

PURSUANT TO A.R.S. SECTION 38-431 THE GILA COUNTY BOARD OF SUPERVISORS WILL HOLD AN OPEN MEETING IN THE SUPERVISORS' AUDITORIUM, 1400 EAST ASH STREET, GLOBE, ARIZONA. ONE OR MORE BOARD MEMBERS MAY PARTICIPATE IN THE MEETING BY TELEPHONE CONFERENCE CALL OR BY INTERACTIVE TELEVISION VIDEO (ITV). **ANY MEMBER OF THE PUBLIC IS WELCOME TO ATTEND THE MEETING VIA ITV WHICH IS HELD AT 610 E. HIGHWAY 260, BOARD OF SUPERVISORS' CONFERENCE ROOM, PAYSON, ARIZONA.** THE AGENDA IS AS FOLLOWS:

REGULAR MEETING - TUESDAY, JULY 3, 2012 - 10 A.M.
R E V I S E D

- 1 Call to Order - Pledge of Allegiance – Invocation
- 2 **PRESENTATIONS:**
 - A Presentation of the recipients of the 2011 and 2012 Heart in Hand Award from the Arizona Community Action Association. **(Malissa Buzan)**
- 3 **REGULAR AGENDA ITEMS:**
 - A Information/Discussion/Action to adopt an Order calling for an Election to reorganize the Christopher-Kohl's Fire District. **(Linda Eastlick)**
 - B Information/Discussion/Action to adopt Resolution No. 12-07-01 which authorizes the Chairman's signature on the following documents between Gila County and JPMorgan Chase Bank, N.A. to provide for revolving lines of credit for Gila County and its special taxing districts, as follows: Business Loan Agreement-Gila County Revolving Line of Credit; Gila County Revolving Line of Credit - Promissory Note; Business Loan Agreement-Gila County Districts Revolving Line of Credit; and Gila County Districts Revolving Line of Credit - Promissory Note.**(Debora Savage)**
- 4 **CONSENT AGENDA ACTION ITEMS:**
 - A Approval of an Intergovernmental Agreement for Election Services between Gila County and the Northern Gila County Sanitary District to provide election services on November 6, 2012.
 - B Approval of a Contract for Bookkeeping/Fee Accounting Services between Quality Accounts, LLC of Columbus, Nebraska and the Gila County Housing Authority whereby Quality Accounts will reconcile and provide a balance sheet for a checking account maintained by the Gila County Community Services Division Financial Section as required by the U.S. Department of Housing and Urban Development at a cost of \$1,500 per year for the period July 1, 2012, through June 30, 2014.
 - C Approval of May 2012 monthly activity report submitted by the Recorder's Office.
 - D Acknowledgment of contracts under \$50,000 which have been approved by the County Manager for the week of June 9, 2012, to June 15, 2012.

- E Approval of the Human Resources reports for the weeks of June 5, 2012, June 12, 2012, June 19, 2012, and June 26, 2012.
 - F Approval of finance reports/demands/transfers for the week of July 3, 2012.
- 5 **CALL TO THE PUBLIC:** Call to the Public is held for public benefit to allow individuals to address issue(s) within the Board's jurisdiction. Board members may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to Arizona Revised Statute §38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter, responding to criticism, or scheduling the matter for further discussion and decision at a future date.
- 6 At any time during this meeting pursuant to A.R.S. §38-431.02(K), members of the Board of Supervisors and the Chief Administrator may present a brief summary of current events. No action may be taken on issues presented.

IF SPECIAL ACCOMMODATIONS ARE NEEDED, PLEASE CONTACT THE RECEPTIONIST AT (928) 425-3231 AS EARLY AS POSSIBLE TO ARRANGE THE ACCOMMODATIONS. FOR TTY, PLEASE DIAL 7-1-1 TO REACH THE ARIZONA RELAY SERVICE AND ASK THE OPERATOR TO CONNECT YOU TO (928) 425-3231.

