CONTRACTOR's claim, which reflects actual increases or decreases in CONTRACTOR's total costs to perform Contract caused by the change in question.

## H. EMPLOYEE QUALIFICATIONS & TRAINING PROGRAM

1. Employee Qualifications. The following minimum qualifications will be required of those persons employed in the TOWN's transit service:
  - a. Bus Operator Instructors (Shared with Another Operation):
    1. A valid Commercial Drivers License with air brakes and passenger endorsement; and
    2. Valid Medical Certificate and passage of pre-employment drug test; and
    3. One year recent experience in public transit or school bus driving, or one year recent experience as public transit or school bus training instructor; Valid instructor training certificate consistent with "Train-the-Trainer," or other formal training program recognized by the State of Arizona as having met State requirements; and
    4. A criminal records and background check
  - b. Behind The Wheel (BTW) Trainers
    1. A valid Commercial Drivers License with air brakes and passenger endorsement; and
    2. Valid Medical Certificate and passage of pre-employment drug test; and
    3. One year recent experience in public transit or school bus driving, or one year recent experience as public transit or school bus training instructor. Employee will also have completed a CONTRACTOR developed BTW Training program approved by TOWN that meets all industry standards and practices; and
    4. A criminal records and background check
  - c. Vehicle Bus Operators:
    1. A valid Commercial Drivers License with air brakes and passenger endorsement; and
    2. A safe driving record; and
    3. A valid Medical Certificate and passage of pre-employment drug test; and
    4. A minimum of three years recent experience safely driving a motor vehicle with a valid license; and
    5. Completion of CONTRACTOR'S driver training program; and
    6. A criminal records and background check
2. Bus Operator Training. CONTRACTOR shall provide training for all personnel working under this Contract. It is the sole responsibility of CONTRACTOR to ensure that each individual is fully knowledgeable of his/her duties and responsibilities, and can operate a transit vehicle in a safe manner. It is also the CONTRACTOR's responsibility to provide additional training if the training requirements specified by TOWN are insufficient. At a minimum, training shall comply with the following requirements:

- a. Class "C" drivers, first-time Class "B" drivers and Class "B"/school bus drivers who have not had prior public transit/school bus training, *and at least nine (9) months of actual transit/school bus driving experience over the previous two (2) years:*
  1. Acquisition of a valid Class "B" (or school bus drivers) license, with air brakes, passenger endorsement and Medical Certificate; and
  2. Minimum sixteen (16) hours classroom instruction on CONTRACTOR's policies, procedures, defensive driving, vehicle code, driver notices, vehicle components, bike rack use, radio procedures, vehicle inspection, pick-up lists and schedules, transfer policies, fare collection, accident procedures, State rules and regulations, accident report writing, passenger handling and passenger empathy; and
  3. Minimum eight (8) hours classroom and supervised "hands-on" training regarding wheelchair lift components, handicapped passenger handling, operation of lift with/without power, loading/tying down procedures, and emergency procedures; and
  4. Minimum sixteen (16) hours individual behind-the-wheel instruction from a qualified driving instructor while out of service; and
  5. Minimum sixteen (16) hours individual behind-the-wheel instruction from a qualified driving instructor while in service; and
  6. Completion of driving at least two days before being allowed to drive in service unsupervised; and
  7. Class "B"/school bus drivers (with a medical certificate) who have had at least nine (9) month's public transit or school bus driving experience over the previous two years, as well as proof of training and good references.

*For those Class B drivers who has 10 or more months of actual transit/school bus driving experience within the previous two (2) years:*

- b. Minimum sixteen (16) hours classroom instruction on CONTRACTOR's policies, procedures, defensive driving, vehicle code, driver notices, vehicle components, bike rack use, radio procedures, vehicle inspection, schedules, routes, transfer policies, fare collection, accident procedures, State rules and regulations, accident report writing, passenger handling and passenger empathy; and
  - c. Minimum eight (8) hours classroom and supervised "hands-on" training regarding wheelchair lift components, handicapped passenger handling, operation of lift with/without power, loading/tying down procedures, and emergency procedures; and
  - d. Minimum eight (8) hours individual behind-the-wheel instruction from a qualified driving instructor while out of service; and
  - e. Minimum eight (8) hours individual behind-the-wheel instruction from a qualified driving instructor while in service; and
  - f. Completion of driving all routes at least twice each direction before being allowed to drive unsupervised.
  - g. Completion of a customer service and sensitivity training program prior to entering service. Said training shall be conducted annually for all staff assigned to this Contract.
3. Additional Training Required For All Drivers Regardless Of Experience.

- a. Vehicle-type Training. No bus operator shall be allowed to operate equipment, until he/she has been trained and signed off by a qualified instructor as to his successful attainment of the skills necessary to properly operate the vehicle type to which he has been assigned; and
  - b. Minimum One (1) Hour Safety/Ongoing Training. A minimum of one hour safety/ongoing training must occur every month for every bus operator employed. CONTRACTOR will deliver meeting agendas and minutes to TOWN and the CONTACTOR will add items to the next meeting's agenda upon the request of TOWN; and
  - c. Bus Operator Evaluations. Each bus operator employed shall be evaluated by a qualified instructor at least once every six (6) months, including in-service evaluation and license and medical certificate checks; and
  - d. Accidents. Whenever a bus operator is involved in a preventable accident, and whenever a bus operator is involved in two or more non-preventable accidents in any twelve month period, CONTRACTOR' qualified instructor shall ride with that bus operator and perform an evaluation. The bus operator will also receive a minimum of 4 hours of retraining documented to TOWN in writing; and
  - e. Award Program. CONTRACTOR shall institute an ongoing bus operator safety award program; and
4. Bus Operator Uniforms, Dress Code, Appearance & Courtesy. CONTRACTOR shall provide and maintain clean, identical uniforms, to be approved by TOWN for all bus operators and shall enforce an appearance code, also subject to approval by TOWN. CONTRACTOR's proposal shall include a detailed description of the proposed uniform.
    - a. At a minimum, uniform requirements shall include the following for all bus operators:
      1. Clean, identical, solid color permanent press, button-down polo shirts.
      2. Clean, identical, solid color jackets for all bus operators for use during cold or inclement weather.
      3. Clean, identical professionally made clip-on company/employee identification tag and name tags.
      - 4.
    - b. CONTRACTOR shall also strictly enforce the following dress and appearance requirements:
      1. Clean dark, solid color full-length pants/trousers, clean dark matching socks and clean dark, solid-color shoes for all bus operators. bus operators may wear shorts on warm days.
      3. All bus operators operating in revenue service shall comply with uniform and dress requirements, and shall be clean and well-groomed.

- c. CONTRACTOR shall supervise all bus operators to ensure that they are courteous *to all patrons at all times*, and accurately respond to patrons questions regarding use of the transit system or connecting transit systems.

5. Employee Work Rules. The following employee rules, subject to modification by TOWN, shall be enforced by CONTRACTOR:

a. Uniforms:

1. Must be complete and worn at all times when on duty.
2. Shall be clean and presentable at all times.
3. Uniform designs, colors, name tags and ID tags subject to TOWN approval.
- 4

b. Gratuities/Fares:

1. Gratuities shall not be accepted.
2. All cash shall go into farebox without being handled by the bus operator. Bus operator shall collect fares consistent with the most recent fare structure adopted by TOWN.

c. Knowledge of Services/Fare Structure:

1. Bus operators shall have a thorough knowledge of the service and fare structure prior to driving for that service unsupervised.
2. Bus operators shall also have a basic knowledge of transfer locations with connecting systems, and knowledge of connecting transit systems.

d. General Rules:

1. No employee will be permitted to smoke on board or within 20 feet of the bus.
2. Eating and drinking is permitted during a bus operator's break on board the bus.
3. Boisterous language, profanity, or incivility to anyone shall not be permitted while in uniform, on or off duty.
4. While in uniform, no employee shall purchase, consume, or be under the influence of any narcotic, intoxicant, or harmful drug.
5. Bus operators shall be responsible for keeping all vehicles clean and sanitary during their shift.
6. All employees are responsible for reporting any defects a vehicle may have immediately. Bus operators shall conduct a "walk-around" inspection of their vehicle, and fill out a "Daily Vehicle Inspection Report (DVIR)" sheet. Bus operators shall have CONTRACTOR supervisor personnel resolve any doubt about the safety of a vehicle prior to operating the vehicle in service.
7. Employees may use vehicles only in accordance with their assigned duties.

8. Employees must conduct themselves and operate vehicles in a safe and courteous manner at all times.
9. No one shall be permitted to solicit on the vehicle with the exception of personnel specifically authorized to do so by TOWN.
10. No item longer than five (5) feet shall be allowed on the vehicle.
11. No animals, except guide animals, or animals in approved pet carriers shall be permitted on the vehicle, unless otherwise authorized in writing by TOWN.
12. All information regarding accidents shall be confidential. Employees shall refrain from speaking to anyone concerning any accident unless it is to Police, supervisory personnel, or other person(s) involved in the accident, as required by law.
13. Anyone under the influence of any intoxicant, narcotic, or harmful drug, who endangers the safety of the bus operator, other passengers, himself/herself, or vehicle equipment, shall not be permitted on the vehicle.
14. No vehicle shall stop at an unsafe location. Whenever practical, stops shall be made at a curb.
15. Backing of a vehicle is prohibited unless specifically authorized by Dispatch. Bus operators must request the option to back a vehicle from dispatch prior to beginning the backing movement.
16. No vehicle shall be operated when its condition is unsafe or uncertain.
17. No bus operator shall operate the wheelchair lift:
  - a. until he has received the mandated training; and
  - b. if there is any doubt whatsoever about the mechanical condition of the lift, or safety of the passenger, as a result of using the lift. Wheelchair lift operation shall be in compliance with the methodology recommended by the OEMs.
18. Bus operators shall utilize the farebox system properly, recording ridership data in the format required by TOWN. Bus operators shall not handle money. Passengers must place fares themselves into the farebox.
19. Bus operators shall not leave a vehicle unattended unless:
  - a. The transmission is placed in park;
  - b. The parking brake is set and
  - c. The engine is turned off.
  - d. Doors on unattended vehicles shall be kept locked at all times.
20. Bus operators shall provide "hands-on" assistance to persons with disabilities for boarding and unloading purposes.
21. No vehicle shall be fueled while passengers are on-board.
22. Bus operators shall open passenger doors from the bus operator seat. Bus operators are not to open passenger doors from the exterior of the bus.
23. Bus operators shall remain in their seat when passengers are deboarding the bus except when specifically requested by the passenger.

6. Positions and Wage Scale. CONTRACTOR shall have a wage scale for each year of the Contract with the bus operator's starting wage for training and the bus operator's starting wage when the bus operator has completed the CONTRACTOR'S training program. TOWN recognizes the importance of wages to employee recruiting and retention. TOWN desires

that the CONTRACTOR offer competitive wages to its staff. At the minimum, the following positions must be included in this operation:

- Project Manager
  - Utility Worker
  - Dispatcher/Reservationist
- Mechanic  
Bus Operator

## EXHIBIT B - LINE ITEM OPERATING BUDGET

CONTRACTOR: \_\_\_\_\_

2013/2014 – (July 1, 2013-June 30, 2014)

Beginning Level of Service: Up to 550 Revenue Service Hours

Monthly Fixed Cost	<u>\$ 1,711.40 per month (5% of YCIPTA fixed costs)</u>
Variable Cost Per Revenue Vehicle Hour	<u>\$ 27.599 per hour</u>
Insurance	<u>\$ 517.32 per month</u>
Parts for Trolley	<u>\$ 3,500 (up to)</u>
<b>TOTAL MAXIMUM OBLIGATION</b>	<b><u>\$ 22,219.73</u></b>

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

- A. Maximum Obligation. TOWN shall only pay up to the CONTRACTOR's maximum obligation based on up to 550 revenue vehicle service hours. The TOWN will not pay anything over the maximum obligation unless specified to writing to CONTRACTOR by the TOWN.
- B. Payment. During the term of Contract, TOWN shall obtain and pay, or cause to be paid, to CONTRACTOR, a Payment. CONTRACTOR shall be paid monthly in arrears based upon the expense for all revenue vehicle hours provided, unless otherwise mutually agreed upon in writing. Each monthly payment shall be based upon the actual number of in-service revenue vehicle hours in the month that CONTRACTOR is billing the TOWN. If Contract is terminated before the expiration of the term, CONTRACTOR's total payment shall be computed pro-rata based on the number of revenue vehicle hours operated.

If any amount is in dispute, the TOWN reserves the right to withhold payment for that specific item until resolved. TOWN shall deduct disputed amount from the invoice. Amount of payment during each term shall be as set forth herein above.

In the event TOWN fails to obtain any payment in full, or fails to make any payment in full, as provided herein above, in addition to whatever rights CONTRACTOR may have at law or in equity, CONTRACTOR has the right to declare Contract terminated upon thirty (30) days written notice, and to take such other steps as it may deem appropriate. CONTRACTOR agrees to cooperate fully with TOWN's efforts to obtain and maintain a payment. TOWN agrees to pay the payment to CONTRACTOR subject to the terms of Contract. CONTRACTOR's cooperation shall include, but is not limited to, the provision of applicable service revenue and cost information, passenger counts, and other information

needed to meet any regional, State, and Federal requirement, or herein required for planning and reporting purposes.

- C. Revenues/Fares. All fare and related transportation revenues are property of TOWN. CONTRACTOR shall collect all farebox receipts in sealed fare boxes, and deposit with the TOWN's Finance Department all receipts collected from monthly passes, prepaid tickets, etc. sold by CONTRACTOR. CONTRACTOR shall maintain all account records and reports as required in EXHIBIT A, Scope of Work herein. CONTRACTOR shall provide evidence satisfactory to TOWN that the fare and related transportation revenues collected by CONTRACTOR, and reported to TOWN are the amounts actually collected.
  
  - D. Submission of Invoices. Invoices are to be submitted to TOWN on a monthly basis, and in the format specified by TOWN. Upon verification of the accuracy and completeness of the Monthly Management Report and invoice by TOWN, the claim shall be forwarded for payment to TOWN Finance Department. The monthly invoice shall not be processed until the Monthly Management Report for the period covered by the invoice has been received.
  
  - E. Payment. All invoices shall be submitted to TOWN by the 15th day of the relevant month after the month that service is provided, and shall be processed by TOWN within thirty (30) working days after the date of submission.
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## EXHIBIT C: FEDERAL REQUIREMENTS

CONTRACTOR warrants and covenants that it shall fully and completely comply with all applicable Federal, State and local laws and ordinances, and all lawful orders, rules and regulations issued by TOWN with jurisdiction in all aspects of its performance of this Contract.

This Contract is subject to a financial assistance contract between TOWN and the United States of America (hereinafter "Federal Government"), acting through the Department of Transportation (hereinafter "USDOT"), and Federal Transit Administration (hereinafter "FTA"). Contractor shall at all times comply with all applicable FTA regulations, policies, procedures and directives including without limitation those listed directly or by reference in the procedures and directives including without limitation those listed directly or by reference in the FTA Master Contract between TOWN and FTA, as amended, and are incorporated herein by this reference. The PROPOSER shall comply with these FTA requirements and as they may be amended or promulgated from time to time during the term of this Contract. The PROPOSER shall not perform any act, fail to perform any act, or refuse to comply with any TOWN directives, which would cause TOWN to be in violation of the FTA terms and conditions. PROPOSER'S failure to comply with these FTA requirements and TOWN directives shall constitute a material breach of this Contract.

a) **Fly America.** (Transportation of persons or property by air)

The CONTRACTOR agrees to comply with 49 USC 40118 (the "Fly America" Act) in accordance with the General Services Administration's regulations at 41 CFR Part 301-10, which provide that recipients and subrecipients of Federal funds and their contractors are required to use U.S. Flag air carriers for U.S Government-financed international air travel and transportation of their personal effects or property, to the extent such service is available, unless travel by foreign air carrier is a matter of necessity, as defined by the Fly America Act. The CONTRACTOR shall submit, if a foreign air carrier was used, an appropriate certification or memorandum adequately explaining why service by a U.S. flag air carrier was not available or why it was necessary to use a foreign air carrier and shall, in any event, provide a certificate of compliance with the Fly America requirements. The CONTRACTOR agrees to include the requirements of this section in all subcontracts that may involve international air transportation.

b) **Charter Bus Requirements.** The CONTRACTOR agrees to comply with 49 USC 5323(d) and 49 CFR Part 604, which provides that recipients and subrecipients of FTA assistance are prohibited from providing charter service using federally funded equipment or facilities if there is at least one private charter operator willing and able to provide the service, except

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under one of the exceptions at 49 CFR 604.9. Any charter service provided under one of the exceptions must be "incidental," i.e., it must not interfere with or detract from the provision of mass transportation.

- c) **School Bus Requirements.** Pursuant to 69 USC 5323(f) and 49 CFR Part 605, recipients and subrecipients of FTA assistance may not engage in school bus operations exclusively for the transportation of students and school personnel in competition with private school bus operators unless qualified under specified exemptions. When operating exclusive school bus service under an allowable exemption, recipients and subrecipients may not use federally funded equipment, vehicles, or facilities.
  - d) **Cargo Preference (use of U. S. flag vessel).** The CONTRACTOR agrees: (a) to use privately owned United States-Flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to the underlying contract to the extent such vessels are available at fair and reasonable rates for United States-Flag commercial vessels; (b) to furnish within 20 working days following the date of loading for shipments originating within the United States or within 30 working days following the date of loading for shipments originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in the preceding paragraph to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590 and to TOWN (through the CONTRACTOR in the case of a subcontractor's bill-of-lading.) (c) to include these requirements in all subcontracts issued pursuant to this Contract when the subcontract may involve the transport of equipment, material, or commodities by ocean vessel.
  - e) **Energy Conservation.** The CONTRACTOR agrees to comply with mandatory standards and policies relating to energy efficiency, which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.
  - f) **Clean Water.** (1) The CONTRACTOR agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq. The CONTRACTOR agrees to report each violation to TOWN and understands and agrees that TOWN will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office.  
  
(2) The CONTRACTOR also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.
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- g) **Clean Air.** (1) The CONTRACTOR agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 USC §§ 7401 et seq. The CONTRACTOR agrees to report each violation to TOWN and understands and agrees that TOWN will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office.
- (2) The CONTRACTOR also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.
- h) **Recycled Products.** The CONTRACTOR agrees to comply with all the requirements of Section 6002 of the Resource Conservation and Recovery Act (RCRA), as amended (42 USC 6962), including but not limited to the regulatory provisions of 40 CFR Part 247, and Executive Order 12873, as they apply to the procurement of the items designated in Subpart B of 40 CFR Part 247.
- i) **Lobbying.** (1) Contractors who apply or bid for an award of \$100,000 or more shall file the certification required by 49 CFR Part 20, "New Restrictions on Lobbying." Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC 1352. Each tier shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on its behalf with non-Federal funds with respect to that Federal contract, grant or award covered by 31 USC 1352. Such disclosures are forwarded from tier to tier up to TOWN.
- (2) The CONTRACTOR also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.
- j) **Access to Records and Reports.** (1) Where TOWN is the FTA Recipient or a sub-grantee of the FTA Recipient in accordance with 49 USC 5325(a) enters into a contract for a capital project or improvement (defined at 49 USC 5302(a)(1) through other than competitive bidding, the CONTRACTOR shall make available records related to the contract to TOWN, the Secretary of Transportation and the Comptroller General or any authorized officer or employee of any of them for the purposes of conducting an audit and inspection.
- (2) The CONTRACTOR agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
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(3) The CONTRACTOR agrees to maintain all books, records, accounts and reports required under this Contract for a period of not less than three years after the date of termination or expiration of this Contract, except in the event of litigation or settlement of claims arising from the performance of this Contract, in which case Contractor agrees to maintain same until TOWN, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 CFR 18.39(i)(11).

(4) FTA does not require the inclusion of these requirements in subcontracts

k) **Federal Changes.** Contractor shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Contract between TOWN and FTA, as they may be amended or promulgated from time to time during the term of this Contract. Contractor's failure to so comply shall constitute a material breach of this Contract.

l) **No Obligation by the Federal Government.** (1) TOWN and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this Contract and shall not be subject to any obligations or liabilities to TOWN, Contractor, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.

(2) The CONTRACTOR agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

m) **Program Fraud and False or Fraudulent Statements or Related.**(1)

The CONTRACTOR acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 USC §§ 3801 et seq and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 CFR Part 31 apply to its actions pertaining to this Project. Upon execution of the underlying contract, the CONTRACTOR certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this Contract work is being performed. In addition to other penalties that may be applicable, the CONTRACTOR further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the CONTRACTOR to the extent the Federal Government deems appropriate.

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(2) The CONTRACTOR also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 USC § 5307, the Government reserves the right to impose the penalties of 18 USC § 1001 and 49 USC § 5307(n)(1) on the CONTRACTOR, to the extent the Federal Government deems appropriate.

(3) The CONTRACTOR agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.

- n) **Government-Wide Debarment and Suspension.** This Contract is a covered transaction for purposes of 49 CFR Part 29. As such, the CONTRACTOR is required to verify that none of the CONTRACTOR, its principals, as defined at 49 CFR 29.995, or affiliates, as defined at 49 CFR 29.905, are excluded or disqualified as defined at 49 CFR 29.940 and 29.945.

The CONTRACTOR is required to comply with 49 CFR 29, Subpart C and must include the requirement to comply with 49 CFR 29, Subpart C in any lower tier covered transaction it enters into.

By signing and submitting its bid or proposal, the bidder or proposer certifies as follows: The certification in this clause is a material representation of fact relied upon by TOWN. If it is later determined that the bidder or proposer knowingly rendered an erroneous certification, in addition to remedies available to TOWN, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The bidder or proposer agrees to comply with the requirements of 49 CFR 29, Subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

- o) **Privacy Act.** The following requirements apply to the CONTRACTOR and its employees that administer any system of records on behalf of the Federal Government under any contract:

(1) The CONTRACTOR agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, 5 USC § 552a. Among other things, the CONTRACTOR agrees to obtain the express consent of the Federal Government before the CONTRACTOR or its employees operate a system of records on behalf of the Federal Government. The CONTRACTOR understands that the requirements of the Privacy Act, including the civil and criminal penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying contract.

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(2) The CONTRACTOR also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

p) **Civil Rights.** The following requirements apply to the underlying Contract:

(1) **Nondiscrimination:** In accordance with Title VI of the Civil Rights Act, as amended, 42 USC § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 USC § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 USC § 12132, and Federal transit law at 49 USC § 5332, the CONTRACTOR agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, the CONTRACTOR agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.

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(2) **Equal Employment Opportunity:** The following equal employment opportunity requirements apply to the underlying contract. (a) **Race, Color, Creed, National Origin, Sex:** In accordance with Title VII of the Civil Rights Act, as amended, 42 USC § 2000e, and Federal transit laws at 49 USC § 5332, the CONTRACTOR agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 CFR Parts 60 et seq (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 USC § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. The CONTRACTOR agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the CONTRACTOR agrees to comply with any implementing requirements FTA may issue. (b) **Age:** In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 USC § 623 and Federal transit law at 49 USC § 5332, the CONTRACTOR agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the CONTRACTOR agrees to comply with any implementing requirements FTA may issue. (c) **Disabilities:** In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 USC § 12112, the CONTRACTOR agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 CFR Part 1630,

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pertaining to employment of persons with disabilities. In addition, the CONTRACTOR agrees to comply with any implementing requirements FTA may issue.

(3) The CONTRACTOR also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

q) **Transit Employee Protective Contracts.** (1) The CONTRACTOR agrees to comply with applicable transit employee protective requirements as follows:

(a) General Transit Employee Protective Requirements: To the extent that FTA determines that transit operations are involved, the CONTRACTOR agrees to carry out the transit operations work on the underlying contract in compliance with terms and conditions determined by the U.S. Secretary of Labor to be fair and equitable to protect the interests of employees employed under this Contract and to meet the employee protective requirements of 49 USC A 5333(b), and U.S. DOL guidelines at 29 CFR Part 215, and any amendments thereto. These terms and conditions are identified in the letter of certification from the U.S. DOL to FTA applicable to TOWN's project from which Federal assistance is provided to support work on the underlying contract. The CONTRACTOR agrees to carry out that work in compliance with the conditions stated in that U.S. DOL letter. The requirements of this subsection (1), however, do not apply to any contract financed with Federal assistance provided by FTA either for projects for elderly individuals and individuals with disabilities authorized by 49 USC § 5310(a)(2), or for projects for nonurbanized areas authorized by 49 USC § 5311. Alternate provisions for those projects are set forth in subsections (b) and (c) of this clause.

(b) Transit Employee Protective Requirements for Projects Authorized by 49 USC: § 5310(a)(2) for Elderly Individuals and Individuals with Disabilities: If the contract involves transit operations financed in whole or in part with Federal assistance authorized by 49 USC § 5310(a)(2), and if the U.S. Secretary of Transportation has determined or determines in the future that the employee protective requirements of 49 USC § 5333(b) are necessary or appropriate for the state and TOWN for which work is performed on the underlying contract, the CONTRACTOR agrees to carry out the Project in compliance with the terms and conditions determined by the U.S. Secretary of Labor to meet the requirements of 49 USC § 5333(b), U.S. DOL guidelines at 29 CFR Part 215, and any amendments thereto. These terms and conditions are identified in the U.S. DOL's letter of certification to FTA, the date of which is set forth Grant Contract or Cooperative Contract with the state. The CONTRACTOR agrees to perform transit operations in connection with the underlying contract in compliance with the conditions stated in that U.S. DOL letter.

(c) Transit Employee Protective Requirements for Projects Authorized by 49 USC: § 5311 in Nonurbanized Areas: If the contract involves transit operations financed in whole or in part with Federal assistance authorized by 49 USC § 5311, the CONTRACTOR agrees to comply with the terms and conditions of the Special Warranty for the Nonurbanized Area Program agreed to

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by the U.S. Secretaries of Transportation and Labor, dated May 31, 1979, and the procedures implemented by U.S. DOL or any revision thereto.

(2) The CONTRACTOR also agrees to include the any applicable requirements in each subcontract involving transit operations financed in whole or in part with Federal assistance provided by FTA.

r) **Disadvantaged Business Enterprise (DBE)**

(1) **Policy:** It is TOWN's policy and objective to promote and maintain a level playing field for DBE's in TOWN and Federal-aid contracts. It is TOWN's policy to ensure nondiscrimination in the award and administration of U.S. DOT assisted contracts based on the requirements of 49 CFR Parts 21 and 26.

(2) **DBE Obligation:** The CONTRACTOR agrees to ensure that disadvantaged business enterprises as defined in 49 CFR Part 26 have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds provided under this Contract. In this regard all contractors shall take all necessary and reasonable steps in accordance with 49 CFR Part 26 to ensure that disadvantaged business enterprises have the maximum opportunity to compete for and perform contracts. CONTRACTOR shall not discriminate on the basis of race, creed, color, national origin, age, or sex in the award of and performance of DOT assisted contracts.

s) **State and Local Law Disclaimer.** CONTRACTOR shall keep itself informed of, comply with, and shall cause all of its agents, employees, suppliers and subcontractors of any tier to observe and comply with all applicable State and local laws, regulations, and policies, including, but not limited to, all applicable terms and conditions prescribed for third party contracts by the U.S. Department of Transportation and the Federal Transit Administration. It is the CONTRACTOR's responsibility to know and to comply with all state laws and regulations and local ordinances relating to public works projects which in any manner affect those engaged or employed in the work, or the materials used in the work, or which in any way affect the conduct of the work. If Contractor discovers any discrepancy or inconsistency between the plans, drawings, specifications, or contract for the work and any law, ordinance, regulation, order or decree; the CONTRACTOR shall immediately provide written notice to TOWN.

t) **Incorporation of Federal Transit Administration (FTA) Terms.** The preceding provisions include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, as set forth in FTA Circular 4220.1E, dated June 19, 2003, as amended, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Contract. The CONTRACTOR shall not perform any act, fail to perform any act, or refuse to comply with any TOWN requests, which would cause TOWN to be in violation of the FTA terms and conditions.

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- u) **Drug and Alcohol Testing.** The CONTRACTOR agrees to establish and implement a drug and alcohol testing program that complies with 49 CFR Parts 653 and 654, produce any documentation necessary to establish its compliance with Parts 653 and 654, and permit any authorized representative of the United States Department of Transportation or its operating administrations, the State Oversight Agency of Arizona, or TOWN to inspect the facilities and records associated with the implementation of the drug and alcohol testing program as required under 49 CFR Parts 653 and 654 and review the testing process. The CONTRACTOR agrees further to certify annually its compliance with Parts 653 and 654 before February 15<sup>th</sup> of each year and to submit the Management Information System (MIS) reports before February 15<sup>th</sup> to TOWN's Transit Coordinator. To certify compliance the CONTRACTOR shall use the "Substance Abuse Certifications" in the "Annual List of Certifications and Assurances for Federal Transit Administration Grants and Cooperative Contracts," which is published annually in the Federal Register.
- v) **Equal Employment Opportunity/Basic Requirements.** In connection with the execution of this Contract, the CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, or national origin. The CONTRACTOR shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, age, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Contractor further agrees to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.
- w) **Labor Provisions.** (1) **Overtime Requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any work week in which he or she is employed on such work to work in excess of eight hours in any calendar day or in excess of forty hours in such work week unless such laborer or mechanic receives compensation at rate not less than one and one-half times the basic rate of pay for all hours worked in excess of eight hours in any calendar day or in excess of forty hours in such work week, whichever is greater.
- (2) **Violation; Liability for Unpaid Wages; Liquidated Damages.** In the event of any violation of the clause set forth in subparagraph (b) (1) of 29 CFR Section 5.5, the CONTRACTOR and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such district or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (b) (1) of 29 CFR Section 5.5

in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of eight hours or in excess of the standard of work week of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (b) (1) of 29 CFR Section 5.5.

(3) Withholding for Unpaid Wages and Liquidated Damages. DOT or TOWN shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the CONTRACTOR or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally- assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) (2) of 29 CFR Section 5.5.

(4) Nonconstruction Grants. The CONTRACTOR or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, TOWN shall require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the CONTRACTOR or subcontractor for inspection, copying, or transcription by authorized representatives of DOT and the Department of Labor, and the CONTRACTOR or subcontractor will permit representatives to interview employees during working hours on the job.

(5) Subcontracts. The CONTRACTOR or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (5) of this paragraph and also a clause requiring subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraph (1) through (5) of this paragraph.

- x) **Conflict of Interest.** No employee, officer, or agent of TOWN shall participate in selection, or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, any member of his immediate family, an organization which employs, or is about to employ, has a financial or other interest in the firm selected for award.

TOWN's officers, employees, or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties of subContracts.

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- y) **Breaches and Dispute Resolution.** All contracts in excess of \$100,000 shall contain provisions or conditions which will allow for administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. This may include provisions for bonding, penalties for late or inadequate performance, retained earnings, liquidated damages or other appropriate measures.

Disputes arising in the performance of this Contract which are not resolved by Contract of the parties shall be decided in writing by the authorized representative of TOWN. This decision shall be final and conclusive unless within ten (10) days from the date of receipt of its copy, the CONTRACTOR mails or otherwise furnishes a written appeal to the TOWN Manager. In connection with any such appeal, the CONTRACTOR shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of TOWN Manager shall be binding upon the CONTRACTOR and the CONTRACTOR shall abide by the decision.

Unless otherwise directed by TOWN, CONTRACTOR shall continue performance under this Contract while matters in dispute are being resolved.

**Claims for Damages** - Should either party to the Contract suffer injury or damage to person or property because of any act or omission of the party or of any of his employees, agents or others for whose acts he is legally liable, a claim for damages therefore shall be made in writing to such other party within a reasonable time after the first observance of such injury or damage.

**Remedies** - Unless this contract provides otherwise, all claims, counterclaims, disputes and other matters in question between TOWN and the CONTRACTOR arising out of or relating to this Contract or its breach will be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the State in which TOWN is located.

**Rights and Remedies** - The duties and obligations imposed by TOWN Documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by TOWN, or CONTRACTOR shall constitute a waiver of any right or duty afforded any of them under the Contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

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**NON-COLLUSION AFFIDAVIT FOR CONTRACTOR**

STATE OF ARIZONA

LA PAZ COUNTY

\_\_\_\_\_ declares and says:

1. That he/she is the (owner, partner, representative, or agent) of \_\_\_\_\_, hereinafter referred to as (contractor) or (subcontractor).
2. That he/she is fully informed regarding the preparation and contents of this proposal for certain work in Solano County, State of Arizona.
3. That his/her proposal is genuine, and is not collusive or a sham proposal.
4. That any of its officers, owners, agents, representatives, employees, or parties in interest, including this affiliate, has not in any way colluded, conspired, connived or agreed, directly or indirectly, with any other CONTRACTOR, firm, or person to submit a collusive or sham proposal in connection with such contract, or to refrain to submitting a proposal in connection with such contract, or has in any manner, directly or indirectly, sought by unlawful Contract or connivance with any other CONTRACTOR, firm, or person to fix the price or prices in said proposal, or to secure through collusion, conspiracy, connivance, or unlawful Contract any advantage against TOWN, or any person interested in the proposed contract; and,
5. That the price or prices quoted in the proposal are fair and proper, and are not tainted by any collusion, conspiracy, connivance, or unlawful Contract on the part of the CONTRACTOR, or any of its agents, owners, representatives, employees, or parties in interest, including this affiliate.

I certify (or declare) under penalty of perjury, that the foregoing is true and correct.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_, Arizona.

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

**CERTIFICATION OF ELIGIBILITY (LABOR STANDARDS)**

The \_\_\_\_\_(Name of CONTRACTOR) hereby certifies that it is not included on the United States Comptroller General's Consolidated List of Persons or Firms currently Debarred for Violations of Various Public Contracts Incorporating Labor Standard Provisions.

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CERTIFICATION OF PRIMARY PARTICIPANT REGARDING  
DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS**

The Primary Participant \_\_\_\_\_ (Name of CONTRACTOR)  
certified to the best of its knowledge and belief, that it and its principals:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
- b. Have not, within a three year period preceding this proposal, been convicted, or had a civil judgment rendered against them for commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes, or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false Statements, or receiving stolen property;
- c. Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and
- d. Have not within a three-year period preceding this proposal had one or more public transactions (Federal, State or local) terminated for default.

If the primary participant is unable to certify to any of the Statements in this certification, the participant shall attach an explanation to this certification.

**THE PRIMARY PARTICIPANT, \_\_\_\_\_ (Name of CONTRACTOR) CERTIFIES OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 USC SECTIONS 3801 ET SEQUA ARE APPLICABLE THERETO.**

Signature of Authorized Official:

\_\_\_\_\_ Title: \_\_\_\_\_

The undersigned chief legal counsel (or corporate secretary) for the \_\_\_\_\_ hereby certifies that the \_\_\_\_\_ has authority under State and local law to comply with the subject assurances and that the certification above has been legally made.

Signature of Attorney/Secretary:

\_\_\_\_\_ Date: \_\_\_\_\_

**CERTIFICATION OF RESTRICTIONS ON LOBBYING**

I, \_\_\_\_\_, hereby certify on behalf of \_\_\_\_\_,  
that:

a. No Federal appropriated funds have been paid or will be paid, by on or behalf of the undersigned, to any person for influencing, or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative Contract, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative Contract.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative Contract, the undersigned shall complete and submit Standard Form LLL "Disclosure Form to Report Lobbying", in accordance with its instructions.

c. The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including sub grants, loans, and cooperative Contracts) which exceed \$100,000, and that all such sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made, or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, USC. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, of 20\_\_\_\_\_

Signature of Authorized Official: \_\_\_\_\_

Title of Authorized Official: \_\_\_\_\_

**CERTIFICATION DISADVANTAGED BUSINESS ENTERPRISE PROGRAM/  
EQUAL EMPLOYMENT OPPORTUNITY**

CONTRACTOR: \_\_\_\_\_

1. CONTRACTOR overall DBE participation rate: \_\_\_\_\_

2. Names/Locations of DBEs contacted by CONTRACTOR:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Names/Locations of DBEs selected by CONTRACTOR:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. CONTRACTOR work force breakdown by race and gender:

TOTAL EMPLOYEES (as of \_\_\_\_\_): \_\_\_\_\_

**JOB CATEGORIES**

**EMPLOYEES**

	<b>Male</b>					<b>Female</b>				
	Wht	Blk	Hsp	Asn	Nat	Wht	Blk	Hsp	Asn	Nat
Officials & Managers:										
Professional:										
Technical:										
Sales:										
Office/Clerical:										
Craftsmen:										
Laborers:										
Service:										

Note: The above DBE/EEO Affidavit is part of CONTRACTOR Proposal. Signing this Proposal, on the signature portion thereof, shall also constitute signature of this DBE/EEO Affidavit.

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

**EXHIBIT D**  
**QUARTZSITE TROLLEY RIDER'S GUIDE**

**EXHIBIT E  
FLEET INVENTORY**

<b>Bus #</b>	<b>LIC. PLATE #</b>	<b>MAKE</b>	<b>MODEL</b>	<b>Pass Cap</b>	<b>VIN NUMBER</b>	<b>IN SERVICE DATE</b>	<b>Value</b>	<b>Age</b>
Y143/32	G7686V	Freightliner	Specialty Trolley	30	4UZAB0BV86CW69983	9/1/06	\$13,605.36	7

**EXHIBIT F  
MAINTENANCE PLAN**

SUPPLEMENTAL  
INFORMATION  
ONLY



## Yuma County Intergovernmental Public Transportation Authority

2715 East 14<sup>th</sup> Street, Yuma, AZ 85365-1900, Telephone: 928-539-7076  
Fax: 928-783-0309, email: [info@ycipta.az.gov](mailto:info@ycipta.az.gov), Web: [www.yciptaz.gov](http://www.yciptaz.gov)

December 5, 2013

Laura Bruno, Town Manager  
Town of Quartzsite  
465 N. Plymouth Avenue  
Quartzsite, AZ 85346

### RE: Consent for Third Party Operation

Dear Ms Bruno:

The Yuma County Intergovernmental Public Transportation Authority (YCIPTA) is providing written consent per Section 10 of the Lease Agreement between YCIPTA and the Town of Quartzsite to accept Quartzsite's desires to use a third party provider to implement the provisions of the lease agreement.

Should you have any questions regarding this letter, please don't hesitate to contact me at (928) 304-2297 or email [jandoh@ycipta.az.gov](mailto:jandoh@ycipta.az.gov). Please acknowledge concurrence by signing below.

Sincerely,

John Andoh  
Transit Director  
Yuma County Intergovernmental Public Transportation Authority

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**Yuma County Intergovernmental Public Transportation Authority Board Of Directors**  
Robert L. Pickels, Chairman - Yuma County, Greg Wilkinson, Vice Chairman - City of Yuma  
Dr. Larry Gould - Northern Arizona University, Dr. Glenn Mayle - Arizona Western College,  
Ralph Velez - City of San Luis, Paul Soto - Cocopah Tribe, Brian Golding, Sr - Quechan Tribe,  
Vacant - Town of Wellton, Bill Lee - City of Somerton

John Andoh, Transit Director

**TROLLEY LEASE AGREEMENT BETWEEN YUMC COUNTY  
INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY AND  
THE TOWN OF QUARTZSITE**

This **LEASE AGREEMENT** (“Agreement”) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between Yuma County Intergovernmental Public Transportation Authority (“YCIPTA”), with its principal office located at 2715 East 14<sup>th</sup> Street, Yuma, Arizona, 85365, and Town of Quartzsite (“Contractor”), with its principal office located at 465 North Plymouth Avenue, Quartzsite, AZ 85346. The term “party” or “parties” used herein shall refer to YCIPTA, Contractor or both, as may be appropriate.

**WITNESSETH**

**WHEREAS**, Contractor has a desire for a wheelchair accessible trolley vehicle from YCIPTA for transportation services within Quartzsite for a limited period; and

**WHEREAS**, YCIPTA is the title holder of a certain wheelchair lift-equipped trolley that is owned by the Arizona Department of Transportation (“ADOT”) and is willing to make it available for Contractor’s exclusive use in connection with transportation services within Quartzsite only; and

**WHEREAS**, Contractor is willing and desirous of using YCIPTA’s equipment; and

**WHEREAS**, the use of YCIPTA’s lift-equipped trolley will allow the Contractor the ability to implement a seasonal public transit service to test the viability for future transportation services in the Town of Quartzite; and

**NOW, THEREFORE**, in consideration of the mutual covenants, conditions, and promises as hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, is the parties mutually agree as follows:

1. **USE OF TROLLEY.** YCIPTA hereby agrees to furnish to Contractor, for use in connection with services to be provided, the following wheelchair lift-equipped trolley (hereinafter called “Trolley”):

TROLLEY	YEAR	VEHICLE IDENTIFICATION NO.	LICENSE NO.
Y143	2006	4UZAB0BV86CW69983	TBD

2. **TERM.** This Agreement shall commence on \_\_\_\_\_ and shall expire on \_\_\_\_\_. Thereafter, this Agreement shall continue in full force and effect from month to month, being automatically renewed each month, unless and until either party gives written notice of termination, with or without cause, to the other party at least thirty (30) days prior to the end of the initial Agreement term or any renewal term thereafter, or unless this Agreement is earlier terminated under any other provisions of this Agreement.

3. **ACCEPTANCE AND SURRENDER OF TROLLEY VEHICLES.** The Trolley shall be furnished to Contractor upon execution of this Agreement and only after Contractor submits an approved Certificate of Insurance as discussed in Section 6 below and **Exhibit B, Insurance Requirements Certification.** Contractor shall pick up the Trolley at YCIPTA's place of business at 2715 East 14th Street, Yuma, AZ 85365, or other address as directed by YCIPTA's Transit Director. Upon acceptance of the Trolley, Contractor shall satisfy itself and acknowledge in writing that the Trolley is in **good** condition. Contractor shall return the Trolley to YCIPTA upon the expiration or termination of this Agreement in the same condition as received, normal wear and tear excepted. Contractor shall return the Trolley to YCIPTA at 2715 East 14<sup>th</sup> Street, Yuma, AZ 85365, or other address as directed by YCIPTA's Transit Director.
4. **MAINTENANCE AND REPORTING REQUIREMENTS.** Contractor shall, at all times, maintain the Trolley in good condition and repair. The specific requirements for the use and maintenance of the Trolley are set forth in **Exhibit A, Equipment Maintenance and Reporting Requirements**, which is attached hereto and incorporated by reference as though fully set forth herein.
5. **ALTERATIONS AND MODIFICATIONS.** Contractor covenants and agrees not to install or make any alterations, additions or improvements to the Trolley without the prior, written approval of YCIPTA.
6. **INSURANCE.** Contractor shall procure and maintain insurance coverage as set forth in **Exhibit B, Insurance Requirements Certification**, attached hereto and incorporated by reference as though fully set forth herein. Contractor shall comply fully with all other requirements as set forth in **Exhibit B.**
7. **PAYMENT.** In consideration of the lease of YCIPTA's Trolley to Contractor, Contractor shall pay the sum of One Dollar (\$1.00) per trolley, per year. Said payment shall be paid annually to YCIPTA and shall be forwarded to YCIPTA's place of business at 2715 East 14<sup>th</sup> Street, Yuma, AZ 85365, or other address as may be directed by YCIPTA in writing, no later than the 15<sup>th</sup> day of July each year.

In the event that this Agreement is terminated, whether with or without cause and either during the initial Agreement term or anytime thereafter, Contractor shall pay a prorated amount corresponding with the number of months that Contractor had use of the Trolley for a period of less than one (1) year's time.

8. **TERMINATION OF USE OF TROLLEY.** In addition to YCIPTA's termination rights otherwise provided for in this Agreement, YCIPTA may terminate this Agreement for the following reasons:
  - (a) **For Default.** If Contractor shall default in the payment or performance of any of its obligations and undertakings required herein, including, but not limited to, the maintenance and reporting requirements set forth in the **Exhibit A, Equipment Maintenance and Reporting Requirements**, YCIPTA may

declare Contractor in default by written notice to Contractor. Thereupon, Contractor shall immediately surrender the Trolley to YCIPTA in the same condition as received, normal wear and tear excepted.

(b) **For Convenience.** YCIPTA reserves the right to terminate the use of the Trolley by Contractor at any time and for any reason upon giving thirty (30) days' prior written notice; whereupon, Contractor shall return the Trolley to YCIPTA in the same condition as received, normal wear and tear excepted.