THE BOARD MAY VOTE TO HOLD AN EXECUTIVE SESSION FOR THE PURPOSE OF OBTAINING LEGAL ADVICE FROM THE BOARD'S ATTORNEY ON ANY MATTER LISTED ON THE AGENDA PURSUANT TO A.R.S. SECTION 38-431.03(A)((3)

THE ORDER OR DELETION OF ANY ITEM ON THIS AGENDA IS SUBJECT TO MODIFICATION AT THE MEETING

ARF-1303

Presentation Agenda Item 2- A

Regular BOS Meeting

Meeting Date: 07/03/2012

Submitted For: Malissa Buzan,
CAP/Housing Services
Manager

Submitted By: Christine Lopez, Administrative Clerk
Specialist, Community Services Division

Department: Community Services Division **Division:** Comm. Action Program/Housing Servs.

Presenter's Name: Malissa Buzan

Information

Request/Subject

Presentation of the 2011 and 2012 Arizona Community Action Association (AZCAA) "Heart in Hand" Award Recipients

Background Information

Each year the Arizona Community Action Association (AZCAA) "Heart in Hand" Award recognizes individuals who have distinguished themselves by contributing their time and talents to the areas of health care, social services, youth or senior activities, public knowledge or awareness, government services or any other aspect of community service areas. The "Heart in Hand" Award is presented to the individual at the AZCAA Annual Meeting.

Every Community Action Agency in Arizona is asked to submit one nomination from their area.

Evaluation

Malissa Buzan, Program Manager of the Community Action Program, is requesting that the Board of Supervisors publicly recognize Dorine Prine, recipient of the 2011 Heart in Hand Award, and Claudia DalMolin, recipient of the 2012 Heart in Hand Award.

Dorine Prine was chosen for the 2011 award and her nomination letter states: "Dorine Prine has worked for Gila County for three years. When I first met her, she stated this was her 'Dream Job.' She has demonstrated the kind of passion and enthusiasm in every aspect of her job that embodies Community Action. For the last two years, Dorine has single-handedly coordinated our Volunteer Income Tax Assistance Site Earned Income Tax Credit Program in Gila County, and as our sole tax preparer, she completed taxes for our community in both Globe and Payson, spending two days a week in Globe. She did all of this while still taking applications for emergency services in Payson and maintaining her one woman office. Gila County CAP is proud to select Dorine as this year's Heart in Hand Award winner."

Claudia DalMolin was chosen for the 2012 award and her nomination letter states: "Commander Claudia DalMolin has spent 30 years with the Sheriff's Office - that has been her day job. But in addition to this, she is also the Chair for the Gila County Meth Coalition, Chair of the Southern Gila County Network Team, President of United Fund, Board Member for Retired Seniors Volunteer Program, Advisory Board Member for Seniors and Lawmen Together, Board Member for the Boys and Girls Club, Board Member for GILA House, a local homeless non-profit, appointed member of Governor Brewer's and Secretary for the Correctional Officers Retirement Board. She has grown the local network team with fundraisers that help support small non-profits in her area and also giving out scholarships to local graduating high school seniors. She is famous for her green chili burros and the money she raises to help the youth, homeless families and the low-income seniors in our community. "

Conclusion

It is important to publicly recognize Dorine Prine and Claudia DalMolin as the recipients of the AZCAA's Heart in Hand Awards. These individuals go above and beyond their work duties to improve the lives of Gila County residents and the Gila County Community Action Program is grateful to have them aboard.

Recommendation

It is recommended that Malissa Buzan publicly recognize Dorine Prine and Claudia DalMolin as recipients of the 2011 and 2012 Heart in Hand Awards from the Arizona Community Action Association.

Suggested Motion

Presentation of the recipients of the 2011 and 2012 Heart in Hand Award from the Arizona Community Action Association. **(Malissa Buzan)**

ARF-1319

Regular Agenda Item 3- A

Regular BOS Meeting

Meeting Date: 07/03/2012

Submitted For: Linda Eastlick, Elections Director
Submitted By: David Rogers, Elections Specialist, Elections Department

Department: Elections Department

Presenter's Name: Linda Eastlick

Information

Request/Subject

Order calling for an election to reorganize the Christopher-Kohl's Fire District from a district administered by a three-member board to a district administered by a five-member board.