9. **NOTICES.** All notices to be given pursuant to this Agreement shall be deemed properly delivered when delivered personally or by depositing the same in the United States mail, postage prepaid, and addressed as follows:

YCIPTA:                     John Andoh, Transit Director  
                                  2715 East 14<sup>th</sup> Street  
                                  Yuma, AZ 85365  
                                  Telephone: (928) 539-7076, ext 237  
                                  Fax: (928) 783-0309  
                                  [jandoh@ycipta.az.gov](mailto:jandoh@ycipta.az.gov)

Contractor:                Laura Bruno, Town Manager  
                                  465 N. Plymouth Avenue  
                                  Quartzsite, AZ 85346  
                                  Telephone: (928) 927-4333  
                                  Fax: (928) 927-4400  
                                  [lbruno@ci.quartzsite.az.us](mailto:lbruno@ci.quartzsite.az.us)

10. **ASSIGNMENTS.** This Agreement is made in reliance upon the qualifications and responsibility of the Contractor and, therefore, the Contractor shall not assign or transfer this Agreement, or any rights conferred hereunder, to any third party without YCIPTA's prior, written consent. Should YCIPTA agree to third party operation, this Agreement shall be binding upon and inure to the benefit of the contracting parties, their successors in interest or related entity, and any permitted assignees.
11. **REGULATIONS.** Contractor's use of the Trolley shall comply with all applicable federal, state and local rules, regulations, laws and ordinances.
12. **INDEMNIFICATION AND HOLD HARMLESS.** Contractor shall defend at its own cost, indemnify, and hold YCIPTA, and its respective employees, agents, consultants and volunteers harmless from any and all claims, injuries, damages, losses or suits, including attorneys' fees and costs, arising out of or in any way related to the performance of this Agreement, or any act or omission of Contractor or any of such Contractor's employees or agents, excepting, however, those claims, injuries, damages, losses or suits, including attorneys' fees, for injuries and damages caused by the sole act of YCIPTA. The indemnification provided for under this Agreement shall not be construed or interpreted in any way as to restrict, limit or otherwise modify Contractor's insurance or other obligations

under this Agreement, and the provisions of this paragraph are independent of Contractor's insurance and other obligations. Contractor's compliance with the insurance requirements and other obligations under this Agreement do not, in any way, restrict, limit or modify Contractor's indemnification obligations under this Agreement. The provisions of this paragraph shall survive the expiration or earlier termination of this Agreement until all claims involving any of the parties to be indemnified under this paragraph are fully and finally barred by the applicable statutes of limitations.

13. **ATTORNEYS' FEES & COSTS.** If any action at law is commenced by YCIPTA or Contractor to collect any amount due, to recover possession of the Trolley or to enforce or interpret any of the terms or provisions of, or any act or omission concerning, this Agreement, the prevailing party shall be entitled to payment from the other party of all costs incurred in connection therewith, including reasonable attorneys' fees and any other damages and costs which may be imposed by law, including fees and costs arising from or in a proceeding in bankruptcy court.
14. **NON-WAIVER.** The waiver by either party of any provision or condition of this Agreement shall not be construed to be a waiver of any other provision or condition of this Agreement and shall not preclude the other party from demanding performance in accord with the other terms thereof, nor shall any such waiver be construed to be permanent unless such waiver is in writing and signed by both YCIPTA and Contractor.
15. **HEADINGS.** Captions and paragraph headings used in this Agreement are for convenience only, are not a part of this Agreement, shall not be deemed to limit or alter any provision(s) of this Agreement, and shall not be deemed relevant in construing this Agreement.
16. **SEVERABILITY.** If any term or provision of this Agreement, or any portion thereof, shall be deemed to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not alter the remaining portion of such provision, or any other provision hereof, as each provision of this Agreement shall be deemed severable from all other provisions hereof.
17. **ENTIRE AGREEMENT.** This Agreement, along with the attached Exhibits and related documents referred to herein, if any, contains the entire agreement between the parties hereto. All prior and contemporaneous agreements, representations and understandings, written or oral, are superseded by and merged into this Agreement. No promises or assurances have been made which are not part of this Agreement. Any previous agreements, whether written or oral, entered into between the parties are null and void unless specifically incorporated herein. No supplement, modification or amendment of this Agreement shall be binding unless agreed to and executed in writing by all of the parties, or their authorized representative, hereto.
18. **TIME IS OF THE ESSENCE.** Time is of the essence as to each and every provision hereof.

- 19. CHOICE OF LAW AND VENUE.** The parties irrevocably agree this Agreement shall be construed in accordance with the laws of the State of Arizona, and any controversy, dispute or litigation shall be brought or commenced only in a court of proper jurisdiction in Yuma County, Arizona. The parties hereby irrevocably waive all provisions of law providing for a change of venue in any such proceedings to any other city. If YCIPTA initiates legal proceedings, it may recover, in addition to all amounts due, its reasonable attorneys' fees, reasonable experts' fees, and other court-authorized costs related to the proceedings.
- 20. COUNTERPARTS.** This Agreement may be executed in counterparts, each of which, when taken together shall constitute fully executed originals but one and the same document.
- 21. INTERPRETATION.** This Agreement is the result of negotiations between the parties and, accordingly, the terms and provisions hereof shall be interpreted and construed in accordance with their usual and customary meanings. The parties hereby waive the application of any rule of law which otherwise would be applicable in connection with the interpretation and construction of this Agreement that ambiguous or conflicting terms or provisions should be interpreted or construed against the party who (or whose attorney) prepared the executed Agreement or any earlier draft of the same.
- 22. REPRESENTATION.** Each individual executing this Agreement represents and warrants that the individual has the complete and full authority to enter into this Agreement on behalf of the party for whom the individual signs.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date first written above.

**YCIPTA**

**TOWN OF QUARTZSITE**

By: \_\_\_\_\_  
John Andoh, Transit Director

By: \_\_\_\_\_  
Laura Bruno, Town Manager

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Attorney for YCIPTA

## EXHIBIT A

### EQUIPMENT MAINTENANCE AND REPORTING REQUIREMENTS

1. **Trolley Vehicle Supplied.** YCIPTA will lease up to one (1) wheelchair lift-equipped trolley for the sole use in Contractor transportation services within Yuma County. The Contractor shall provide any other necessary support vehicles for supervision, towing, repair and any other purpose as the Lease Agreement may require.
2. **Advertising.** Commercial advertising on YCIPTA's trolley is solely for the use of the existing YCIPTA advertising program and is governed by YCIPTA's policies. Contractor shall obtain prior, written approval from YCIPTA before placing any advertising on YCIPTA's trolley. All revenues generated from advertisements on YCIPTA's trolley may be retained by Contractor if said advertisements were implemented with YCIPTA's prior, written approval.
3. **Trolley Vehicle Condition.** It shall be the Contractor's responsibility to ensure the trolley supplied by YCIPTA is kept in good repair and condition, as deemed satisfactory by YCIPTA in its sole discretion.
4. **Stipulation as to Condition.** The trolley provided by YCIPTA under this Agreement shall be inspected by the Contractor and YCIPTA, and certified to be in good repair, properly maintained, and free of body and interior damage prior to being turned over to the Contractor.

The Contractor shall maintain the condition of the trolley and shall return it to YCIPTA on the termination date and in the same condition in which Contractor received the trolley, normal wear and tear excepted. Should the Contractor return any trolley to YCIPTA prior to the termination date for any reason, the trolley shall be in the same condition as when delivered to the Contractor, normal wear and tear excepted. Without limiting the foregoing, the steering, suspension, body, brakes and drive train components of any trolley returned to YCIPTA at any time must, at the time of its return, meet Original Equipment Manufacturer ("OEM") specifications and manufacturer safety standards.

At the conclusion of this Agreement, the trolley will again be inspected. Any damage, worn components, and/or malfunctioning systems must be repaired prior to the Contractor returning the trolley to YCIPTA. If any such damage is not repaired, YCIPTA will make said repairs and the Contractor shall be charged and be responsible for YCIPTA's costs for labor, materials, and appropriate overhead to effect the repairs necessary to return the trolley to good repair and condition as required herein.

5. **Maintenance Inspections, Rejection of Trolley Vehicle.** YCIPTA reserves the right, at its sole discretion, to review the maintenance records, and to periodically inspect all the trolleys provided under this Agreement. Any trolley inspected and rejected temporarily as a result of deficient vehicle condition or appearance, other

than cleanliness, will result in liquidated damages of Two Hundred and Fifty Dollars (\$250.00) per day, per trolley, until such condition is corrected to the satisfaction of YCIPTA and in accordance with its standards. In the event the trolley is rejected permanently by YCIPTA as a result of vehicle condition, the Contractor shall replace said trolley and, in addition to its cost to replace the trolley, Contractor shall be assessed liquidated damages of Two Hundred and Fifty Dollars (\$250.00) per day, per trolley, until the trolley is replaced with one that is satisfactory to YCIPTA. When the trolley is requested for inspection by YCIPTA, Contractor must deliver the trolley, at Contractor's sole expense, to YCIPTA's bus facility for inspection or other address as directed by YCIPTA's Transit Director.

6. **Trolley Vehicle Maintenance.** At all times, the Contractor shall, at its sole expense except as provided by Section 13 below, cause all components of the trolley, including body, glass, frame, furnishings, wheelchair lift, mechanical, electrical, pneumatic, hydraulic or other operating systems to be maintained in proper working condition, free from damage and malfunctions. The Contractor shall, at its sole expense, immediately repair or replace any trolley vehicle damaged in any accident or incident. The Contractor shall perform all maintenance and repair functions in accordance with OEM specifications. The Contractor may not subcontract any repair work without the prior written approval of YCIPTA.

The Contractor **SHALL NOT CANNIBALIZE** (that is, remove parts from one vehicle for use on another vehicle) without the prior and express written authorization from YCIPTA's Transit Director.

7. **Appearance Maintenance.** The Contractor is responsible for maintaining the trolley appearance. Contractor shall keep trolleys clean, including, but not limited to: washing the exteriors at least three (3) times a week; sweeping or vacuuming interiors daily to remove all dirt and debris; mopping the interiors as needed daily and thoroughly mopping once a week; and interiors shall be fumigated, sanitized and thoroughly cleaned at least once every four (4) months. Failure to provide cleaning as outlined shall result in liquidated damages of One Hundred Dollars (\$100.00) per day, per trolley until the condition is corrected according to YCIPTA's standards and at YCIPTA's sole discretion. To eliminate hazards, minimize discomfort and maintain appearance, the Contractor shall repair or promptly replace any worn, broken, cut, torn or vandalized component(s) that is visible or accessible to the public.
8. **Supplies and Fluids.** The Contractor, as its sole expense, shall maintain and provide stores of gasoline fuel, lubricants, repair parts (except as provided by Section 13 below) and supplies required for the orderly maintenance and operation of the trolleys utilized in service. Such supplies shall be equal to or better than the fuel, lubricants, repair parts, and supplies as specified by the OEM or utilized by YCIPTA. YCIPTA, as its sole discretion, may approve or disapprove any fuel, lubricant, repair part and supplies used by the Contractor. The Contractor shall abide by YCIPTA's request to discontinue use of any fuel, lubricant, repair part and/or supplies which are disapproved. The Contractor shall, at its sole expense, properly store and dispose of any materials, including hazardous waste, without limitation, required in the operation of service in accordance with all federal, state and local regulations.

9. **Daily Pre-Trip Inspections.** Each trolley must receive a daily pre-trip inspection by the Contractor's operator prior to being placed in service. Contractor must supplement daily pre-trip inspections by regular time and mileage maintenance inspections to ensure the safe and proper operating condition of the trolleys. A record of all such inspections shall be kept by the Contractor and be available to YCIPTA as part of the scheduled operations report.
10. **Preventive Maintenance Schedule.** The Contractor is solely responsible for the ongoing preventive maintenance and overall maintenance of the trolley provided under this Agreement, including wheelchair lift cycling.

Preventive Maintenance is the routine maintenance program as described in **Exhibit C**, attached hereto and incorporated by reference as though fully set forth herein. All inspections shall include, but are not limited to, all items on the Preventive Maintenance inspection forms as fully described in **Exhibit C**.

If any inspection of a preventive maintenance record reveals the omission or lack of documentation of periodic maintenance service as required, Contractor shall pay liquidated damages in the amount of Two Hundred and Fifty Dollars (\$250.00) per occurrence.

Such reports shall be provided monthly to YCIPTA by the 3<sup>rd</sup> day of each month for the previous month activities.

11. **Fluid Samples.** Contractor shall take engine and transmission oil samples prior to changing fluids at the 12,000 and 24,000 mile inspections. Fluid samples are to be delivered to YCIPTA within five (5) working days. Contractor shall label fluid bottles with: (1) equipment number; (2) total unit miles; (3) oil accumulation miles; and (4) date sample was taken. Samples shall be delivered to Transit Director, YCIPTA, 2715 East 14<sup>th</sup> Street, Yuma, AZ 85365. Failure to take and provide samples shall result in liquidated damages of One Hundred Dollars (\$100.00) per sample missed.
12. **YCIPTA-Supplied Components.** YCIPTA-supplied components shall be limited to differential gear sets, air compressors, tires, turbo chargers, engine blowers, transmissions and engines. All YCIPTA-supplied components will be delivered with recorded serial numbers. These components are for exclusive use on YCIPTA-supplied vehicles. The Contractor shall notify YCIPTA of the date, trolley number, serial number and mileage of any YCIPTA-supplied component change. All other parts are the sole responsibility of the Contractor. The Contractor must notify YCIPTA prior to removing engines and transmission so that YCIPTA can confirm an accurate diagnosis of the problem.

The Contractor is responsible for pick-up and delivery of components listed above. Only components supplied by YCIPTA may be utilized in the event of failure of one of the above-mentioned components. Contractor shall return all component cores. If

a core is not returned to YCIPTA within ten (10) calendar days of replacement, Contractor shall pay the following liquidated damages:

Differential Gear Set	\$2,300.00
Air Compressor	\$620.00
Turbo Charger	\$2,656.00
Transmission Complete	\$6,000.00
Engine Complete	\$18,000.00

In the event that any of the above components are lost or damaged through neglect, misuse or abuse, the Contractor must purchase and pay for a new or rebuilt unit through YCIPTA at YCIPTA's cost plus overhead.

In the event any of the above components are not damaged through neglect, abuse or misuse, all components supplied under this Agreement shall be rebuilt by YCIPTA and supplied at no cost to Contractor. No claims for labor, to remove and replace, will be considered in the event of premature failure or malfunction.

- 13. Tires.** Each trolley provided by YCIPTA will be supplied with serviceable tires at YCIPTA's expense. Additionally, YCIPTA will provide one (1) spare tire and wheel per trolley, mounted on wheels. It is the Contractor's sole responsibility and expense to furnish all weights and to balance tires and wheels. It is also the Contractor's sole responsibility and expense to remove and replace defective, worn, or flat tires and wheels from all trolleys. These tires, when delivered to YCIPTA, 2715 East 14<sup>th</sup> Street, Yuma, AZ 85365, will be replaced and mounted on wheels. Tires, when worn to a skid depth of between 6/32 & 7/32 inch, shall be removed and returned to YCIPTA at the above address for the purpose of regrooving. All rear tires shall be removed from service when a tread depth of 4/32 or less than 3/32 is remaining. All tires shall be maintained and operated in conformance with United States Department of Transportation ("US DOT") standards.

Contractor may apply, in writing, to YCIPTA for permission to regroove tires in lieu of returning them to YCIPTA for regrooving. The written request must detail: qualifications of their personnel who will perform the regrooving; a description of the equipment, including manufacture and model number of the regrooving machine to be used; and a detailed description of how the tires will be regrooved, including the depth of rubber remaining under the groove. Only if YCIPTA agrees, in writing, to Contractor's request, shall Contractor regroove the trolley tires itself.

Any tire damaged beyond repair due to road hazards, curb cuts, or run flats, shall be charged back to the Contractor, based on "unrun" mileage as determined by YCIPTA's contract tire supplier. Any tire worn beyond 2/32 shall be considered

scrap and the Contractor shall be responsible for replacement of said tire, based on the sole determination of YCIPTA's tire supplier.

All tires supplied to the Contractor will be branded with a unique serial number. These tires are for exclusive use on YCIPTA-supplied trolleys. Any misuse of these tires will result in liquidated damages of Two Hundred and Fifty Dollars (\$250.00) per incident. The term "misuse" under this section is defined as the use of a YCIPTA-owned tire and wheel on any vehicle other than a YCIPTA-owned trolley.

- 14. Maintenance, Accident, and Trolley Vehicle Mileage Records.** The Contractor shall maintain an individual file for the trolley used to provide this transit service, by date of action, detailing all preventive and corrective maintenance functions, including, but not limited to, accident reports, warranty work, maintenance data fuel, lubricant and other fluid use. Records are to show a detailed description of complaints and repairs, and materials required to perform the repairs. Scheduled preventive maintenance inspection documents shall be signed by the mechanic who performed such inspection and the direct supervisor overseeing and approving the work.

Copies of all maintenance records for the trolley used to provide this service, including completed preventive maintenance inspection forms, detailed repair orders, end of the month vehicle mileage (odometer) readings and fuel usage for each trolley shall be submitted by Contractor to YCIPTA for review on a monthly basis. These records shall also include end of month tire tread depth readings (including spare tires).

Contractor shall submit these records to the attention of YCIPTA's Transit Director. Monthly record submittals must be received by YCIPTA not later than the third business day of the following month. YCIPTA prefers electronic submittal of monthly maintenance records, but this is not a requirement.

- 15. Facilities.** The Contractor shall provide and maintain appropriate fixed vehicle storage and maintenance facilities for garaging and servicing vehicles and related equipment within the trolley service area. The facilities proposed for any or all storage of trolley shall be on smooth level ground, free of pot holes or depressions, with perimeter lighting. The Contractor shall state the location of such facilities, which shall be subject to pre-award inspection and approval, as well as periodic inspections and continuing approval by YCIPTA during the life of the Agreement. If maintenance and/or storage facilities are to be acquired, the Contractor shall indicate what actions will be taken and the time required to acquire said facilities prior to start of service. Maintenance facilities must be at least one (1) flat floor stall and one (1) pit/hoist plus a part storage area and all tools and equipment necessary to properly service transit vehicles.

- 16. Applicable Codes and Regulations.** The trolley utilized in service shall be safe for operation on public streets and freeways and must meet all requirements established by the United States Department of Transportation and Federal Motor Carrier Safety Administration.

17. **Permit and Fee Structure.** Licensing fees from other government entities which are specifically required for revenue vehicles operated in transit service will be paid by YCIPTA.

18. **Qualification and Training.** The Contractor shall assure that its employees are qualified to perform the tasks assigned to them and trained in the performance of those tasks.

The Contractor shall train and update its maintenance personnel in all aspects of maintaining and repairing the trolley during the life of the Agreement. The Contractor, at its sole cost, shall permit its maintenance personnel to attend training programs conducted by YCIPTA or the manufacturer of the trolley and or their components, when attendance is requested by YCIPTA, provided, however, that YCIPTA will not be required to conduct or arrange for such training.

## EXHIBIT B

### INSURANCE REQUIREMENTS & CERTIFICATION

Before the commencement of any services, the Contractor must provide YCIPTA **with certificates of insurance and formal endorsements** identifying this Agreement by number or name. All insurance policies required by this Contract, except Workers' Compensation and Professional Liability must name YCIPTA, and its member agencies and employees, as Additional Insured with endorsement. Any insurance carried by YCIPTA, and its employees, is excess coverage, and not contributory coverage to that provided by Contractor. All required policies shall contain a waiver of subrogation against YCIPTA, and its member agencies, officers, officials, agents, employees, consultants and volunteers for losses arising from work performed by or on behalf of Contractor. All insurance policies are subject to approval by YCIPTA. Policy must include an endorsement providing that such insurance as is afforded under Contractor's policy is primary insurance as respects the additional insured and that any other insurance maintained by the additional insured is excess and noncontributing with the insurance required hereunder. Contractor must give YCIPTA thirty (30) days written notice before canceling, terminating or altering any policy. Contractor's failure to furnish evidence of insurance may be considered a breach.

The Certificate Holder must be named as follows: **Yuma County Intergovernmental Public Transportation Authority and its member agencies and employees**

All certificates are to be sent to: Yuma County Intergovernmental Public  
Transportation Authority  
2715 East 14<sup>th</sup> Street  
Yuma, AZ 85365 or [jandoh@ycipta.az.gov](mailto:jandoh@ycipta.az.gov)

#### Minimum Scope of Insurance

Coverage shall be at least as broad as:

- Insurance Services Office Commercial General Liability Coverage (occurrence Form CG0001).
- Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).
- Workers' Compensation insurance as required by the State of Arizona (A.R.S. § 23-901) and Employer's Liability Insurance.
- Errors and Omissions Liability insurance appropriate to the contractor's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

#### Minimum Limits of Insurance

Contractor shall maintain limits no less than:

- **Worker's Compensation** Insurance to cover obligations imposed by federal and state statutes having jurisdiction of employees engaged in the performance of the work or services, and Employer's Liability Insurance of not less than \$100,000.00 for each accident, \$100,000.00 disease for each employee, and \$500,000.00 disease policy limit.
  
- Contractor must require sub-consultants to provide Worker's Compensation and Employer's Liability with at least as much coverage as required of the Contractor in the previous paragraph.
  
- **Commercial/Business Automobile Liability** with a combined single limit for bodily injury and property damages of not less than \$1 million for each occurrence on all vehicles Contractor uses, whether owned or leased, in the performance of the work or services under this Agreement. If hazardous materials or wastes are transported, CA 9948 endorsement must be included and \$3 million per accident limits for bodily injury and property damage will apply.
  
- **Commercial General Liability** insurance with an unimpaired limit of not less than \$1 million for each occurrence with a \$2 million General Aggregate Limit. The policy must be primary *and the coverage shall not exclude Explosion, Collapse and Underground (X, C, U)*. Coverage must extend for two years past completion and acceptance of the project, and Contractor must provide annual Certificates of Insurance of continued coverage. No endorsement limiting or excluding a required coverage is permitted. All coverage's shall be on an occurrence basis. THE ADDITIONAL INSURED ENDORSEMENT REQUIRED HEREIN SHALL BE AN ISO FORM B (CG 20 10 1001 AND CG 20 37 10 01), OR EQUIVALENT. The insurance policy must not exclude:
  1. bodily injury;
  2. property damage;
  3. pollution liability - (at minimum, YCIPTA will require a copy of the policy declaration page, and/or any applicable pollution endorsement or policy wording if awarded a contract);
  4. asbestos - proposed method of assignment related claims;
  5. laboratory analysis; or
  6. treatment facility operations if it is required within the scope of work or services The Contractor must carry **Professional Liability** coverage for errors and omissions

arising out of the work or services performed by the Contractor, its agents and employees, with an unimpaired limit of \$2 million each claim and \$2 million all claims.

- Contractor must carry **Umbrella/Excess Liability** insurance with an unimpaired limit of not less than \$2 million per occurrence combined limit bodily injury and property damage, and applies in excess of the Commercial General Liability, Automobile Liability and Employer's Liability, as required above.
- In the event any of the above insurance policies are written on a "claims made" basis, coverage must extend for two (2) years past completion and acceptance of the work or services as evidenced by annual Certificates of Insurance.

### **Deductibles and Self-Insured Retentions**

Any deductibles or self-insured retentions must be declared to and approved by YCIPTA, and either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as it pertains to YCIPTA, its officers, officials, employees, consultants and volunteers; or the Contractor shall provide a financial guarantee satisfactory to YCIPTA that guarantees payment of losses and related investigations, claim administration and defense expenses.

### **Other Insurance Provisions**

The commercial general liability and automobile liability policies must contain or have endorsements containing, the following provisions:

1. YCIPTA, its officers, officials, employees, consultants and volunteers are to be covered as insureds in respect to: liability arising out of work or operations performed by or on behalf of the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor.
2. For any claims related to this Project, the Contractor's insurance coverage shall be primary insurance in respect to YCIPTA, its officers, officials, employees, consultants and volunteers. Any insurance or self-insurance maintained by YCIPTA, its officers, officials, employees, consultants or volunteers shall be excess to the Contractor's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to require that coverage shall not be canceled by either party, except after thirty (30) days' prior, written notice by certified mail, return receipt requested, has been given to YCIPTA.
4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under the Arizona Revised Statutes.

### **Acceptability of Insurers**

Insurance is to be placed with insurers with a current A.M. Best rating of no less than A:VII, unless otherwise agreed upon by YCIPTA via prior, written approval.

**Verification of Coverage**

Contractor shall furnish YCIPTA with the original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by YCIPTA or on other than YCIPTA’s forms provided those endorsements conform to YCIPTA requirements. All certificates and endorsements are to be received and approved by YCIPTA before work commences. YCIPTA reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

**Indemnification**

Contractor shall indemnify and hold harmless YCIPTA and its member agencies, officers, officials, agents, employees, consultants and volunteers from and against all claims, damages, losses and expenses, including attorney fees, arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of YCIPTA.

*I hereby certify that I have received, reviewed, and agreed to abide by the insurance requirements herein.*

Date: \_\_\_\_\_

Contractor: \_\_\_\_\_

By: \_\_\_\_\_

Signature

**EXHIBIT C**

**PREVENTATIVE MAINTENANCE PLAN**



**YUMA COUNTY INTERGOVERNMENTAL  
PUBLIC TRANSPORTATION AUTHORITY**

**YUMA COUNTY AREA TRANSIT  
PREVENTATIVE MAINTENANCE PLAN**

**October 1, 2011**

## **General Responsibility**

The Transit Operations Contractor (Contractor) shall service, maintain and repair revenue and non-revenue service vehicles (including fareboxes, headsigns, radios, cameras and other bus-related equipment) to the satisfaction of the Yuma County Intergovernmental Public Transportation Authority (YCIPTA). Services provided by the Contractor shall meet or exceed the general standards prevailing within the transit industry, and shall, at a minimum, meet the specific requirements described herein, and those of the bus manufacturers.

The Contractor shall be responsible for purchasing and maintaining, tools, and equipment inventories, vehicle cleaning and servicing, providing reports describe herein and maintaining a clean and safe work area.

Using the fleet of YCIPTA's fixed route and demand responsive vehicles referenced in the Scope-of-Work, The Contractor shall ensure that there are sufficient numbers of operable vehicles available to meet all scheduled services in a safe and reliable manner.

The Contractor shall not defer maintenance for reason of shortage of maintenance staff or operable buses, nor shall service be curtailed for the purpose of performing maintenance. The Contractor shall adjust the work schedules of its employees as necessary to meet all scheduled services and complete maintenance activities according to the maintenance schedule.

## **Goals and Objectives**

The following goals and objectives have been developed for YCIPTA's Preventative Maintenance Program in order to provide quality, cost effective maintenance.

**Objective #1** - Meet or exceed industry standards for maintenance performance indicators.

1. Road calls – Information to be presented to YCIPTA on a monthly basis in a report entitled "Road Calls" and displaying the appropriate time period. Minimize miles between roadcalls for Federal Transit Administration (FTA) standard of missed service.

2. Maintain an adequate level of in-service buses on a multi-modal basis per mechanic
  - *8 buses/mechanic (vans, light & heavy buses)*
3. Maintain an adequate level of utility, and cleaning personnel.
  - *Not to exceed 10 vans, light & heavy buses.*
4. Work with YCIPTA's to acquire and maintain adequate spare ratio based on peak requirements plus incidental needs, such as scheduled maintenance, marketing, training and safety, accident repair, major overhaul and spares to facilitate planned rebuild projects.
  - ***Performance Indicator:*** *Percent spares to anticipated total fleet requirements*
  - ***Performance Standard:*** *Maximum of 20%*

**Objective #2** - Continue Appropriate Inventory Control and Management Activities

1. Maintain adequate parts inventory
2. Maintenance of inventory minimum and maximum
  - ***Purchase parts as necessary in order to maintain above mentioned standard***
3. Conduct a physical count of inventory at least twice per year

**Objective #3** – Setup and Maintain Preventive Maintenance

1. Ensure preventive maintenance schedule is followed
  - ***Performance Indicator:*** *Percent of vehicle PMI completed within +/- 10% of the interval indicated below by vehicle type/year (Attachment A, Equipment List).*
  - ***Performance Standard:*** *95%*

**Mechanical Maintenance**

- a. Mechanical maintenance will be performed at regular intervals necessary to keep the vehicles in a safe and reliable condition. The Contractor is to use high quality replacement parts and materials when performing any vehicle repairs, as approved by YCIPTA. The Contractor shall adhere strictly to the preventive maintenance schedules in accordance with industry manufacturer standards. YCIPTA reserves the right of approval of preventive maintenance schedules. This schedule shall be considered by the Contractor to be the minimum requirement only, and shall not be regarded as reasonable cause for deferred maintenance in specific instances where Contractor employees observe that maintenance is needed in advance of schedule.
- b. The Contractor shall provide all fuel, lubricants, repairs, cleaning, parts, supplies, labor, maintenance, major components, and component rebuilding and replacement, required for the operation of all equipment pursuant to this contract. The Contractor shall be fully responsible for the safe and efficient maintenance of all vehicles, radios, fareboxes, passenger counters, cameras and all other equipment to be used to perform this contract in strict conformity to all California and Arizona Highway Patrol (CHP & AHP) regulations and orders. It is the Contractor's duty and responsibility to maintain all vehicles and equipment is not delegable to any other person, firm, or corporation.
- c. All parts, materials, tires, lubricants, fluids, oils, and procedures used by the Contractor on all coaches, vehicles, and equipment shall meet or exceed original equipment manufacturer (OEM) specifications and requirements.
- d. All wheelchair lift-related equipment shall be inspected, serviced, and lubricated at intervals necessary to ensure that the wheelchair lifts are fully operational whenever the vehicle is used in revenue service.
- e. All kneeling systems and related components shall be inspected, adjusted and serviced at intervals prescribed by the OEM to ensure systems are fully functional at any time vehicle is used in revenue service.
- f. Brake inspections and adjustments shall be performed at intervals that ensure the safe and efficient operation of the braking system. The Contractor shall maintain brake systems so as to minimize brake noise.
- g. All components of the bus bodies, appurtenances, and frames shall be maintained in a safe, sound, and undamaged condition at all times. Repairs to damage (including body, and all bus appurtenances) shall be made within two weeks of occurrence.

- h. Buses shall not be put in service with cracked glass anywhere on the bus. Repairs to glass shall be made within three days.
- i. All mechanical, electrical, fluid, air and/or hydraulic systems shall be maintained in a safe and working condition at all times.
- j. The interior passenger compartment shall be free of exhaust fumes from the engine, engine compartment, and exhaust system of the bus.
- k. Heating and air conditioning (A/C) systems shall be maintained and used to ensure that the passenger compartment temperature is comfortably maintained under all climate conditions at all times on all in-service runs.
- l. The Contractor shall maintain the A/C systems in an operable condition.
- m. Seats shall be maintained in proper operating condition at all times. All tears, gum, graffiti, and other damage shall be repaired in a professional manner immediately upon their discovery. The Contractor shall replace seat insert covers that are worn or cannot be professionally repaired, using materials identical in design and color as those materials being replaced.
- n. The Contractor shall use low sulfur diesel fuel, or other premium grade diesel fuel as required under the law. The Contractor shall maintain buses so as to minimize visible smoke emissions. The Contractor shall be familiar with and comply with all California Air Resources Board (CARB), Arizona Department of Environmental Quality (AZEQ) and Environmental Protection Agency (EPA) regulations.
- o. The Contractor shall maintain and clean all particulate trap devices installed on YCIPTA transit buses and cutaway vehicles.

### **Vehicle Reports and Records**

The driver is required to perform a daily "walk-around" inspection before taking the vehicle out of the yard including checking out the kneeling system operation and wheelchair lift operations. Any vehicle defect is to be reported to the Contractor's maintenance department. If the driver is uncertain about the safe operability of the vehicle, the vehicle will be inspected by the Contractor to determine if it is safe to operate.

The Contractor will maintain a current vehicle record containing the following information:

- a. Coach Records
  - i. Make

- ii. Model and Year
- iii. Vehicle Identification Number/Serial Number
- iv. Engine Type/Year/Serial Number
- v. License Number
- vi. Date Received
- vii. Preventative Maintenance "Inspection" Reports
- viii. Daily "Bus Condition" Reports
- ix. Work Orders

b. Vehicle Maintenance Inspection Reports. The vehicle record will be a permanent part of the file. The Vehicle Maintenance Inspection Report will be kept for one year. All of these forms will be kept in a file for each vehicle. The "Preventative Maintenance Inspection" Reports will be kept for two years. Daily "Bus Condition" Reports will be kept for a 30-day period.

### **Safety**

YCIPTA may, at unannounced times, perform maintenance inspections by YCIPTA staff or private inspection services for purposes of determining vehicle safety and condition.

### **Maintenance Manager**

The Maintenance Manager shall also provide proactive resource management including but not limited to: preventive maintenance scheduling and supervision, repair supervision, technical training, and such other activities as may be necessary to ensure the performance of the Contractor's maintenance duties and responsibilities.

The Maintenance Manager shall have a minimum of three years experience managing the maintenance functions of a diesel and Compressed Natural Gas (CNG) bus shop similar in size and complexity to the services operated by YCIPTA.

The Maintenance Manager shall also have a minimum of five years journeyman level experience with large gasoline, diesel and CNG bus engines, air conditioning systems, and wheelchair lifts. This experience shall include work on full sized (i.e., 35 foot transit coaches).

The Maintenance Manager shall have experience supervising the work of other Maintenance personnel and shall be a working mechanic in addition to their managerial duties.

The Maintenance Manager must have experience with large and small bus diesel engines, air conditioning systems, and wheelchair lifts. Technical expertise is considered as important as administrative capability in the Maintenance Manager; however, the manager must have some

demonstrated ability to direct the work of other maintenance personnel, and to work directly with YCIPTA.

The Maintenance Manager shall receive formal training in maintenance and repair of the types of vehicles used in fixed route and demand responsive services, including wheelchair lifts, immediately upon assignment of the position. The Contractor shall define the relationship between the General Manager, Operations Manager, and the Maintenance Manager.

The Maintenance Manager shall be directly responsible for maintaining the fleet as described in the Scope-of-Work and for monitoring the performance of all work to ensure that all specifications are met.

The Contractor shall assure YCIPTA that the Maintenance Manager designated for this operation will not be replaced without the notice to YCIPTA. Should the services of the Maintenance Manager become no longer available to the Contractor, the resume and qualifications of the proposed replacement shall be submitted to YCIPTA for approval as soon as possible, but in no event, no later than thirty (30) calendar days after the departure of the incumbent Maintenance Manager. The proposed replacement candidates may be interviewed by YCIPTA.

If an acceptable replacement is not found within thirty (30) days, the Contractor shall assign a senior management official or other supervisory employee acceptable to YCIPTA to serve as interim Maintenance Manager on a full-time basis until a suitable permanent replacement is found. YCIPTA retains the right of prior approval over each candidate. The Contractor shall undertake all reasonable efforts in good faith to maintain quality and continuity in its selection of the Maintenance Manager.

The Maintenance Manager will work cooperatively with the General Manager and YCIPTA to assure service quality, and provide maintenance data as described in the Scope-of-Work.

### **Mechanics**

The Contractor shall staff the position of Mechanic with personnel trained in the repair and maintenance of all YCIPTA transit fleet vehicles. Personnel will also be trained in the repair and maintenance of electronic equipment specific to YCIPTA's fleet. In particular these individuals should be trained to service GFI fareboxes, vaults and probing equipment, all other types of fare collection and counting equipment, electronic head-signs, on-board video recording equipment, and any other type of specialized electronic equipment.

### **Vehicle Cleaning**

The Contractor shall maintain YCIPTA's vehicles in a clean and neat condition at all times. Bus exteriors on all buses shall be washed daily. This includes bus body, windows, and wheels. The interiors of all vehicles, including windows, seats, floor, stanchions, and grab rails, shall be washed thoroughly at least once per week. All foreign matter such as gum, grease, and dirt shall be removed from interior surfaces during the interior cleaning process. Graffiti shall be cleaned from buses each evening and YCIPTA's shall be notified if a graffiti pattern appears. The interior of all vehicles shall be swept and dusted daily and all trash and debris removed. Any damage to seat upholstery shall be repaired as soon as possible.

### **Facility Cleaning**

The Contractor shall be responsible for cleaning the office areas, operations office areas, maintenance office area; all shop areas and the service areas, including washing, fueling, and parking facilities on a weekly basis to the satisfaction of YCIPTA. Facility cleaning will include, but not be limited to these activities: vacuuming, floor scrubbing, dusting, window washing and bathroom cleaning. If major repairs are required, the Contractor shall notify YCIPTA in writing. Facility cleaning will be done on a daily basis and shall include, but is not limited to: sweeping and floor scrubbing to remove grease and oil from concrete surfaces and pickup of papers and garbage at the fueling, washing and parking areas to the satisfaction of YCIPTA.

### **Vehicle Warranty Repairs**

The Contractor shall be familiar with vehicle warranties. The Contractor will coordinate warranty work and warranty reimbursements with manufacturers.

### **Procurement Agent and Parts Inventory**

The Contractor shall provide and replenish, as necessary, parts and supplies used to service, maintain, and repair all vehicles and transit equipment including radios, fareboxes and head signs used in connection with services operated under this Agreement. The Contractor shall work cooperatively with YCIPTA to maintain effective communication such that adequate parts and supplies are at all times on hand to perform all work described in the Scope-of-Work. The Contractor shall be responsible for managing the parts and supplies inventory on a daily basis. For the purposes of this Agreement, The Contractor's management responsibilities shall include, although not necessarily be limited to, the following: maintaining a current list of all items in the inventory; implementing and maintaining a system by which inventory threshold minimums are observed and immediately result in restocking of items;

documenting all inventory transactions on a daily basis; and maintaining effective security over all inventory items.

### **Tools and Equipment**

The Contractor shall provide all tools necessary for the maintenance and repair of YCIPTA's equipment.

The Contractor shall conduct an annual audit and reconciliation of the tools and equipment provided by YCIPTA.

The Contractor shall reimburse YCIPTA for the full replacement value of any and all items, tools, equipment and/or vehicles broken, damaged, lost, or stolen. YCIPTA shall inform the Contractor in writing of the items for which reimbursement is expected and shall deduct the entire amount from the next monthly payment to the Contractor for services operated and invoiced in accordance to the terms of the Agreement.

YCIPTA is responsible for providing all support vehicles over and above those tasks specified in this plan.

### **Maintenance Documentation and Reporting**

The Contractor shall be required to submit reports and supportive documentation evidencing the performance as described in the Scope-of-Work. The Contractor shall provide reports in the form and on the schedule approved by YCIPTA. As YCIPTA's needs for data changes from time to time, The Contractor shall willingly assist YCIPTA in implementing revised reporting procedures and methods.

Monthly Reports. The following reports shall be submitted to YCIPTA on a monthly basis:

- Fleet Mileage
- Preventative Maintenance Report
- Cleaning Logs
- Road Call Report
- Maintenance Work Orders
- Accident Reports

### **Major Repairs and Heavy Maintenance**

Major repairs and heavy maintenance shall include: rebuild or replacement of major engine and/or major transmission of vehicles owned by YCIPTA that are not under warranty, and exterior and interior painting of entire vehicle.

YCIPTA shall remain responsible for all costs related to repair or replacement of any engine driven part such as generators, hydraulic pumps, water pumps, valve covers, oil pans, alternators, voltage regulators, air compressors, air conditioning compressors, vacuum pumps, starter motors, and turbocharger. YCIPTA shall also remain responsible for all costs related to repair or replacement of transmission related parts such as oil coolers, external oil lines, external filters, external linkage modulators, external speedometers/odometers, "driven" gears or sensors, neutral start switches, and temperature sensors.

### **Computer and Special Diagnosis Training**

The Contractor will provide its mechanics and employees with computer training of the software and hardware, and diagnosis repair equipment provided by either the Contractor or by YCIPTA.

### **Bus Shelters, Bus Stops, Transit Center and Signs Maintenance**

The contractor will be responsible for providing bus shelter, transit center, bus sign and bus stop maintenance throughout YCIPTA's service area. This maintenance shall include:

- a. Insert customized route and stop information in the display windows of all YCIPTA bus shelters. Exchange and update with new information and schedules as necessary.
- b. General cleaning including but not limited to, graffiti removal, glass and bench cleaning, removal of foreign substances, and sweeping shelter interior and sidewalk immediately outside the shelter.
  - I. YCIPTA high use/high profile shelter locations will be cleaned at least three times a week. A total of 4 shelters at present.
  - II. YCIPTA remaining shelters will receive general cleaning once a week at a minimum. These may be cleaned more frequently depending upon the need. There are a total of 26 shelters at present.
  - III. The Transit Centers requires daily general cleaning, and complete detailing inside and outside, including restrooms, if any.
    - a. Replace shelter panels and perform other minor repairs to shelters, informational panels, poles and signs as required.
    - b. Dismantle, move and erect bus stop poles and signs as required.

- c. Replace or clean bus stop poles and signs as required.
- d. Bus shelters will be power washed according to cleaning schedule no less than monthly.
- e. General maintenance of bus stop signs and poles. At present, YCIPTA has approximately 184 stops locations excluding shelters.
- f. Report to YCIPTA daily tasks by general function (cleaning, maintenance, sign work) by shelter, bus stop sign location(s), including date and work that was done.
- g. Work closely with YCIPTA as well as Cities of Yuma, Somerton, San Luis, Town of Wellton, Yuma County, ADOT Traffic Engineering, Maintenance, etc.
- h. YCIPTA shall provide materials including bus stop signs, shelters or shelter, parts, trash containers, or other items to the Contractor to fulfill the stop and shelter maintenance obligation.

## **Appendix**

- YCAT Fleet List
- Dial-A-Ride Fleet List
- Support Vehicle Fleet List
- Vehicle Cleaning Standards
- Preventive Maintenance Program Scheduling
- PMI and Servicing Worksheet - Heavy Duty
- PMI and Servicing Worksheet – Light Duty
- Defect and Repair Continuation Worksheet

## **Preventive Maintenance Program Scheduling**

The Preventive Maintenance Program (PMI) is a fundamental part of the overall fleet maintenance program. The function of the PMI program is a series of check, adjustments or component replacements that are completed on a routine basis to prevent service interruptions to the riding public.

The purpose of the detailed check list are to help establish set procedures for conducting the PMI, and organized in modular sequence of events starting with the interior, exterior, air systems check, w/c lift, kneeler, chassis & brakes, and engine compartment.

The schedules for the PMI are as follows:

### **A – Inspection**

3,000 Miles

A – Inspection: consist of basic safety checks of the bus operating systems to include the interior, exterior, air systems, brake systems, wheelchair lift, kneeler, chassis components. These inspections are visual inspections of the bus and document and repairs of the vehicle defects. Includes changing engine oil and filters – except cutaway diesels. Replace coolant filter in coaches.

### **B – Inspections**

6,000 Miles

B – Inspections: consist off all checks from the A – Inspections and includes changing all engine oil & filters on cutaway diesels, replacement of fuel filters in coaches, and additional lubrication points.

## C – Inspections

12,000 Miles

C – Inspections: consist of all actives from the A & B inspections and include Transmission service, battery/terminal service, hydraulic filter in coaches, and wheel bearing service on cutaways.

## D and DOT – Inspections

24,000 Miles

D – Inspections: consist of all items from the A, B, & C inspections and include differential service and other scheduled items.

### Cleaning Standards For Interior & Exterior Maintenance

The Utility Worker shall maintain the exterior and interior cleanliness of all vehicles to the highest standards at all times. All gum, litter, newspapers, graffiti, or other foreign materials shall be removed by in a professional manner and immediately upon their discovery. Physical damage to the exterior or interior not correctable with diligent cleaning methods, such as tears in the seats, interior body panel cracks or cracked lamp lenses, shall be reported to YCIPTA at time of observance.

a. Daily Servicing. All vehicles that have been in revenue service shall have the following items performed on a nightly basis:

1. Interior Cleaning

a. Interior Sweeping. Using brooms, sweep the complete interior of each vehicle starting in the rear and working to the front. Sweep trash from step wells into an appropriate trash can.

b. Trash Bag. Empty the trash receptacle located near the front of each vehicle.

c. Accident Kit. Review the accident kit and ensure it is stocked with supplies.

d. Dusting. Using a clean damp rag, wipe clean the dashboard, farebox and all operator controls.

e. Vandalism/Graffiti Inspection. Inspect the vehicle interior to assure that no seat damage or graffiti exists. Seats that are found damaged should be reported to YCIPTA at time of observance. Graffiti should be removed at time of observance.

f. Seat Securement. Inspect individual seat inserts to assure each is secured to the seat frame. If seat is not secure, report to YCIPTA at time of observance.

g. Lights. All lights including the high beams will be checked daily upon the morning startup.

h. Wheelchair Lift. The wheelchair lift on each vehicle shall be cycled one complete cycle prior to departure from CONTRACTOR's facility each day. If the wheelchair lift fails to complete the cycle, the failure must be reported to YCIPTA and the vehicle repaired prior to commencing service or another vehicle assigned.

i. Vehicle Storage. All vehicles shall be stored at the CONTRACTOR's facility when not in service. All doors, windows and safety hatches of vehicle shall be closed and secured.

b. Weekly/Daily Servicing. Service Worker should maintain a list of all vehicles. This list shall be used to assure that all vehicles have had the action items listed below completed at the frequency described, or that a particular vehicle was not available for revenue servicing during any given week. A Vehicle Cleaning Report signed by YCIPTA that details all vehicles cleaned during a one-week period will be submitted to YCIPTA each Monday following the end of the reporting week.