Background Information

On Thursday, May 31, 2012, the Clerk of the Gila County Board of Supervisors received petitions calling for an election to determine whether the Christopher-Kohl's Fire District should be reorganized from a district administered by a three-member board to a district administered by a five-member board.

Pursuant to Arizona Revised Statutes §48-816(D), the board of supervisors shall make an order calling an election to decide whether to reorganize a fire district that has a board consisting of three members as a fire district that has a board consisting of five members when a petition containing the signatures of twenty-five percent of the qualified electors residing within the district and praying that the district be reorganized is filed with the board.

Evaluation

On June 1, 2012, copies of the petitions were delivered to the Gila County Recorder for verification. On June 13, 2012, the Gila County Recorder issued a certification indicating that of the nine petitions submitted, there was a total of eighty-two signatures and after verification seventy-five were found to be valid. The Christopher-Kohl's Fire District has two hundred and seventy registered voters, which results in more than twenty-seven percent being represented on the petitions.

Pursuant to Arizona Revised Statutes §48-816(D), the signatures of at least twenty-five percent of the qualified electors residing within the district are required.

Conclusion

Based on the certification provided by the Gila County Recorder the petitions contain a sufficient number of signatures from qualified electors residing within the district to call for the election to determine whether the Christopher-Kohl's Fire District should be reorganized from a district administered by a three-member board to a district administered by a five-member board.

Recommendation

The Elections Director recommends that the Board of Supervisors adopt the Order calling an Election to Reorganize the Christopher-Kohl's Fire District.

Suggested Motion

Information/Discussion/Action to adopt an Order calling for an Election to reorganize the Christopher-Kohl's Fire District. **(Linda Eastlick)**

Attachments

ARS 48-816

Order

Recorders Certification

48-816. Election to reorganize district

A. The board of supervisors shall make an order calling an election to decide whether to reorganize a fire district administered by an elected chief as a district administered by a district board, pursuant to section 48-803, or to reorganize a fire district administered by a district board as a district administered by an elected chief, pursuant to section 48-804, when a petition containing signatures of twenty-five per cent of the qualified electors residing within the district and praying that the district be reorganized is filed with the board except the board of supervisors shall not make an order calling for a reorganization election more frequently than once every two years. The election may be held on any consolidated election date as prescribed in section 16-204. The board of supervisors shall give notice of the election in the same manner provided for in section 48-806 for bond elections.

B. The words appearing on the ballot shall be "reorganize as a fire district administered by (insert elected chief or district board, as specified)--yes", "reorganize as fire district administered by (insert elected chief or district board, as specified)--no". The ballots shall also allow each elector to indicate the elector's choice for elected chief and secretary-treasurer or board members, as appropriate, in the event of reorganization.

C. Within fourteen days after the election, the board of supervisors shall meet and canvass the returns and if it is determined that a majority of the votes cast at the election was in favor of reorganizing the fire district, the board shall enter that fact on its minutes, declare the district duly reorganized and announce the names of those elected to the district board or as chief and secretary-treasurer.

D. The board of supervisors shall make an order calling an election to decide whether to reorganize a fire district that has a board consisting of three members as a fire district that has a board consisting of five members when a petition containing the signatures of twenty-five per cent of the qualified electors residing within the district and praying that the district be reorganized is filed with the board except the board of supervisors shall not make an order calling for a reorganization election to expand the number of directors on the district board more frequently than once every two years.

E. The words appearing on the ballot shall be "reorganize as a fire district administered by a five member board--yes", "reorganize as a fire district administered by a five member board--no". The ballots shall also allow each elector to indicate the elector's choices for two additional board members in the event of reorganization.

F. Within fourteen days after the election, the board of supervisors shall meet and canvass the returns, and if it is determined that a majority of the votes cast at the election was in favor of reorganizing the fire district as a district with a five member board, the board shall enter that fact on its minutes, declare the district duly reorganized and announce the names of those elected to the district board.

Order

Calling an Election to Reorganize the Christopher-Kohl's Fire District

WHEREAS, petitions calling for an election to determine whether the Christopher-Kohl's Fire District, located in Gila County, Arizona, should be reorganized from a district administered by a three-member board to a district administered by a five-member board were presented to the Clerk of the Gila County Board of Supervisors on Thursday, May 31, 2012; and

WHEREAS, the said petitions were signed by 27.77 percent of the qualified electors within the district.