Action	Frequency
Mop Floors	Once Weekly
Wash exterior of the vehicle	Once Weekly
Wash Wheels	Once Weekly
Clean Operator's Compartment	Once Weekly
Clean Inside Windows	Once Weekly
Clean Side Panels/Ceilings	Once Weekly

Clean Seat Frames/Backs  
Remove Graffiti

Once Weekly  
As Needed

- a. Mop Floors. Floors shall be wet-mopped starting at the rear of the vehicle working forward, assuring to also mop wheel-well inner extension areas and step well. **Use of excessive amounts of water or other fluids shall not be allowed on the floors or other interior parts of the vehicle.**
- b. Wash Wheels. Wheels shall be degreased and rinsed clean.
- c. Operators Compartment. Operator's compartments shall be thoroughly cleaned, including vacuuming of trash from around foot controls; wiping clean dashboard, operator's seat and all operator's controls. Upon completion, the dashboard shall be treated with anti-static spray.
- d. Remove Graffiti. Any graffiti on interior or exterior of any vehicle shall be removed immediately upon discovery. CONTRACTOR shall obtain approval of all graffiti removal materials prior to their use.
- e. Windows. Using the cleaner approved for use only on windows, the interiors of all windows shall be sprayed, cleaned and wiped dry with a rag. Windows include windshields, door windows and interior mirrors.
- f. Detailing. Each vehicle shall receive a thorough detailing every six months. The detailing of these vehicles will be scheduled and completed by the CONTRACTOR and a report verifying the detailing of every provided vehicle will be delivered to YCIPTA by the 15<sup>th</sup> of November and the 15<sup>th</sup> of May of each year. CONTRACTOR shall obtain the monthly preventative maintenance schedule used by YCIPTA to develop detailing schedule. Each detailing shall include at a minimum the following:
  - a. Wash exterior of the vehicle, including wheels.
  - b. Sweep and vacuum interior thoroughly. Remove gum and other substances that may be stuck to the floor, sidewalls, ceiling or seats.
  - c. Remove any and all graffiti from interior and/or exterior of vehicle using YCIPTA-approved graffiti remover.
  - d. Remove any and all foreign materials from the seats and other interior areas of the vehicle and clean the vehicle thoroughly, using industrial cleaner, aerosol all-purpose cleaner, aerosol or mixed concentrated window cleaners. Rinse all washed areas and wipe dry. Clean and dry all windows. Do not use a water hose in the interior of the vehicle.
  - e. Remove all side and rear double & triple seat cushions, not requiring tools, for cleaning underneath. Replace seats.
  - f. Clean interior dome lights as necessary.
  - g. Polish and clean aluminum wheels with an approved method by YCIPTA.
  - h. Apply protective coating to bumpers, dashboard, rubber fender walls and tires to improve appearance of vehicle. Do not apply to steering wheel, seats or floors.
- d. Bodily Fluids. All bodily fluids will be cleaned up immediately. If a vehicle is in service at the time of the discovery of any bodily fluids, that vehicle will be replaced and removed from service and cleaned immediately.
- e. Records. Utility Worker submits Daily Vehicle Reports, Checklists and Inspection Report daily.



## TOWN OF QUARTZSITE

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### REGULAR COUNCIL MEETING

Tuesday, December 10, 2013

#### Agenda Item #3

Consideration and possible adoption of a resolution approving the form and authorizing the execution and delivery of a Ground Lease and a Town Lease, approving the execution and delivery by Town of Quartzsite Municipal Property Corporation of such Ground Lease and Town Lease and the government documents (as such term is defined herein), the negotiation of a note to the United States Government, acting through Rural Utilities Service, United States Department of Agriculture; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by such ground lease, town lease and government documents and this resolution and declaring an emergency.

#### Summary:

Since 2009, The Town of Quartzsite has been working on a Wastewater Treatment expansion project. By mid-2012, the project was modified to address two critical needs:

1. Wastewater Treatment Plant Renovations, to increase the existing treatment capacity and equipping the SBR basins with more efficient aeration and mixing equipment.
2. Waterline and Manhole Protection, to provide a continuous potable water source to the plant; and to provide armoring for the manholes to insure that in a large storm event the integrity of the manholes and the Plant itself is not damaged.

Funding for these projects comes from both Federal USDA-RD sources and from state Water Infrastructure Finance Authority of Arizona sources as follows:

<u>Project Costs</u>	<u>USDA-RD Funds</u>	<u>WIFA Funds</u>
Manhole Protection		\$ 164,975
12" water line		586,970
Waterline non construction		224,890
Contingency		75,195
Orig Design Fees		427,110
Value Eng WWTP	\$ 210,241	173,972
WWTP	3,335,914	
WWTP contingency	333,591	
WWTP non construction	586,838	
TOTAL	\$ 4,466,584	\$ 1,653,112

<u>Project Funds</u>	
USDA-RD Loan	\$ 1,507,000
USDA-RD Grant	2,959,584
WIFA Loan	1,653,112
TOTAL	\$ 6,119,696

The Council approved the execution and delivery of the WIFA Loan on June 7, 2013.

The attached resolution authorizes the execution of a loan agreement with the US Department of Agriculture Rural Utilities Service, at an interest rate of 2.125%. In order to retain the favorable interest rate, the resolution includes a statement of urgent need which will allow the loan authorization to become effective immediately and allow for an expedited closing.

**Responsible Person:** Laura Bruno, Town Manager

**Attachments:**

1. Proposed Resolution
2. Wastewater Facilities Site Master Ground Lease
3. Series 2013 Town Lease
4. Promissory Note
5. Water and Waste System Grant Agreement
6. Real Estate Deed of Trust
7. Security Agreement

**Action Requested:** **Motion to adopt a resolution approving the form and authorizing the execution and delivery of a Ground Lease and a Town Lease, approving the execution and delivery by Town of Quartzsite Municipal Property Corporation of such Ground Lease and Town Lease and the government documents (as such term is defined herein), the negotiation of a note to the United States Government, acting through Rural Utilities Service, United States Department of Agriculture; authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by such ground lease, town lease and government documents and this resolution and declaring an emergency.**

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF QUARTZSITE, ARIZONA, APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A GROUND LEASE AND A TOWN LEASE, APPROVING THE EXECUTION AND DELIVERY BY TOWN OF QUARTZSITE MUNICIPAL PROPERTY CORPORATION OF SUCH GROUND LEASE AND TOWN LEASE AND APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE GOVERNMENT DOCUMENTS (AS SUCH TERM IS DEFINED HEREIN), THE NEGOTIATION OF A NOTE TO THE UNITED STATES GOVERNMENT, ACTING THROUGH RURAL UTILITIES SERVICE, UNITED STATES DEPARTMENT OF AGRICULTURE, PROVIDING FOR THE TRANSFER OF CERTAIN MONEYS FOR THE PAYMENT THEREOF AND MAKING CERTAIN COVENANTS AND AGREEMENTS WITH RESPECT THERETO; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY SUCH GROUND LEASE, TOWN LEASE AND GOVERNMENT DOCUMENTS AND THIS RESOLUTION AND DECLARING AN EMERGENCY

WHEREAS, the Mayor and Council of the Town of Quartzsite, Arizona (the "Town"), hereby determine that it will be beneficial to the citizens of the Town and in furtherance of the purposes of the Town and the public interest to borrow not to exceed \$1,507,000 to provide funds to design, acquire, construct and equip wastewater collections facilities and related appurtenances of the Town (collectively, the "Project");

WHEREAS, the Town of Quartzsite Municipal Property Corporation, a nonprofit corporation incorporated and existing pursuant to the laws of the State of Arizona (the "Corporation"), was formed to transact any or all lawful business for which nonprofit corporations may be incorporated under the laws of the State of Arizona, including, without limiting the generality of the foregoing, any civic or charitable purpose such as financing the cost of acquiring, constructing and equipping of certain facilities for use by and leasing to the Town;

WHEREAS, the financing of certain costs of the Project will be provided through negotiation of the hereinafter described Note;

WHEREAS, the Board of Directors of the Corporation has determined to assist the Town in funding such portion of the cost of the Project;

WHEREAS, the United States of America acting through Rural Utilities Service, United States Department of Agriculture (the "Government"), has agreed, if all of its requirements are satisfied, to loan to the Corporation such portion of the funds for the cost of the Project, such loan to take the form of a promissory note (the "Note");

WHEREAS, in connection with the negotiation of the Note, the Corporation and the Town shall enter into (i) a Wastewater Facilities Site Master Ground Lease, to be dated the date delivered (the "Ground Lease"), pursuant to which the Town will lease the real property described therein (the "Real Property") to the Corporation, and (ii) a Series 2013 Town Lease, to be dated the date delivered (the "Town Lease"), pursuant to which (A) the Corporation shall lease the Real Property and the improvements which are part of the Project (the "Improvements") to the Town, and (B) the Town shall (I) lease from the Corporation the Real Property and the Improvements and (II) as agent for the Corporation, shall agree to provide for the Project;

WHEREAS, the Corporation has not made and does not intend to make any profit by reason of any business or venture in which it may engage or by reason of the assistance it renders the Town in financing the Project, and no part of the net earnings of the Corporation, if any, shall ever inure to the benefit of any person, firm or corporation except the Town;

WHEREAS, the Note shall be issued pursuant to a Loan Resolution Security Agreement, to be dated the date delivered, by and between the Corporation and the Government and secured by a Real Estate Deed of Trust for Arizona with Assignment of Rents, to be dated the date delivered (the "Deed of Trust"), from the Corporation and a Security Agreement (Chattel and Crops), to be dated the date delivered (the "Security Agreement"), from the Corporation;

WHEREAS, the Note shall be repaid before or on forty (40) years from the date of the execution and delivery thereof, shall bear interest at rates not to exceed six percent (6%) per annum and shall be secured by a pledge of the Source of Repayment (as that term is defined in the Loan Agreement (#910155-13), dated July 12, 2013, by and between the Town and the Water Infrastructure Finance Authority of Arizona); and

WHEREAS, there have been placed on file with the Clerk of the Town and presented to the meeting at which this Resolution was adopted (1) the proposed form of the Ground Lease, (2) the proposed form of the Town Lease and (3) the proposed form of the Note and the agreements required by the Government in connection with the negotiation of the Note, being the Deed of Trust and the Security Agreement as well as the "Water and Waste System Grant Agreement", the "Assurance Agreement" and the "Equal Opportunity Agreement" (collectively, with the Note, the Deed of Trust and the Security Agreement, the "Government Documents");

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

Section 1. The forms, terms and provisions of the Ground Lease and the Town Lease, in the forms of such documents (including the exhibits thereto) presented at the meeting at which this Resolution was adopted, are hereby approved, with such insertions, omissions and changes, not inconsistent with the Town's application to the Authority or the requirements of the federal government or the Authority, as limited by the Recitals hereto, as shall be approved by the Mayor or, in the absence thereof, Vice Mayor of the Town, the execution of such documents being conclusive evidence of such approval, and the Mayor or, in the absence thereof, Vice Mayor of the Town and Clerk of the Town are hereby authorized and directed, for and on behalf of the Town, to execute and attest and deliver, respectively, the Ground Lease and the Town Lease.

Section 2. The forms, terms and provisions of the Government Documents in the forms of such documents (including exhibits thereto) presented at the meeting at which this Resolution was adopted, are hereby approved, with such insertions, omissions and changes as shall be approved by the President or, in the absence thereof, the Vice President of the Corporation, the execution of such documents being conclusive evidence of such approval.

Section 3. The Board of Directors and officers of the Corporation are hereby requested to take any and all action necessary in connection with the negotiation of the Note (which are hereby approved) pursuant to the terms and requirements of the Government Documents. The application of the proceeds thereof to the costs of the Project is also hereby approved.

Section 4. The obligation of the Town to repay the Note as well as to make the other payments provided for in the Town Lease is limited to payment from the pledge of the Source of Repayment, and the obligations of the Town under the Town Lease shall not constitute nor give rise to a general obligation of the Town or any claim against its ad valorem taxing powers, or constitute an indebtedness within the meaning of any statutory or constitutional debt limitation applicable to the Town.

Section 5. The appropriate officials and officers of the Town are hereby authorized and directed to take all action necessary or reasonably required by the parties to the Town Lease, to carry out, give effect to and to consummate the transactions contemplated by the Town Lease and by this Resolution, including, without limitation, the execution and delivery of any closing and other documents reasonably required to be delivered in connection therewith and shall do all things necessary to assist the Corporation in the negotiation of the Note.

Section 6. This Resolution shall be and remain irrepeal-  
able until the Note and the interest thereon shall have been fully  
paid, cancelled and discharged.

Section 7. If any section, paragraph, clause or provision  
of this Resolution shall for any reason be held to be invalid or unen-  
forceable, the invalidity or unenforceability of such section, para-  
graph, clause or provision shall not affect any of the remaining  
provisions of this Resolution.

Section 8. All resolutions or parts thereof, inconsistent  
herewith, are hereby waived to the extent only of such inconsistency.  
This waiver shall not be construed as reviving any order or resolution  
or any part thereof.

Section 9. The immediate operation of this Resolution is  
necessary for the financing on the most attractive terms available to  
the Town of the Project and the preservation of the public health and  
welfare; an emergency is hereby declared to exist; this Resolution  
shall be in full force and effect from and after its passage and  
approval by the Mayor and Council of the Town, as required by law and  
this Resolution is hereby exempt from the referendum provisions of the  
constitution and laws of the State of Arizona.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the Town of Quartzsite, Arizona, on December 10, 2013.

.....  
Mayor

ATTEST:

.....  
Clerk

DRAFT  
09/10/12  
09/27/12  
11/19/13

After recordation, please return to:

Michael Cafiso, Esq.  
Suite 700  
2375 East Camelback Road  
Phoenix, Arizona 85016

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WASTEWATER FACILITIES SITE MASTER GROUND LEASE

TOWN OF QUARTZSITE, ARIZONA,  
as Lessor,

TO

TOWN OF QUARTZSITE MUNICIPAL PROPERTY CORPORATION,  
as Lessee

This WASTEWATER FACILITIES SITE MASTER GROUND LEASE, dated \_\_\_\_\_, 2013 (this "Ground Lease"), by and between the TOWN OF QUARTZSITE, ARIZONA, a municipal corporation of the State of Arizona (the "City"), and the TOWN OF QUARTZSITE MUNICIPAL PROPERTY CORPORATION, a nonprofit corporation organized and existing under the laws of the State of Arizona (the "Corporation");

W I T N E S S E T H:

WHEREAS, the City desired to lease the parcel of real property described as La Paz County Assessor's Parcel No. 306-12-009D (the "Demised Premises") to the Corporation in connection with the negotiation of a series of Promissory Notes to the order of the United States of America acting through Rural Development, United States Department of Agriculture (the "Government");

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

Section 1. The City hereby leases to the Corporation, and the Corporation hereby leases from the City, for the period commencing with the date hereof and continuing until the latest of the termination dates of the Town Leases described in Section 2 (initially July

2, 20\_\_), or such later date as the longest of the Town Leases shall be terminated, the Demised Premises. This Ground Lease shall be subject to earlier termination in accordance with Section 6 hereof.

Section 2. Prior to the time either of the parties hereto executed this Ground Lease, their respective governing bodies authorized the execution of a Town Lease, dated the date hereof (the "Town Lease"), entered into by the parties hereto, under the terms of which the Corporation leased the Demised Premises and certain other property to the City. Immediately following the execution of this Ground Lease by both of the parties hereto, the parties entered into the Town Lease. The respective governing bodies of the City and the Corporation may authorize the execution of additional leases in substantially the form of the Town Lease (with the Town Lease, the "Town Leases") to be entered into by the parties hereto, under the terms of which the Corporation will lease the Demised Premises to the City to effect the financing of facilities which are the subject of the Town Leases.

Section 3. The Corporation paid to the City, as rental for the Demised Premises pursuant to this Ground Lease, \$10 for the entire term, together with other good and valuable consideration as provided herein, such rental having been paid upon the execution and delivery of this Ground Lease.

Section 4. The Corporation, as of the date hereof, assigned all rights and benefits hereunder to the Government and granted the Government a lien on its interest in this Ground Lease for the benefit of the Government with respect to the promissory notes described in the Town Leases. (Such promissory notes may be negotiated and delivered without the need to amend or supplement this Ground Lease for the purpose of financing the facilities described in Section 2 in the future.) The City hereby consents to such assignment and grant of lien.

Section 5. Notwithstanding this Ground Lease, the City, so long as no event of default by the City under this Ground Lease or the Town Lease shall have occurred and be continuing, shall at all times have and retain all rights of access and control of the Demised Premises.

Section 6. The City shall have the right to terminate this Ground Lease upon written notice to the Corporation given concurrently with or subsequent to the date the lien described in Section 4 hereof is released of record as a result of the payment of or provision for the payment of the entire indebtedness secured by such lien. The Corporation shall not at any time increase the amount of its indebtedness secured by the such lien except (i) to the extent it may be necessary in connection with any refinancing or refunding which, by reason of a default by the City in the payment of rental payments due under the Town Lease, may then be required for the Corporation to meet its obligations to the then holders of indebtedness secured by such lien or (ii) in accordance with Sections 7.05 of the Town Lease, relating to additional financing or for refunding bonds issued for such pur-

poses. So long as the City and the Corporation have entered into the Town Lease and the Town Lease has not been terminated, the City shall have no right to terminate this Ground Lease for any reason except the nonpayment of the rent required to be paid under the provisions of Section 3 hereof.

Section 7. Upon the expiration or termination of this Ground Lease, the Corporation shall surrender to the City the Demised Premises, together with any improvements thereon. At the time of such surrender, the Demised Premises shall be free and clear of all liens and encumbrances other than (i) conditions, reservations, exceptions, rights of way and easements of record on the date of the commencement of the term of the Town Lease or (ii) liens or encumbrances imposed as a result of an act or failure to act by the City.

Section 8. If any term or provision of this Ground Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Ground Lease or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Ground Lease shall be valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, the City and the Corporation have caused their respective names to be signed hereto by their respective officers thereunto duly authorized, all as of the day and year first above written.

TOWN OF QUARTZSITE, ARIZONA, a  
municipal corporation

By.....  
Mayor

ATTEST:

.....  
City Clerk

APPROVED AS TO FORM:

.....  
City Attorney

TOWN OF QUARTZSITE MUNICIPAL PROPERTY  
CORPORATION, an Arizona nonprofit  
corporation

By.....  
President

ATTEST:

.....  
Secretary

STATE OF ARIZONA            )  
                                  ) ss.  
COUNTY OF LA PAZ            )

On this, the ..... day of \_\_\_\_\_, 2013, before me, the undersigned Notary Public, personally appeared \_\_\_\_\_ and \_\_\_\_\_, who acknowledged themselves to be the Mayor and City Clerk, respectively, of the TOWN OF QUARTZSITE, ARIZONA, a municipal corporation, and that they, as such officers, being duly authorized so to do, executed the foregoing Ground Lease for the purposes therein contained by signing the name of the municipal corporation by themselves as such officers.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

.....  
Notary Public

My Commission Expires:  
.....

STATE OF ARIZONA            )  
                                  ) ss.  
COUNTY OF LA PAZ            )

On this, the ..... day of \_\_\_\_\_, 2013, before me, the undersigned Notary Public, personally appeared \_\_\_\_\_ and \_\_\_\_\_, who acknowledged themselves to be the President and Secretary, respectively, of TOWN OF QUARTZSITE MUNICIPAL PROPERTY CORPORATION, an Arizona nonprofit corporation, and that they, as such officers, being duly authorized so to do, executed the foregoing Ground Lease for the purposes therein contained by signing the name of the corporation by themselves as such officers.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

.....  
Notary Public

My Commission Expires:  
.....

Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Wastewater Facilities Site Master Ground Lease, dated \_\_\_\_\_, 2013, executed by the Town of Quartzsite, Arizona, a municipal corporation, and the Town of Quartzsite Municipal Property Corporation, an Arizona nonprofit corporation (the "Notarized Document"). The Notarized Document contains a total of \_\_ pages.

DRAFT  
09/10/12  
11/19/13

After recordation, please return to:

Michael Cafiso, Esq.  
Suite 700  
2375 East Camelback Road  
Phoenix, Arizona 85016

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SERIES 2013 TOWN LEASE

TOWN OF QUARTZSITE MUNICIPAL PROPERTY CORPORATION,  
as Lessor,

TO

TOWN OF QUARTZSITE, ARIZONA,  
as Lessee

This SERIES 2013 TOWN LEASE, dated \_\_\_\_\_, 2013 (this "Town Lease), by and between TOWN OF QUARTZSITE MUNICIPAL PROPERTY CORPORATION, a nonprofit corporation organized and existing under the laws of the State of Arizona (the "Corporation"), and the TOWN OF QUARTZSITE, ARIZONA, a municipal corporation of the State of Arizona (the "Town");

W I T N E S S E T H:

WHEREAS, the Corporation was formed to transact any or all lawful business for which nonprofit corporations may be incorporated under the laws of the State of Arizona, including, without limiting the generality of the foregoing, any civic or charitable purpose such as financing the cost of acquiring, constructing and equipping of certain facilities for use by and for leasing to the Town; and

WHEREAS, the Town determined that it will be beneficial to its citizens to design, acquire, construct and equip wastewater collections facilities and related appurtenances (collectively, the "Project"); and

WHEREAS, the Town entered into a Loan Agreement (#910155-13), dated July 12, 2013 (the "WIFA Loan Agreement"), with

the Water Infrastructure Finance Authority of Arizona ("WIFA") to provide a portion of the funds for the Project; and

WHEREAS, the Corporation desired to assist the Town in funding a portion of the cost of the Project; and

WHEREAS, the United States of America acting through Rural Utilities Service, United States Department of Agriculture (the "Government"), agreed, as all of its requirements were satisfied, to loan to the Corporation a portion of the funds for the cost of the Project, such loan taking the form of a promissory note (the "Note"); and

WHEREAS, in connection with the negotiation of the Note, the Corporation and the Town entered into (i) a Wastewater Facilities Site Master Ground Lease, dated \_\_\_\_\_, 2013 (the "Ground Lease"), pursuant to which the Town leased the parcel of real property described as La Paz County Assessor's Parcel No. 306-12-009D (the "Real Property") to the Corporation and (ii) this Town Lease, pursuant to which (A) the Corporation leased the Real Property described on Exhibit A attached hereto and the improvements which are part of the Project situated on the Real Property (the "Improvements") to the Town and (B) the Town (I) leased from the Corporation the Real Property and the Improvements and (II) as agent for the Corporation, agreed to acquire, construct and equip, as the case may be, the Project; and

WHEREAS, the Corporation has not made and does not intend to make any profit by reason of any business or venture in which it may engage or by reason of the assistance it renders the Town in financing the Project, and no part of the net earnings of the Corporation, if any, shall ever inure to the benefit of any person, firm or corporation, except the Town; and

WHEREAS, the Note was issued pursuant to a Loan Resolution Security Agreement, dated \_\_\_\_\_, 2013 (the "RUS Loan Agreement"), by and between the Corporation and the Government and shall be secured (1) by this Town Lease pursuant to which the Town shall pledge the "Source of Repayment" (as such term is defined in the WIFA Loan Agreement) as security for the payment of rentals coming due hereunder and (2) as provided by the Real Estate Deed of Trust with Assignment of Rents, dated the date hereof (the "Deed of Trust"), from the Corporation and the Security Agreement (Chattel and Crops), dated the date hereof (the "Security Agreement") from the Corporation;

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

ARTICLE I

LEASE; TERMS; RENT; DESIGN, ACQUISITION,  
CONSTRUCTION AND EQUIPPING OF THE IMPROVEMENTS

Section 1.01. The Corporation hereby leases to the Town, and the Town hereby leases from the Corporation, for the term commencing with the date hereof and continuing until July 2, 20\_\_, or such later date as of which the Note is deemed paid and discharged, the Real Property and the Improvements (collectively, the "Leased Property").

Section 1.02. The Town shall have the right to terminate this Town Lease on written notice to the Corporation given concurrently with, or subsequent to, the date the Note is released of record as a result of the payment of or provision for the entire indebtedness secured thereby, as provided in the Note. Upon such termination, all rights of the Corporation or any other entity, except the Town, in and to the Leased Property shall cease and the Corporation, by appropriate instruments of conveyance, shall, without further consideration, convey the Leased Property to the Town.

Section 1.03. While the Note is unpaid, the Town shall make rental payments sufficient to satisfy the requirements for principal of and interest on the Note. The rental payments payable hereunder shall be paid for and in consideration of the use and occupancy of the Leased Property which the Town receives and in consideration of the continued quiet use and enjoyment thereof as provided in Section 4.01 hereof. When the Note has been fully paid or provided for, the Town shall have no further obligation to make rental payments hereunder.

Section 1.04. Such rental payments, as well as, with the limitations provided in Article III hereof, any other money required to be expended by the Town pursuant to the provisions of this Town Lease, shall be payable solely from sources referred to in Article III hereof and shall under no circumstances constitute a general obligation of the Town or be payable from the proceeds of ad valorem taxes.

Section 1.05. The Town shall pay to the Corporation as additional payments hereunder (i) all amounts required to be paid by the Corporation pursuant to the RUS Loan Agreement (including for the "Reserve Account" required thereby), the Deed of Trust and the Security Agreement, (ii) all fees and expenses with respect to the RUS Loan Agreement, the Deed of Trust and the Security Agreement to the extent, if any, that such fees, expenses and payments are not met by the rentals payments, (iii) the reasonable expenses of the Corporation approved by the Town and not otherwise required to be paid by the Town under the terms hereof, (iv) fees for maintaining the corporate existence of the Corporation and all costs, expenses, losses or damages, including reasonable attorneys' fees, pertaining to any claim or legal action brought against the Corporation with respect to the legality of any defect in this Town Lease, the Note, the RUS Loan Agreement, the

Deed of Trust or the Security Agreement or questioning the legality of any action taken or to be taken pursuant thereto and (v) all other expenses of the Corporation incurred at the written request of the Town in accordance with the provisions of this Town Lease or the Note.

Section 1.06. Each installment of rent payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Corporation and at such place as the Corporation may designate in writing. Any rental payments accruing hereunder which shall not be paid within five (5) days after its due date shall bear interest at the highest rate permitted by law, but not exceeding twelve percent (12%) per annum, from the date when the same is due hereunder until the same shall be paid.

Section 1.07. Notwithstanding the provisions of Section 1.06 hereof, all rental payments shall be paid directly to the Government in the manner and for the purposes expressed in the Note.

Section 1.08. The Town, as agent to the Corporation, shall provide the Project pursuant to the plans and specifications of the Town. To the extent permitted by applicable law, the Town shall cause all such matters to occur or otherwise be provided for as required of the Corporation by the RUS Loan Agreement as well as the "Water or Waste System Grant Agreement" entered into in connection with the delivery of the Note. In that respect, the Town has complied and shall in the future comply with all rules, regulations and other requirements of the United States Department of Agriculture, Rural Development necessary to assure that the amounts to be paid on the dates described in the "Guide Letter for Use in Informing Private Lender of FmHA's Commitment," as amended, are paid on such dates and in such amounts. The Town shall establish the accounts required by Section 3 of the RUS Loan Agreement and shall hold them on behalf of the Secretary-Treasurer of the Corporation as required by Section 4 of the RUS Loan Agreement.

## ARTICLE II

### TAXES, LIENS, UTILITIES, INSURANCE AND OTHER CHARGES

Section 2.01. The rental payments payable under this Town Lease shall be an absolute net return to the Corporation, free from any expenses and charges with respect to the Leased Property or the income therefrom.

Section 2.02. The Town shall pay or cause to be paid, punctually when due and payable, as additional payments hereunder, all property taxes, income taxes, gross receipts taxes, business and occupation taxes, occupational license taxes, water charges, sewer charges, assessments (including, but not limited to, assessments for public improvements or benefits), and all other governmental taxes and charges of every kind and nature which at any time prior to the expiration or termination of this Town Lease shall be or become due

and payable by the Corporation or the Town and which shall be levied, charged, assessed or imposed:

(i) upon or with respect to the Corporation, or which shall be or become liens upon the Leased Property or any interest of the Corporation or the Town therein or under this Town Lease;

(ii) upon or with respect to the possession, operation, management, maintenance, alteration, repair, rebuilding, use or occupancy by the Town of the Leased Property, or any portion thereof; or

(iii) upon this transaction or any document to which the Town is a party creating or transferring an interest or an estate in or to the Leased Property.

The Town shall furnish to the Corporation promptly, upon request, proof of the payment of any such rental payments, tax, assessment or other governmental charge which is payable by the Town under this Section. It shall not be a breach of this Section if the Town fails to pay any such rental payments, tax, charge or assessment during any period or periods in which the Town, in good faith, or the Corporation, shall be contesting the amount or validity of such tax, charge or assessment. The Corporation shall, if requested by the Town, contest the amount or validity of any such rental payments, tax, charge or assessment, and the Town shall pay the costs of the Corporation therefor.

Section 2.03. The Town shall pay, when due, all sums of money that may become due for or purporting to be for, any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for the Town in, upon or about the Leased Property and which may be secured by any mechanics', material-men's or other lien against the Leased Property or the interest of the Corporation therein, and shall cause each such lien to be fully discharged and released at the time of performance of any obligation secured by any such lien as it matures or becomes due, provided, however, that if the Town desires to contest any such lien it may do so, but notwithstanding any such contest, if any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, then and in any such event the Town shall forthwith pay and discharge said judgment.

Section 2.04. The Town shall pay or cause to be paid, all charges for gas, water, steam, electricity, light, heat, power, telephone or other utility service furnished to or used in connection with the Leased Property. The Corporation shall not be required to furnish to the Town or any other occupant of said property any gas, water, sewer, electricity, light, heat, power, telephone or other utility service of any kind, nor shall the Corporation be required to pay for any such charges or services.

Section 2.05. The Town shall, at its own cost and expense, during the term of this Town Lease, keep the Leased Property in good repair and condition, ordinary wear and tear excepted and shall repair, renew or replace any portion of such improvements that shall have lost its usefulness due to damage, destruction, deterioration, or obsolescence. In exchange for the rental payments herein provided, the Corporation shall provide nothing more than the Leased Property. Failure of the Town to faithfully observe this covenant shall constitute a breach of this Town Lease, and the Corporation shall have reasonable rights of inspection for the purpose of determining the performance by the Town of its obligations under this Section.

Section 2.06. The Town shall cause the Leased Property to be insured against loss or damage by fire, explosion and other hazards customarily insured under extended coverage, in an amount not less than the full insurable value of such property, and maintain other insurance on its business and properties with respect to loss, damage, liability and other claims of the kind customarily insured against by similarly situated municipal corporations. All such insurance shall be of such types and in such amounts and with such deductible provisions as are customarily carried under similar circumstances by such other municipal corporations. All such insurance shall be carried with financially sound and reputable insurance companies authorized to issue such policy or insure such risk in the State of Arizona. Each policy shall contain provisions, if available, that written notice of cancellation or substantial modification thereof shall be given to the Corporation at least thirty (30) days, or the greatest available period shorter than thirty (30) days, prior to such cancellation or modification. The Town may obtain blanket policies covering one or more risks if the minimum coverages required herein are met and all buildings located on the Leased Property are covered to their full insurable value.

### ARTICLE III

#### SOURCES OF PAYMENT AND PLEDGE

Section 3.01. All rental payments made in accordance herewith shall be made only from, and secured only by, the "Source of Repayment" (as such term is defined in the WIFA Loan Agreement) on the basis, and pursuant to the terms and conditions, provided in the WIFA Loan Agreement, such terms of which as they relate thereto being hereby incorporated herein by this reference and remaining effective notwithstanding the termination of the WIFA Loan Agreement. All other payments hereunder (including for the "Reserve Account" required by the RUS Loan Agreement) shall be payable from the same source to the extent not required by the foregoing sentence.

Section 3.02. In the event of any default by the Town under this Town Lease, the remedies of the Corporation with respect to the enforcement of the lien and pledge incorporated by Section 3.01 into this Article shall be as provided in Article V hereof.

Section 3.03. The condition set forth in the second paragraph of Section 2 of Exhibit D to the WIFA Loan Agreement is, at the time of the execution hereof, and shall be, at the time of the negotiation of the Note, satisfied.

ARTICLE IV

QUIET ENJOYMENT; EXPIRATION OR TERMINATION  
OF LEASE; SURRENDER OF LEASED PROPERTY

Section 4.01. The Town, by keeping and performing the covenants and agreements herein contained, shall at all times during the term hereof, peaceably and quietly, have, hold and enjoy the Leased Property, without suit, trouble or hindrance from the Corporation.

Section 4.02. Except as is otherwise provided hereinafter, the Town shall upon the expiration or termination of this Town Lease surrender to the Corporation the Leased Property in good order and condition and in a state of repair that is consistent with prudent use and conscientious maintenance, except for reasonable wear and tear.

Section 4.03. In consideration of the timely payment of all rental payments provided herein and provided that (i) the Town has performed all the covenants and agreements required of it to be performed hereunder and (ii) the Note and any other bonds and obligations on a parity therewith, as to principal, interest and any premium have been paid or provided for, the Corporation shall release the Leased Property from the lien of the Deed of Trust and the Security Agreement. The Town may then exercise its rights of termination under Section 1.02 hereof. Upon such termination, all rights of the Corporation or any other person or entity, except the Town, in and to the Leased Property shall cease and the Corporation shall, without further consideration, execute and deliver to the Town appropriate instruments of conveyance conveying title to the Leased Property to the Town. The Corporation shall take any and all steps and shall execute and record any and all documents reasonably required by the Town to consummate the transfer of title to the Leased Property to the Town.

ARTICLE V

REMEDIES UPON DEFAULT, NO ABATEMENT OF RENTALS

Section 5.01. Upon the nonpayment of the whole or any part of the rental payments when the same are to be paid as herein provided or violation by the Town of any other covenant or provision of this Town Lease, and if such default has not been cured (i) in the case of nonpayment of rental payments, within five (5) days and (ii) in the case of the breach of any other covenant or provision hereof, within thirty (30) days after notice in writing from the Corporation specifying such default, then the Corporation may bring an action for the

recovery of any of the rental payments due (but not for rental payments accruing) or for damages for breach of this Town Lease, and the Corporation may pursue any other remedy which the law affords, including the remedy of specific performance.

Section 5.02. The Corporation, upon the bringing of a suit to collect the rental payments in default, may request enforcement of the pledge and foreclosure of the lien set forth in the WIFA Loan Agreement pursuant to the terms provided therein, such terms of which as they relate thereto being hereby incorporated herein by this reference and remaining effective notwithstanding the termination of the WIFA Loan Agreement. As assignee thereunder, the Government may enforce such lien and pledge in place of the Corporation in accordance with the terms and conditions of the Deed of Trust and the Security Agreement.

Section 5.03. The Government, as the beneficiary of the Deed of Trust and the Security Agreement, may enforce the terms of this Town Lease; provided, however, that the ability to do so as it relates to foreclosure or other dispossessive remedies must be with the consent of WIFA as it relates to the effect thereof on the rights of WIFA pursuant to the WIFA Loan Agreement. In any suit to enforce the terms of this Town Lease, the Corporation shall recover its costs therein, as well as reasonable attorneys' fees.

Section 5.04. The Corporation shall in no event be in default in the performance of any of its obligations under this Town Lease (other than the obligation to make the rental payments required by Section 1.07 hereof) unless the Corporation shall have failed to perform such obligations within thirty (30) days or such additional time as is reasonably required to correct any such default after notice by the Town to the Corporation properly specifying wherein the Corporation has failed to perform any such obligation. In the event of default by the Corporation, the Corporation agrees that specific performance may be had and that the Town shall not be limited to a remedy for damages.

Section 5.05. Except as in this Town Lease expressly provided, this Town Lease shall not terminate or be affected in any manner by reason of the condemnation, destruction or damage, in whole or in part, or by reason of the unusability of, the Leased Property, and, except as in this Town Lease expressly provided, the rentals, as well as all other amounts payable hereunder, shall be paid by the Town in accordance with the terms, covenants and conditions of this Town Lease without abatement, diminution or reduction.

Section 5.06. Each right, power and remedy of the Corporation or the Town provided for in this Town Lease shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for herein, or, unless prohibited by the terms hereof, now or hereafter existing at law or in equity or by statute or otherwise, in any jurisdiction where such rights, powers and remedies are sought to be enforced, and the exercise or beginning of the exercise

by the Corporation or the Town of any one or more of the rights, powers or remedies provided for herein or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by either party of any or all of such other rights, powers or remedies.

Section 5.07. The failure to insist upon a strict performance of any of the covenants or agreements herein set forth shall not be considered or taken as a waiver or relinquishment for the future of the Corporation's or the Town's rights to insist upon a strict compliance by the Town or the Corporation with all the covenants and conditions hereof.

## ARTICLE VI

### ESTOPPEL CERTIFICATE

Section 6.01. At any time and from time-to-time, upon not less than ten (10) days' prior request by the Corporation, the Town shall execute, acknowledge and deliver to the Corporation a statement in writing certifying that this Town Lease is unmodified and in full force and effect (or, if the Town Lease has been modified, that it is in full force and effect except as modified, and stating the modification), and the dates to which the rentals and other amounts payable hereunder and thereunder have been paid in advance, if any.

## ARTICLE VII

### REFINANCING; PREPAYMENT; ADDITIONAL OBLIGATIONS

Section 7.01. Upon notice to the Corporation, the Town may request that the Corporation refinance or prepay, as the case may be, the Note by refunding or prepaying, as the case may be, the Note, subject to the provisions of the Note. The Corporation shall use its best efforts to so refinance or prepay, as the case may be, the Note.

Section 7.02. Prior to the issuance of any obligation for the purpose of refinancing or prepaying, as the case may be, the Note, the Corporation and the Town shall enter into a written supplement to this Town Lease increasing or decreasing, as the case may be, the rental payments to be paid hereunder by an amount at least sufficient to enable the Corporation to fully pay the principal of and interest, when due, on such new obligation and all other usual and ordinary costs and expenses relating thereto.

Section 7.03. The Town shall have the right to pay installment rental payments in advance to the extent permitted by the Note.

Section 7.04. Upon payment of all amounts required with respect to the Note, and payment of any remaining administrative costs

and expenses, the Corporation shall cause the release of the Leased Property from the lien of the Deed of Trust and the Security Agreement, and the Town may then exercise its right to terminate this Town Lease.

Section 7.05. The Corporation may establish one or more issues of additional bonds or other obligations on a parity with the Note (and to which thereafter Article 3 hereof shall apply) and may issue and deliver such additional bonds or other obligations, in such principal amount as may be determined by the Corporation, subject to the specific conditions established therefor in the WIFA Loan Agreement which are hereby made conditions precedent to the issuance of such additional bonds or other obligations and must be satisfied and which are hereby incorporated herein by this reference and which shall remain effective notwithstanding the termination of the Loan Agreement. The Corporation shall enter into a revised agreement with the Town, or shall have amended this Town Lease, in and by which the Town obligates itself in the manner therein provided to increase or decrease the rental payments or to make such payments to the Corporation at the times and in amounts sufficient to provide for the payment of principal of and interest on such additional bonds or other obligations as such principal and interest become due.

#### ARTICLE VIII

#### INDEMNIFICATION

Section 8.01. To the extent permitted by applicable law, the Town shall pay, indemnify and save the Corporation harmless for, from and against any and all claims by or on behalf of any person, firm, corporation or governmental authority arising from the occupation, use, or possession of the Leased Property, including any liability for any violation of conditions, restrictions, laws, ordinances or regulations affecting the said property or the occupancy or use thereof.

Section 8.02. The Corporation, its incorporators, members, directors, officers, agents and employees shall not be liable to the Town or to any other person whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in or on the Leased Property or any part thereof, unless caused by the willful misconduct of the Corporation, its incorporators, members, directors, officers, agents or employees. To the extent permitted by applicable law, the Town shall indemnify and hold such persons harmless for, from and defend them and each of them against any and all claims, losses or judgments for death of, or injury to, any person, or for damage to any property whatsoever incurred in or on the adjoining streets, roads, sidewalks and passageways, unless caused by the willful misconduct of the Corporation, its incorporators, members, directors, officers, agents or employees. In the event any action or proceeding is brought against any of the persons referred to in this Section by reason of any such claim, the

Town, upon notice from the Corporation and to the extent permitted by applicable law, shall resist or defend such action or proceeding.

Section 8.03. To the extent permitted by applicable law, the Town shall pay and indemnify the Corporation and hold the Corporation, its directors, officers, agents and employees, harmless for, from and against any and all claims, expenses, liens, judgments, liability or loss whatever, including reasonable legal fees and expenses relating to or in any way arising out of (i) this Town Lease, the WIFA Loan Agreement, the RUS Loan Agreement, the Deed of Trust, the Security Agreement and security agreements, financing statements, supplements, amendments or additions thereto or the enforcement of any of the terms thereof; (ii) the Note or the negotiation thereof and (iii) the transactions contemplated in any of the aforementioned acts, agreements or documents; provided, however, that such indemnity shall not extend to any actions of the Corporation deliberately taken by them over the objections of the Town or otherwise involving the wilful misconduct or gross negligence of the Corporation, its directors, officers or agents. The Corporation shall give notice to the Town of any event or condition which requires indemnification by the Town hereunder, or any allegation of such event or condition, promptly upon obtaining knowledge thereof, and, to the extent that the Town makes or provides for payment to the satisfaction of the Corporation under the indemnity provisions hereof, the Town shall be subrogated to the rights of the Corporation with respect to such event or condition and shall have the right to determine the settlement of claims thereon. The Town shall pay all amounts due hereunder promptly upon notice thereof from the Corporation. In case any action, suit or proceeding is brought against the Corporation by reason of any act or condition which requires indemnification by the Town hereunder, the Corporation shall notify the Town promptly of such action, suit or proceeding, and the Town may (and will upon the request of the Corporation), at the expense of the Town, resist and defend such action, suit or proceeding, or cause the same to be resisted and defended, by counsel for the insurer of the liability or by counsel designated by the Town and approved by the Corporation. If the Corporation desires to participate in the defense of such action, suit or proceeding through their own counsel, it may do so at their own expense.

## ARTICLE IX

### ACCESS AND CONTROL OF TOWN

Section 9.01. The Corporation, incident to the negotiation of the Note, shall assign all rights and benefits hereunder to the Government and shall grant the Government a lien on its interest in this Town Lease. The Town hereby consents to such assignment and grant of lien.

Section 9.02. The Town, so long as no event of default by the Town under this Town Lease shall have occurred and be continuing, shall at all times have and retain all rights of access and control of

the Leased Property. The rights and interests of the Corporation assigned, granted and set over to the Government shall, so long as no event of default by the Town under this Town Lease shall have occurred and be continuing, be subject and subordinate to the rights of the Town under this Section.

ARTICLE X

GENERAL PROVISIONS

Section 10.01. The Town may not sell or assign its interest in this Town Lease while amounts remain unpaid pursuant to the Note, but may sell, lease or otherwise dispose of all or any part of the Leased Property with the consent of the Corporation. Notwithstanding any such sale, lease or other disposition, the Town shall nevertheless remain liable for the rentals provided herein and for the performance of the other obligations of the Town hereunder.

Section 10.02. All rights of the Corporation hereunder are to be assigned, pledged, mortgaged and transferred to the Government as security for the Note, but subject to the rights under this Town Lease of the Town. The rights of the Government or any party or parties on behalf of whom the Government is acting (including, specifically, but without limitation, the right to receive the rentals to be paid hereunder), shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever, whether arising out of any breach of any obligation of the Corporation hereunder, or by reason of any other indebtedness or liability at any time owing by the Corporation to the Town, except as otherwise provided in the Note with respect to the Deed of Trust and the Security Agreement.

Section 10.03. All notices, consents or other communications required or permitted hereunder shall be deemed sufficient if given in writing addressed and mailed by registered or certified mail, or delivered to the party for whom the same is intended, as follows:

To the Corporation:      Town of Quartzsite, Arizona,  
   Municipal Property Corporation  
   c/o Town of Quartzsite, Arizona  
   P.O. Box 2812  
   Quartzsite, Arizona 85346  
   Attention: President

To the Town:              Town of Quartzsite, Arizona  
   P.O. Box 2812  
   Quartzsite, Arizona 85346  
   Attention: Town Manager

or to such other address as such party may hereafter designate by notice in writing addressed and mailed or delivered to the other party hereto.

Section 10.04. This Town Lease shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Arizona.

Section 10.05. If any term or provision of this Town Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Town Lease or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby and each term and provision of this Town Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 10.06. This Town Lease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

IN WITNESS WHEREOF, the Corporation and the Town have caused their respective names to be signed hereto by their respective officers thereunto duly authorized, all as of the day and year first above written.

TOWN OF QUARTZSITE MUNICIPAL PROPERTY CORPORATION, an Arizona nonprofit corporation

By.....  
President

ATTEST:

.....  
Secretary

TOWN OF QUARTZSITE, ARIZONA, a municipal corporation

By.....  
Mayor

ATTEST:

.....  
Town Clerk

APPROVED AS TO FORM:

.....  
Town Attorney

STATE OF ARIZONA            )  
                                  ) ss.  
COUNTY OF LA PAZ            )

On this, the ..... day of \_\_\_\_\_, 2013, before me, the undersigned Notary Public, personally appeared \_\_\_\_\_ and \_\_\_\_\_, who acknowledged themselves to be the President and Secretary, respectively, of the TOWN OF QUARTZSITE MUNICIPAL PROPERTY CORPORATION, an Arizona nonprofit corporation, and that they, as such officers, being authorized so to do, executed the foregoing Town Lease for the purposes therein contained by signing the name of the corporation by themselves as such officers.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

.....  
Notary Public

My Commission Expires:

.....

STATE OF ARIZONA            )  
                                  ) ss.  
COUNTY OF LA PAZ            )

On this, the ..... day of \_\_\_\_\_, 2013, before me, the undersigned Notary Public, personally appeared \_\_\_\_\_ and \_\_\_\_\_, who acknowledged themselves to be the Mayor and Town Clerk, respectively, of the TOWN OF QUARTZSITE, ARIZONA, a municipal corporation, and that they, as such officers, being authorized so to do, executed the foregoing Town Lease for the purposes therein contained by signing the name of the municipal corporation by themselves as such officers.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

.....  
Notary Public

My Commission Expires:

.....

Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Series 2013 Town Lease, dated \_\_\_\_\_, 2013, executed by the Town of Quartzsite Municipal Property Corporation, an Arizona nonprofit corporation and the Town of Quartzsite, Arizona, a municipal corporation (the "Notarized Document"). The Notarized Document contains a total of \_\_ pages.

**PROMISSORY NOTE**  
(ASSOCIATION OR ORGANIZATION)

State			
County			
Case No.			
<b>FINANCE OFFICE USE ONLY</b>			
F	LN	LC	IA

- KIND OF LOAN:
- ASSOCIATION- ORGANIZATION
  - HOUSING-ORGANIZATION
  - PUBLIC BODY
  - OTHER

Date \_\_\_\_\_

FOR VALUE RECEIVED, the Town of Quartzsite Municipal Property Corporation  
(herein called "Borrower") promises to pay to the order of the United States of America, acting through the Rural Housing Service, Rural Business-Cooperative Service, or Rural Utilities Service within the Rural Development Mission Area, the Farm Service Agency, or their successor Agencies, United States Department of Agriculture, (herein called the "Government") at its office in \_\_\_\_\_  
Phoenix, Arizona \_\_\_\_\_, or at such other place as the Government may hereafter designate in writing, the principal amount of One Million Five Hundred Seven Thousand and no/100 dollars  
(\$ 1,507,000.00), plus interest on the unused principal balance at the rate of two and one-eighth percent  
(2.125 %) per annum. The said principal and interest shall be paid in the following installments on or before the following dates:

\$ \_\_\_\_\_ on \_\_\_\_\_,  
 \$ \_\_\_\_\_ on \_\_\_\_\_,  
 \$ \_\_\_\_\_ on \_\_\_\_\_,  
 \$ \_\_\_\_\_ on \_\_\_\_\_, and  
 \$ \_\_\_\_\_ thereafter on the \_\_\_\_\_ of each \_\_\_\_\_

until the principal and interest are fully paid except that the final installment of the entire indebtedness evidenced hereby, if not sooner paid, shall be due and payable forty (40) years from the date of this note, and except that prepayments may be made as provided below. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the reverse hereof.

Every payment made on any indebtedness evidenced by this note shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this note and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder. No assignment of this note shall be effective unless the Borrower is notified in writing of the name and address of the assignee. The Borrower shall thereupon duly note in its records the occurrence of such assignment, together with the name and address of the assignee.

While this note is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment of Borrower, and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act if the box opposite "Association" is checked under the heading "KIND OF LOAN," or pursuant to Title V of the Housing Act of 1949 if the box opposite "HOUSING-ORGANIZATION" is checked. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

TOWN OF QUARTZSITE MUNICIPAL PROPERTY CORPORATION

*(Name of Borrower)*

(CORPORATE SEAL)

*(Signature of Executive Official)*

ATTEST:

President

*(Title of Executive Official)*

P.O. Box 2812

*(Post Office Box No. or Street Address)*

*(Signature of Attesting Official)*

Secretary

Quartzsite, Arizona 85346

*(City, State, and Zip Code)*

*(Title of Attesting Official)*

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$		(6) \$	
(2) \$		(7) \$	
(3) \$		(8) \$	
(3) \$		(9) \$	
(5) \$		(10) \$	
		TOTAL	

PAY TO THE ORDER OF \_\_\_\_\_

UNITED STATES OF AMERICA

*(Name of Agency)*

BY \_\_\_\_\_

Water and Waste System Grant Agreement

United States Department of Agriculture

Rural Utilities Service

THIS AGREEMENT dated \_\_\_\_\_, \_\_\_\_\_, between  
Town of Quartzsite Municipal Property Corporation  
a public corporation organized and operating under  
A.R.S. Section 10-3122  
(Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (waste) system to serve the area under its jurisdiction at an estimated cost of \$ 6,119,696.00 and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ 3,160,112.00 of the development costs through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$ 3,160,112.00 has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ 2,959,584.00 or 48.4 percent of said project development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the Conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306(a) of The Consolidated Farm and Rural Development Act for the purpose only of defraying a part not to exceed 48.4 percent of the project development costs, as defined by applicable Rural Utilities Service instructions.

Grantee Agrees That Grantee Will:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

- B. Permit periodic inspection of the construction by a representative of Grantor during construction.
- C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.
- D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes of service, adopted by resolution dated \_\_\_\_\_, \_\_\_\_\_, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.
- E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.
- F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.
- G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.
- H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.
- I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.
- J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.
- K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.
  - 1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.
  - 2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

*[Revision 1, 04/17/1998]*

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

A PARCEL OF LAND LOCATED IN THE NORTH EAST 1/4 OF SECTION 9 OF TOWNSHIP 4  
NORTH AND RANGE 19 WEST OF GILA AND SALT RIVER BASE AND MERIDIAN

Reference

(RD ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT),  
HIGHWAY: SR95, QUARTZSITE  
PROJECT NO. SR95-LA-105  
TRACS NO. H4831 01D

L...Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

*[Revision 1, 04/17/1998]*

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

- (1) Activities sponsored by the Grantor.
- (2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the property for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than \$5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of \$5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described equipment(use continuation sheets as necessary).

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.

2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.

4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414 ) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

**[Revision 1, 11/20/1997]**

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

**[Revision 1, 11/20/1997]**

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term "facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$ 2,959,584 which it will advance to Grantee to meet not to exceed 48.4 percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

President

\_\_\_\_\_

attested and its corporate seal affixed by its duly authorized

Secretary

\_\_\_\_\_

Attest:

\_\_\_\_\_

By \_\_\_\_\_

(Title) Secretary

\_\_\_\_\_

By \_\_\_\_\_

(Title) President

\_\_\_\_\_

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By \_\_\_\_\_

(Title)

When recorded mail to:

USDA, Rural Utilities Service  
230 North First Avenue, Suite 206  
Phoenix, Arizona 85003-1706

USDA  
FORM RD 1927-1 AZ  
(Rev. 11-98)

Position 5

**REAL ESTATE DEED OF TRUST FOR ARIZONA  
WITH ASSIGNMENT OF RENTS**

THIS DEED OF TRUST is made and entered into by and between the undersigned Town of Quartzsite Municipal  
Property Corporation, an Arizona nonprofit corporation, \_\_\_\_\_ whose mailing address is  
P.O. Box 2812, Quartzsite, Arizona 85346 \_\_\_\_\_ as trustors, herein called "Borrower," and  
\_\_\_\_\_ whose mailing  
address is \_\_\_\_\_, Arizona, \_\_\_\_\_,  
as trustee, herein called "Trustee," and United States of America, acting through the United States Department of Agriculture,  
whose mailing address is Suite 206, 230 North First Avenue, Phoenix, Arizona 85003-1706, as lender and beneficiary,  
herein called the "Government," and:

WHEREAS, Borrower is indebted to the Government as evidenced by one or more promissory notes or assumption agreements, or any shared appreciation agreement or recapture agreement, herein called "note," which has been executed by Borrower, is payable to the order of the Government, authorizes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and being further described as follows:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>
	\$1,507,000	2.125%

(The interest rate for limited resource farm ownership or limited resource operating loans secured by this instrument may be increased as provided in the Government regulations or the note.)

And the note evidences a loan to Borrower, and the Government, at any time, may assign the note pursuant to the Consolidated Farm and Rural Development Act, or Title V of the Housing Act of 1949 as amended, or any other statute administered by the Government;

And it is the purpose and intent of this instrument that, among other things, at all times when the note is held by the Government, or in the event the Government should assign this instrument, this instrument shall secure payment of the note;

And this instrument also secures any amount due under any Shared Appreciation/Recapture Agreement entered into pursuant to 7 U.S.C. § 2001;

NOW, THEREFORE, in consideration of the loans, Borrower grants and conveys to Trustee the following described property situated in the State of Arizona, County or Counties of LaPaz

---

See Attachment 1 to Deed of Trust

together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, hereditaments and appurtenances thereunto belonging, the rents, issues, and profits thereof and revenues, income and insurance proceeds therefrom, all improvements, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, loss by fire or other hazard, transfer, conveyance, or condemnation of any part thereof or interest therein-all of which are herein called "the property";

IN TRUST, NEVERTHELESS, (a) at all times when the note is held by the Government, or in the event the Government should assign this instrument, to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, and (b) to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter described, and the performance of every covenant and agreement of Borrower contained herein or in any supplementary agreement, the provisions of which are hereby incorporated herein and made a part hereof.

BORROWER WARRANTS the property and the title thereto unto Trustee for the benefit of the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, and COVENANTS AND AGREES as follows:

- (1) To pay promptly when due any indebtedness to the Government hereby secured.
- (2) To pay the Government such fees and other charges as may now or hereafter be required by Government regulations and to pay or reimburse the Government or Trustee for all of Trustee's fees, costs or expenses in connection with any full or partial reconveyance or subordination of this instrument or any other transaction affecting the property.
- (3) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.
- (4) The Government may at any time pay any other amounts including advances for payment of prior or junior liens, required herein to be paid by Borrower and not paid by Borrower when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.
- (5) Except as provided in Covenant (24), all advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.
- (6) To use the loan evidenced by the note solely for purposes authorized by the Government.
- (7) To pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property, including all charges and assessments in connection with water, water rights, and water stock pertaining to or reasonably necessary to the use of the real property described above, and promptly deliver to the Government without demand receipts evidencing such payments.
- (8) To keep the property insured as required by and under insurance policies approved by the Government and, at its request, to deliver such policies to the Government.
- (9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with farm conservation practices and farm and home management plans as the Government from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby or, without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.
- (10) To comply with all laws, ordinances, and regulations affecting the property.

(11) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default), including, but not limited to, costs of evidence of title to and survey of the property, costs of recording this and other instruments, attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property.

(12) Except as otherwise provided by Government regulations, neither the property nor any portion thereof or interest therein shall be leased, assigned, sold, transferred, or encumbered voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as mortgagee hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured holder shall have any right, title or interest in or to the lien or any benefits hereof.

(13) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

(14) The Government may (a) adjust the interest rate, payment terms or balance due on the loan, (b) increase the mortgage by an amount equal to deferred interest on the outstanding principal balance, (c) extend or defer the maturity of, and renew and reschedule the payments on, the debt evidenced by the note or any indebtedness to the Government secured by this instrument, (d) release any party who is liable under the note or for the debt from liability to the Government, (e) release portions of the property and subordinate its lien, and (f) waive any other of its rights under this instrument. Any and all this can and will be done without affecting the lien or the priority of this instrument or Borrower's or any other party's liability to the Government for payment of the note or debt secured by this instrument unless the Government says otherwise in writing. HOWEVER, any forbearance by the Government-whether once or often-in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

(15) If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

(16) Default hereunder shall constitute default under any other real estate, or under any personal property, or other security instrument held by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.

(17) SHOULD DEFAULT occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should the parties named as Borrower die or be declared incompetent, or should any one of the parties named as Borrower be declared a bankrupt or an insolvent or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) collect the rentals and other income and profits from the property whether or not a receiver shall have been appointed, but shall not be required or be liable for failure to collect rentals or other income, and shall be held accountable for only such amounts as are actually received, (d) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property with the usual powers of receivers in like cases, (e) foreclose this instrument as provided herein or by law, and (f) enforce any and all other rights and remedies provided herein or by present or future law.

(18) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government secured hereby, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of Borrower owing to the Government, and (f) any balance to Borrower. At foreclosure or other sale of all or any part of the property, the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by crediting such amount on any debts of Borrower owing to the Government, in the order prescribed above.

(19) All powers and agencies granted in this instrument are coupled with an interest and are irrevocable by death or otherwise; and the rights and remedies provided in this instrument are cumulative to remedies provided by law.

(20) The Government will not be bound by any present or future State laws, (a) providing for homestead or exemption of the property, (b) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action must be brought, (c) prescribing any other statute of limitations, and (d) requiring possession of the property or appointment of a receiver before the Government is entitled to rentals and other income and profits from the property. Borrower expressly waives the benefit of any such State laws. EXCEPT AS OTHERWISE PROVIDED IN GOVERNMENT REGULATIONS, BORROWER ALSO ACKNOWLEDGES AND AGREES THAT IF THE LEGAL OR EQUITABLE OWNERSHIP OF ANY OF THE PROPERTY IS TRANSFERRED, THE NEW OWNERS MUST APPLY TO THE GOVERNMENT FOR AND QUALIFY TO ASSUME THE LOAN ON SUCH RATES AND TERMS AS REGULATIONS MAY THEN ALLOW. THESE REGULATIONS SUPERSEDE ANY CONTRARY STATE LAW INCLUDING, BUT NOT LIMITED TO ARS§33-806.01.

(21) Upon full and final payment of all indebtedness hereby secured and the performance and discharge of each and every condition, agreement and obligation, contingent or otherwise, contained herein or secured hereby, the Government shall execute and deliver to Borrower at an address at which Borrower is entitled to receive notices hereunder a deed of release hereof within 60 days after written demand by Borrower, and Borrower hereby waives the benefits of all laws requiring earlier execution or delivery of such deed or release.

(22) If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling (herein called the "dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for Borrower will, after receipt of a bonafide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to any one because of race, color, religion, sex, national origin, handicap, familial status or age, and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to enforce any restrictive covenants on the dwelling relating to race, color, religion, sex, national origin, handicap, familial status or age.

(23) If the property or any part thereof is a lease, Borrower will pay when due all rents and any and all other charges required by said lease, will comply with all other requirements of said lease, and will not surrender or relinquish, without the Government's written consent, any of Borrower's right, title or interest in or to said leasehold estate or under said lease while this instrument remains in effect.

(24) This instrument also secures future advances to Borrower when evidenced by notes for operating, emergency or other loans by the Government, subject to the same terms and conditions regarding assignment of said notes as hereinabove provided, and all references herein shall be deemed to include such future notes.

(25) As additional security, Borrower assigns to and confers upon the Government the power to collect the rents, issues, profits and income of the property effective upon default hereunder, which may be enforced in any manner specified in ARS § 33-702 B with or without the Government taking possession of the property.

(26) Borrower covenants and agrees to perform and complete all the actions and fulfill all of the conditions necessary to perfect Borrower's rights to appropriate underground water to be produced from any wells now located or hereafter placed on the property and apply said water to beneficial use thereof; and in the event of Borrower's failure to do so, the Government has the right to complete such action in which event all expenses and costs incident thereof shall become an indebtedness of Borrower in favor of the Government and shall be secured by this deed of trust.

(27) Borrower further agrees that the loans secured by this instrument will be in default should any loan proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as prohibited by 7 C.F.R. part 1940, subpart G.

(28) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, addressed, unless and until some other address is designated in a notice so given, in the case of the Government to the United States Department of Agriculture Suite 206, 230 North First Avenue, Phoenix, Arizona 85003-1706, and in the case of Borrower or Trustee to that party's mailing address specified herein.

(29) This instrument shall be subject to the present regulations of the Government, and to its future regulations not inconsistent with the express provisions hereof.

(30) If any provisions of this instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

(31) This instrument also secures the obligations and covenants of the Borrower set forth in the Borrower's Loan Resolution Security Agreement of \_\_\_\_\_, which is hereby incorporated by reference.

Town of Quartzsiet Municipal Property Corporation	(Date)	c/o Town of Quartzsite, Arizona P.O. Box 2812 Quartzsite, Arizona 85346
	(Trustor)	c/o Town of Quartzsite, Arizona (Mailing address of Trustor) P.O. Box 2812 Quartzsite, Arizona 85346
	(Trustor)	(Mailing address of Trustor)

**ACKNOWLEDGEMENT**

STATE OF ARIZONA }  
COUNTY OF LaPAZ } ss:

The foregoing instrument was acknowledged before me in the year of \_\_\_\_\_.

by \_\_\_\_\_

\_\_\_\_\_  
*Notary Public*

My commission expires \_\_\_\_\_.

SECURITY AGREEMENT

FOR

PROMISSORY NOTE

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I. THIS SECURITY AGREEMENT, dated \_\_\_\_\_, is made between the United States of America, acting through the Rural Utility Service, United States Department of Agriculture (called Secured Party) and Town of Quartzsite Municipal Property Corporation, (called the Debtor), whose mailing address is  
P.O. Box 2812, Quartzsite, Arizona 85346

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II. BECAUSE Debtor is justly indebted to Secured Party as evidenced by one or more certain promissory notes(s) or other instrument(s), and in the future may incur additional indebtedness to Secured Party which will also be evidenced by one or more promissory note(s) or other instrument(s), all of which are called "note", which has been executed by Debtor, is payable to the order of Secured Party, and authorizes acceleration of the entire indebtedness at the option of Secured Party upon any default by Debtor; and

(a) at all time when the note is held by Secured Party, or in the event Secured Party should assign this instrument without insurance of the payment of the note, to secured the prompt payment of all existing and future indebtedness and liabilities of Debtor to Secured Party and all renewals and extensions of such indebtedness and any additional loans of future advances to Debtor before or after made or insured by Secured Party under the then existing provisions of the laws administered by the United States of America, acting through the Rural Utility Service, United States Department of Agriculture.

(b) at all times when the note is held by an insured holder, to secure performance of debtor agreement in this instrument to indemnify and save harmless Secured Party against loss under its insurance contract by reason of any default by debtor.

(c) in any event and at all times to secure the prompt payment of all advances and expenditures made be Secured Party, with interest, as described in this instrument, and the performance of every covenant and agreement of Debtor contained in this instrument or in any supplementary agreement; DEBTOR GRANTS to Secured Party a security interest in Debtor's interest in the following collateral, including the proceeds and products thereof, after this collateral;

**All gross receipts, income, account receivable, contract rights, and general intangibles, equipment, appliances, and inventory now owned or hereafter acquired by Debtor, together with all replacements, substitutions, additions, and accessions thereto, including, the proceeds thereof derived from or pertaining to all activities of the Debtor.**

III. DEBTOR WARRANTS, COVENANTS, AND AGREES THAT:

A. Debtor is the absolute and exclusive owner of the above described collateral and such collateral is free from all liens, encumbrances, security and other interests and the Debtor will defend the collateral against the claims and demands of all other persons.

B. Statements contained in Debtor's loan application(s) are true and correct; and Debtor will

- (1) use the loans funds for the purposes for which they were or are advanced,
- (2) comply with such management plans as may be agreed upon from time to time by Debtor and Secured Party,
- (3) care for and maintain the collateral in a good and proper manner,

\_\_\_\_\_  
Initials

- (4) insure the collateral in such amounts and manner as may be required by Secured Party, and if Debtor fails to do so, Secured Party, at it's option, may procure such insurance,
- (5) permit Secured Party to inspect the collateral at any reasonable time,
- (6) not abandon the collateral or encumber, conceal, remove, or sell or otherwise dispose of it or any interest in the collateral, or permit others to do so, without the prior written consent of Secured Party,
- (7) not permit the collateral to be levied upon, injured or destroyed, or its value to be impaired.

C. Debtor will pay promptly when due all

- (1) indebtedness evidenced by the note and any indebtedness to Secured Party secured by this instrument,
- (2) rents, taxes, insurance premiums, levies, assessments, liens, and other encumbrances and costs of liens searches and maintenance and other charges now or later attaching to, levied on, or otherwise pertaining to the collateral or this security interest,
- (3) filing or recording fees for instruments necessary to perfect, continue, service, or terminate this security interest, and
- (4) fees and other charges now or later required by regulations of United States of America, acting through the Rural Utility Services, United States Department of Agriculture.

At all times when the note is held by an insured holder, Debtor shall continue to make payments on the note to Secured Party, as collection agent for the holder.

D. If the note is insured by Secured Party, Debtor will indemnify and save harmless Secured Party against any loss by reason of any default of Debtor.

E. At all times when the note is held by an insured holder, any amount due and unpaid under the terms of the note to which the holder is entitled may be paid by Secured Party to the holder of the note for the account of the Debtor. Any amount due and unpaid under the terms of the note, whether it is held by Secured Party or by the insured holder, may be credited by the Secured Party on the note and thereupon shall constitute an advance by Secured Party for the account of Debtor. Any advance by Secured Party as described in this paragraph shall bear interest at the note rate from the date on which the amount of the advance was due to the date of payment to Secured Party, provided that Borrower shall be required to pay interest on only the principal portion of such advance unless otherwise provided in the regulations of United States of America, acting through the Rural ~~Housing~~ Service, United States Department of Agriculture.  
Utilities

F. Whether or not the note is insured by Secured Party, Secured Party may at any time pay any other amounts required in this instrument to be paid by Debtor and not paid when due, including any costs and expenses for the preservation of protection of the collateral or its security interest, as advances for the account of Debtor. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.

\_\_\_\_\_  
Initial

G. All advances by Secured Party as described in this instrument, with interest, shall be immediately due and payable by Debtor to Secured Party without demand at the place designated in the latest note and shall be secured by this instrument. No such advance by Secured Party shall relieve Debtor from breach of the covenant to pay. Any payment made by Debtor may be applied on the note or any indebtedness to Secured Party secured hereby, in any order Secured Party determines.

H. In order to secure or better secure the above mentioned obligations or indebtedness, Debtor will execute and deliver to Secured Party at any time, upon demand, such additional security instruments on such real and personal property as Secured Party may require.

#### IV. IT IS FURTHER AGREED THAT:

A. Until default Debtor may retain possession of the collateral.

B. Default shall exist under this instrument if Debtor fails to perform or discharge any obligation or to pay promptly any indebtedness secured by this instrument or to observe or perform any covenants or agreements in this instrument or in any supplementary agreement contained, or if any Debtor's representations or warranties herein prove false or misleading, or upon the death or incompetency of the parties named as Debtor, or upon the bankruptcy or insolvency of anyone of the parties named as Debtor.

(1) Secured Party, at its option, with or without notice as permitted by law, may (a) declare the unpaid balance on the note and any indebtedness secured by this instrument immediately due and payable, (b) enter upon the premises and take possession of, repair, improve, use, and operate the collateral or make equipment useable, for the purpose of protecting or preserving the collateral of this lien, or preparing or processing the collateral for sale, and (c) exercise any sale of other rights accorded by law.

(2) Debtor (a) agrees to assemble the collateral and make it available to Secured Party at such time(s) and place(s) as designated by Secured Party, and (b) waives all notices, exemptions, compulsory disposition and redemption rights.

(3) A default shall exist under any other security instrument held or insured by Secured Party and executed or assumed by Debtor on real or personal property. Likewise, default under such other security instrument shall constitute default under this instrument.

C. Proceeds from disposition of collateral shall be applied first on expenses of retaking, holding, preparing for sale, selling and the like and for payment of reasonable attorneys' fees and legal expenses incurred by Secured Party, second to the satisfaction of prior security interests or liens to the extent required by law and in accordance with current regulations of the United States of America acting through the Rural Utility Service, United States Department of Agriculture, third to the satisfaction of indebtedness secured by this instrument, fourth to the satisfaction of subordinate security interest to the extent required by law, fifth to any other obligations of Debtor owing to or insured by Secured Party, and sixth to Debtor. Any proceeds collected under insurance policies shall be applied first on advances and

\_\_\_\_\_  
Initial

expenditures made by Secured Party, with interest, as provided above, second on the debt evidenced by the note, unless Secured Party consents in writing to their use by Debtor under Secured Party's direction for repair or replacement of the collateral, third on any other obligation of Debtor owing to or insured by Secured Party, and any balance shall be paid to Debtor unless otherwise provided in the insurance policies. Debtor will be liable for any deficiency owed to Secured Party after such disposition of proceeds of the collateral and insurance.

D. It is the intent of Debtor and Secured Party that to the extent permitted by law and for the purpose of this instrument, no collateral covered by this instrument is or shall become realty or accessioned to other goods.

E. This instrument is subject to the present regulations of the Secured Party and to its future regulations not inconsistent with the express provisions of this instrument.

F. If any provision of this instrument is held invalid or unenforceable, it shall not affect any other provisions, but this instrument shall be construed as if it has never contained such invalid or unenforceable provision.

G. The rights and privileges of Secured Party under this instrument shall accrue to the benefit of its successors and assigns. All covenants, warranties, representations, and agreements of Debtor contained in this instrument are joint and several and shall bind personal representatives, heirs, successors, and assigns.

H. If at any time it shall appear to secure that Debtor may be able to obtain a loan from a responsible cooperative for private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Debtor will, upon Secured Party's request, apply for and accept such loan in sufficient amount to pay the note and indebtedness secured by this instrument and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

I. Secured Party shall have the sole and exclusive rights as the Secured Party under this instrument, including but not limited to the power to grant or issue any consent, release, subordination, continuation statement or termination statement, and no insured holder shall have any right, title, or interest in or to the security interest created by this instrument or any benefits, of it.

**J. SECURED PARTY HAS INFORMED DEBTOR THAT DISPOSAL OF PROPERTY COVERED BY THE SECURITY AGREEMENT WITHOUT THE CONSENT OF SECURED PARTY, OR MAKING ANY FALSE STATEMENT IN THIS SECURITY AGREEMENT OR ANY OTHER LOAN DOCUMENT, MAY CONSTITUTE A VIOLATION OF FEDERAL CRIMINAL LAW.**

\_\_\_\_\_  
Initial

K. Failure by the secured party to exercise any right--whether once or often--shall not be construed as a waiver of any covenant or condition or the breach of such covenant or condition. Such failure shall also not affect the exercise of such right without notice upon any subsequent breach of the same or any other covenant or condition.

L. The Debtor will submit to the United States of America, acting through the Rural Utility Service, United States Development of Agriculture a properly executed balance sheet and budget no later than 90 days after the end of the fiscal year.

M. The Debtor is required to maintain all necessary fire, liability and fidelity insurance policies.

N. The Debtor must not incur any additional loan obligations without the prior concurrence of the United States of America, acting through the Rural Utility Service, United States Department of Agriculture concurrence.

Town of Quartzsite Municipal Property Corporation

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Name of Debtor

By:

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President

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Date

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Secretary Treasurer

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Date



## TOWN OF QUARTZSITE

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### REGULAR COUNCIL MEETING

Tuesday, December 10, 2013

#### Agenda Item #4

Consideration and possible approval of an ordinance of the Mayor and Common Council of the Town of Quartzsite, Arizona, amending the code of Quartzsite, Arizona, Chapter 2 Mayor and Council, Article 2-1 Council, by amending Section 2-1-5 Compensation; amending Article 2-3 Council Election, by amending Section 2-3-6 Election Dates; amending article 2-6 Initiative and Referendum, by amending Section 2-6-1 Power Reserved; Time of Election; all related to consolidating the Town's election dates with the State of Arizona's election dates, as required by A.R.S. Section 16-204; providing for repeal of conflicting ordinances; and providing for severability.

#### Summary:

The Town of Quartzsite currently holds its primary and general elections in the spring of even-numbered years. Arizona Revised Statutes (A.R.S.) Section 16-204 requires that candidate elections for municipalities be held in the fall of even numbered years.

The proposed ordinance consolidates the Town Code with State statutes as follows:

- The Primary Election for Town Council shall be held on the date of the State Primary Election.
- The General Election for Town Council shall be held on the date of the State General Election.

**Responsible Person:** Laura Bruno, Town Manager

**Attachment:** Proposed Ordinance

**Action Requested:** **Motion to approve a proposed ordinance consolidating the Town's election dates with the State of Arizona's election dates, as required by A.R.S. Section 16-204.**

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF QUARTZSITE, ARIZONA, AMENDING THE CODE OF QUARTZSITE, ARIZONA, CHAPTER 2 MAYOR & COUNCIL, ARTICLE 2-1 COUNCIL, BY AMENDING SECTION 2-1-5 COMPENSATION; AMENDING ARTICLE 2-3 COUNCIL ELECTION, BY AMENDING SECTION 2-3-6 ELECTION DATES; AMENDING ARTICLE 2-6 INITIATIVE AND REFERENDUM, BY AMENDING SECTION 2-6-1 POWER RESERVED; TIME OF ELECTION; ALL RELATED TO CONSOLIDATING THE TOWN'S ELECTION DATES WITH THE STATE OF ARIZONA'S ELECTION DATES, AS REQUIRED BY A.R.S. SECTION 16-204; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; AND PROVIDING FOR SEVERABILITY.

WHEREAS, the Town of Quartzsite currently holds its primary and general elections in the spring of even numbered years; and

WHEREAS, Arizona Revised Statutes Section 16-204 requires that candidate elections for municipalities be held in the fall of even numbered years.

NOW THEREFORE, BE IT ORDAINED by the Mayor and Common Council of the Town of Quartzsite, Arizona, as follows:

Section I. In General.

The Code of Quartzsite, Arizona, Chapter 2 Mayor & Council, Article 2-1 Council, Section 2-1-5 Compensation is hereby amended to read as follows (additions in ALL CAPS; deletions in ~~strikeout~~):

**Section 2-1-5 Compensation**

\* \* \*

B. That Council's monthly stipend be pro-rated on a daily basis for the month ~~(either March, May, September, November depending upon receiving the majority of votes during a primary election, see subsection 2-2-1 and 2-3-1)~~ their seat is in question by election, to be paid one-half after each regularly scheduled Council Meeting for that month.

\* \* \*

The Code of Quartzsite, Arizona, Chapter 2 Mayor & Council, Article 2-3 Council Election, Section 2-3-6 Election Dates is hereby amended to read as follows (additions in ALL CAPS; deletions in ~~strikeout~~):

**Section 2-3-6 Election Dates**

~~The primary election shall be held on the second Tuesday of March of every even-numbered year. The date for the general election shall be the third Tuesday of May of every even-numbered year.~~ THE PRIMARY ELECTION SHALL BE HELD ON THE DATE OF THE PRIMARY ELECTION OF THE STATE OF ARIZONA. THE GENERAL ELECTION SHALL BE HELD ON THE DATE OF THE GENERAL ELECTION OF THE STATE OF ARIZONA.

\* \* \*

The Code of Quartzsite, Arizona, Chapter 2 Mayor & Council, Article 2-6 Initiative and Referendum, Section 2-6-1 Power Reserved; Time of Election is hereby amended to read as follows (additions in ALL CAPS; deletions in ~~strikeout~~):

**Section 2-6-1 Power Reserved; Time of Election**

There is reserved to the qualified electors of the town the power of the initiative and the referendum as prescribed by the state constitution. ~~Any initiative or referendum matter shall be voted on at the next ensuing primary or general election, or at a special election called by the Council for such purpose.~~ WHEN A REFERENDUM OR INITIATIVE ELECTION IS REQUIRED TO BE PLACED ON THE BALLOT, THE COUNCIL SHALL DO SO AT THE NEXT REGULARLY SCHEDULED STATE PRIMARY OR GENERAL ELECTION. ALTERNATIVELY, THE COUNCIL MAY, AT ITS DISCRETION, CALL A SPECIAL ELECTION TO BE HELD ON ANY DATE AUTHORIZED BY A.R.S. SECTION 16-204 TO PLACE A REFERENDUM OR INITIATIVE ELECTION ON THE BALLOT.

\* \* \*

**Section II. Providing for Repeal of Conflicting Ordinances.**

All ordinances and parts of ordinances in conflict with the provisions of this Ordinance, or any part of the Code adopted herein by reference, are hereby repealed.

**Section III. Providing for Severability.**

If any section, subsection, sentence, clause, phrase or portion of this Ordinance or any part of the Code adopted herein by reference is, for any reason, held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Common Council of the Town of Quartzsite,  
Arizona, this \_\_\_\_ day of \_\_\_\_\_, 2013, by the following vote:

AYES: \_\_\_\_\_

NAYES: \_\_\_\_\_ ABSENT: \_\_\_\_\_

EXCUSED: \_\_\_\_\_ ABSTAINED: \_\_\_\_\_

APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Ed Foster, Mayor

ATTEST:

\_\_\_\_\_  
Terry Frausto, Town Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Curtis, Goodwin, Sullivan, Udall & Schwab, P.L.C.  
Town Attorneys  
By Kelly Y. Schwab

I, TERRY FRAUSTO, TOWN CLERK, DO HEREBY CERTIFY THAT A TRUE AND  
CORRECT COPY OF THE ORDINANCE NO. \_\_\_\_\_ ADOPTED BY THE COMMON  
COUNCIL OF THE TOWN OF QUARTZSITE, ARIZONA, ON THE \_\_\_\_ DAY OF  
\_\_\_\_\_, 2013, WAS POSTED IN THREE PLACES AND ON THE TOWN'S  
WEBSITE ON THE \_\_\_\_ DAY OF \_\_\_\_\_, 2013.

\_\_\_\_\_  
Terry Frausto, Town Clerk



## TOWN OF QUARTZSITE

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### REGULAR COUNCIL MEETING

Tuesday, December 10, 2013

**Agenda Item #5** Update, discussion and possible direction regarding a request for additional funding for the Town's after-school recreation program.

**Summary:** The Town's regular afternoon recreation program for the younger youth operates a total of 9 hours per week (Tuesday through Thursday from 3 pm to 5 pm, and Friday from 1 pm to 4 pm). The number of children in the program presently averages 13 to 17 per day.

The Council approved a motion redirecting funds totaling \$6,000 from the Economic/Community Outreach Services department to the After-School Recreation program to provide for a second, 10-hour per week employee.

Staff will provide an informational update on the status of resources available for the program.

**Responsible Person:** Laura Bruno, Town Manager

**Attachment:** None.

**Action Requested:** Receive information and provide possible direction regarding additional funding for the Town's after-school recreation program.



## TOWN OF QUARTZSITE

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### REGULAR COUNCIL MEETING

Tuesday, December 10, 2013

**Agenda Item #6** Consideration and possible approval for employees to receive Holiday time off: At the employee's discretion, either two (2) half days on December 24<sup>th</sup> and December 31<sup>st</sup>, or one full day.

**Summary:** In past years, the Council has approved providing holiday time off to the employees. Each employee has the choice of taking one full day or two half-days.

**Responsible Person:** Laura Bruno, Town Manager

**Attachment:** None

**Action Requested:** **Motion to approve holiday time off for employees: At the employee's discretion, either two half days on December 24<sup>th</sup> and December 31<sup>st</sup>, or one full day.**



## TOWN OF QUARTZSITE

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### REGULAR COUNCIL MEETING

Tuesday, December 10, 2013

**Agenda Item #7** Consider re-scheduling or cancellation of the December 24, 2013 Regular Meeting of the Town Council.

**Summary:** Regular Meetings of the Town Council are held on the second and fourth Tuesdays of each month. In the month of December, the fourth Tuesday falls on December 24, 2013, which is Christmas Eve.

Staff proposes that Council consider re-scheduling or cancelling the December 24<sup>th</sup> Regular Meeting of the Town Council. Any matters needing attention can be held over to the Regular Meeting of January 14, 2014.

**Responsible Person:** Laura Bruno, Town Manager

**Attachment:** None.

**Action Requested:** **Motion to reschedule or cancel the December 24, 2013 Regular Meeting of the Town Council.**



## TOWN OF QUARTZSITE

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### REGULAR COUNCIL MEETING

Tuesday, December 10, 2013

**Agenda Item #8** Consider nomination and approval of an additional, Alternate Elected Designee for purposes of signing bank drafts and checks on behalf of the Town.

**Summary:** The Town's policy designates authority for signing bank drafts and checks on behalf of the Town. Authorized signers include one elected designee (member of the Common Council) and one staff designee.

The elected designee (member of the Common Council) includes a primary elected designee and two alternate elected designees, both appointed by the Council. Elected designees are appointed for a period of two (2) years.

As of this date, the approved Primary Designee is Carol Kelley, and the Alternate Elected Designee is Mark Orgeron.

The Council will need to nominate and approve one additional Council Member to serve as the second, Alternate Elected Designee, with a term to expire July 31, 2015.

**Responsible Person:** Laura Bruno, Town Manager

**Attachment:** None

**Action Requested:** **Motion to nominate and approve one additional Alternate Elected Designee for purposes of signing bank drafts and checks on behalf of the Town, with a term to expire July 31, 2015.**



## TOWN OF QUARTZSITE

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### REGULAR COUNCIL MEETING

Tuesday, December 10, 2013

**Agenda Item #9** Discussion and consideration of waiver of the attorney-client privilege for two designated attorney-client privileged communications dated 11/19/13 and 12/2/13.

**Summary:** The Council has received the following two communications from the Town Attorneys' office:

1. *Brannan, Johnson, Yackley v. Quartzsite* (Memorandum dated 11/19/13)
2. Summary of Litigation entitled *Brannan, Yackley and Johnson v. Town of Quartzsite* – Document Request of Mayor Foster (Memorandum dated 12/2/13)

Council Member Crooks has requested that the Council consider waiving the attorney-client privilege for these two communications in order to make them available to the public. The Town Attorneys have no concern if the Council waives the attorney-client privilege for these two specific items only.

**Responsible Person:** Norma Crooks, Council Member

**Attachment:** None

**Action Requested:** **Motion to approve waiver of the attorney-client privilege for two communications from the Town Attorneys' office concerning: 1) *Brannan, Johnson, Yackley v. Quartzsite* (Memorandum dated 11/19/13) and 2) Summary of Litigation entialed *Brannan, Yackley and Johnson v. Town of Quartzsite* – Document Request of Mayor Foster (Memorandum dated 12/2/13).**



## TOWN OF QUARTZSITE

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### REGULAR COUNCIL MEETING

Tuesday, December 10, 2013

- Agenda Item #10** Discussion and possible action to comply with Mayor Foster's request made directly to the Town Attorney that the Town Attorney provide to him documents and communications with the Town Manager subsequent to the December 5, 2012 decision in the litigation entitled *Brannan, Johnson, Yackley v. Town of Quartzsite*.
- Summary:** The Mayor has requested the Town Attorney provide him with documents and communications with the Town Manager subsequent to the December 5, 2012 decision in the litigation entitled *Brannan, Johnson, Yackley v. Town of Quartzsite*, including but not limited to attorney-client privileged communications between the Town Attorney's office and the Town Manager.
- Responsible Person:** Ed Foster, Mayor
- Attachment:** None.
- Action Requested:** Discussion and possible action regarding the Mayor's request.



## TOWN OF QUARTZSITE

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### **REGULAR COUNCIL MEETING**

Tuesday, December 10, 2013

**Agenda Item #11** Discussion and possible action regarding sewer rates. Presentation by Shawn Farish from the RV park owners and managers association.

**Summary:** The Mayor has requested that this item be added to the Council Meeting agenda.

**Responsible Person:** Ed Foster, Mayor

**Attachment:** Memorandum from Ed Foster, Mayor, requesting agenda item.

**Action Requested:** Discussion and possible action regarding sewer rates.



# TOWN OF QUARTZSITE

465 North Plymouth Avenue • PO Box 2812 • Quartzsite, AZ 85346

(928) 927-4333 • Fax (928) 927-4400

Arizona Relay Service (928) 927-3762 (TDD)

we are an equal opportunity employer

[www.ci.quartzsite.az.us](http://www.ci.quartzsite.az.us)

December 5, 2013

Tina Abriani  
Town Clerk  
Town of Quartzsite

Ms. Abriani

Please add the following to the agenda for the December 10<sup>th</sup> meeting

Discussion and possible action regarding sewer rates. Presentation by Shawn Farish from the RV park owners and manages association

Ed Foster

Mayor  
Town of Quartzsite

**RECEIVED**  
DEC - 5 2013  
TOWN OF QUARTZSITE



## TOWN OF QUARTZSITE

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### REGULAR COUNCIL MEETING

Tuesday, December 10, 2013

- Agenda Item #12** Discussion and possible action regarding open meeting law complaints for the Municipal Corp. Property Board meeting.
- Summary:** The Mayor has requested that this item be added to the Council Meeting agenda.
- Responsible Person:** Ed Foster, Mayor
- Attachment:** Memorandum from Ed Foster, Mayor, requesting agenda item.
- Action Requested:** Discussion and possible action regarding open meeting law complaints for the Municipal Corp. Property Board meeting.



## TOWN OF QUARTZSITE

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TOWN OF QUARTZSITE

October 24, 2013

Tina Abriani  
Town Clerk  
Town of Quartzsite

Ms. Abriani

Please add the following to the agenda for the December 10<sup>th</sup> meeting

Discussion and possible action regarding open meeting law complaints for the Municipal Corp. Property Board meeting.

Ed Foster

Mayor  
Town of Quartzsite

38-431.01. Meetings shall be open to the public

A. All meetings of any public body shall be public meetings and all persons so desiring shall be permitted to attend and listen to the deliberations and proceedings. All legal action of public bodies shall occur during a public meeting.

B. All public bodies shall provide for the taking of written minutes or a recording of all their meetings, including executive sessions. For meetings other than executive sessions, such minutes or recording shall include, but not be limited to:

1. The date, time and place of the meeting.
2. The members of the public body recorded as either present or absent.
3. A general description of the matters considered.
4. An accurate description of all legal actions proposed, discussed or taken, and the names of members who propose each motion. The minutes shall also include the names of the persons, as given, making statements or presenting material to the public body and a reference to the legal action about which they made statements or presented material.

C. Minutes of executive sessions shall include items set forth in subsection B, paragraphs 1, 2 and 3 of this section, an accurate description of all instructions given pursuant to section 38-431.03, subsection A, paragraphs 4, 5 and 7 and such other matters as may be deemed appropriate by the public body.

D. The minutes or a recording of a meeting shall be available for public inspection three working days after the meeting except as otherwise specifically provided by this article.

E. A public body of a city or town with a population of more than two thousand five hundred persons shall:

1. Within three working days after a meeting, except for subcommittees and advisory committees, post on its website, if applicable, either:
  - (a) A statement describing the legal actions taken by the public body of the city or town during the meeting.
  - (b) Any recording of the meeting.
2. Within two working days following approval of the minutes, post approved minutes of city or town council meetings on its website, if applicable, except as otherwise specifically provided by this article.
3. Within ten working days after a subcommittee or advisory committee meeting, post on its website, if applicable, either:
  - (a) A statement describing legal action, if any.
  - (b) A recording of the meeting.

F. All or any part of a public meeting of a public body may be recorded by any person in attendance by means of a tape recorder or camera or any other means of sonic reproduction, provided that there is no active interference with the conduct of the meeting.

G. The secretary of state for state public bodies, the city or town clerk for municipal public bodies and the county clerk for all other local public bodies shall conspicuously post open meeting law materials prepared and approved by the attorney general on their website. A person elected or appointed to a

public body shall review the open meeting law materials at least one day before the day that person takes office.

H. A public body may make an open call to the public during a public meeting, subject to reasonable time, place and manner restrictions, to allow individuals to address the public body on any issue within the jurisdiction of the public body. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action.

I. A member of a public body shall not knowingly direct any staff member to communicate in violation of this article.

J. Any posting required by subsection E of this section must remain on the applicable website for at least one year after the date of the posting.

38-431.05. Meeting held in violation of article; business transacted null and void; ratification

A. All legal action transacted by any public body during a meeting held in violation of any provision of this article is null and void except as provided in subsection B.

B. A public body may ratify legal action taken in violation of this article in accordance with the following requirements:

1. Ratification shall take place at a public meeting within thirty days after discovery of the violation or after such discovery should have been made by the exercise of reasonable diligence.

2. The notice for the meeting shall include a description of the action to be ratified, a clear statement that the public body proposes to ratify a prior action and information on how the public may obtain a detailed written description of the action to be ratified.

3. The public body shall make available to the public a detailed written description of the action to be ratified and all deliberations, consultations and decisions by members of the public body that preceded and related to such action. The written description shall also be included as part of the minutes of the meeting at which ratification is taken.

4. The public body shall make available to the public the notice and detailed written description required by this section at least seventy-two hours in advance of the public meeting at which the ratification is taken.

38-431.07. Violations; enforcement; removal from office; in camera review

A. Any person affected by an alleged violation of this article, the attorney general or the county attorney for the county in which an alleged violation of this article occurred may commence a suit in the superior court in the county in which the public body ordinarily meets, for the purpose of requiring compliance with, or the

prevention of violations of, this article, by members of the public body, or to determine the applicability of this article to matters or legal actions of the public body. For each violation the court may impose a civil penalty not to exceed five hundred dollars against a person who violates this article or who knowingly aids, agrees to aid or attempts to aid another person in violating this article and order such equitable relief as it deems appropriate in the circumstances. The civil penalties awarded pursuant to this section shall be deposited into the general fund of the public body concerned. The court may also order payment to a successful plaintiff in a suit brought under this section of the plaintiff's reasonable attorney fees, by the defendant state, the political subdivision of the state or the incorporated city or town of which the public body is a part or to which it reports. If the court determines that a public officer with intent to deprive the public of information violated any provision of this article the court may remove the public officer from office and shall assess the public officer or a person who knowingly aided, agreed to aid or attempted to aid the public officer in violating this article, or both, with all of the costs and attorney fees awarded to the plaintiff pursuant to this section.

B. A public body shall not expend public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced pursuant to any provisions of this article, unless the public body has authority to make such expenditure pursuant to other provisions of law and takes a legal action at a properly noticed open meeting approving such expenditure prior to incurring any such obligation or indebtedness.

C. In any action brought pursuant to this section challenging the validity of an executive session, the court may review in camera the minutes of the executive session, and if the court in its discretion determines that the minutes are relevant and that justice so demands, the court may disclose to the parties or admit in evidence part or all of the minutes.