NOW, THEREFORE, It is Ordered as follows:

1. The Board of Supervisors finds that:
 - a. The petitions contain the signatures of at least 25 percent of the qualified electors pursuant to Arizona Revised Statutes §48-816.
 - b. An Election is hereby called, pursuant to Arizona Revised Statutes §48-816, to decide whether to reorganize the Christopher-Kohl's Fire District, located in Gila County, Arizona, at an election designated to be held on the 6th day of November, 2012.
 - c. Candidate nomination petitions will be available through the Gila County Department of Elections. The filing period for candidate nomination petitions will begin July 9, 2012, ending at 5:00 p.m. on August 8, 2012.
 - d. Deadline for voter registration will be October 8, 2012, at midnight.

ADOPTED This 3rd day of July, 2012, at Globe, Gila County, Arizona.

GILA COUNTY BOARD OF SUPERVISORS

Tommie C. Martin, Chairman, Board of Supervisors

ATTEST:

Marian Sheppard, Chief Deputy Clerk of the Board

APPROVED AS TO FORM:

Bryan B. Chambers, Chief Deputy County Attorney
for Daisy Flores, County Attorney

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Dawn Michelle Caldera
CHIEF DEPUTY RECORDER

SADIE TOMERLIN DALTON
GILA COUNTY RECORDER

June 13, 2012

I, Sadie Jo Tomerlin, Recorder for the County of Gila, Arizona, do hereby certify that I received 9 photocopies of the "Petition to Call Election to Reorganize the Christopher Kohl's Fire District" petition signature sheets containing 82 signatures, the signatures were compared with the records of this office and:

5 signers were found not to be qualified electors at the time of the signing of the petition and therefore disqualified.

0 signers were found to be a duplicate signature of an elector who signed the petition more than once and therefore disqualified.

2 signers of these petitions were found not to be in proposed Dist at the time of signing of the petition and therefore disqualified.

0 signers of these petitions signatures did not match those in the Gila County database.

0 signers of these petitions were illegible therefore disqualified.

0 signers of these petitions had an invalid date therefore disqualified.

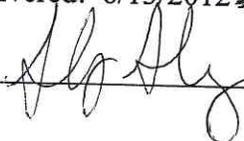
0 signers of these petitions had an invalid address therefore disqualified.

75 elector's signatures are found to be qualified on the "Petition to Call Election to Reorganize the Christopher Kohl's Fire District."

The attached sheet list signers found not to be qualified electors, and other signers disqualified for reasons in A.R.S. 19-121.01 (A) and 19-121.02.


Sadie Jo Tomerlin
Gila County Recorder

Delivered: 6/13/2012  AM

By 

Received:

By 



GILA

Processed: 06/13/2012 9:02 AM

Printed: 06/13/2012 9:03 AM

REJECTED SIGNATURES REPORT

REORGANIZE CHRISTOPHER KOHLS FIRE DISTRICT

<u>Page #</u>	<u>Line #</u>	<u>Reason</u>	<u>Last Line on Page</u>	<u>Page #</u>	<u>Line #</u>	<u>Reason</u>	<u>Last Line on Page</u>
2	13	OUT OF DISTRICT	13				
6	2	NOT REGISTERED	3				
6	3	NOT REGISTERED	3				
7	3	NOT REGISTERED	12				
8	1	NOT REGISTERED					
8	6	DATED PRIOR TO REGISTRATION					
8	10	OUT OF DISTRICT					

ARF-1339

Regular Agenda Item 3- B

Regular BOS Meeting

Meeting Date: 07/03/2012

Submitted For: Debora Savage, Treasurer
Submitted By: Marian Sheppard, Chief Deputy Clerk, BOS, Clerk of the Board of Supervisors

Department: Treasurer's Office

Presenter's Name: Debora Savage

Information

Request/Subject

Resolution No. 12-07-01 Regarding Revolving Line of Credit Agreements with JPMorgan Chase Bank, N.A.

Background Information

On April 3, 2012, the Board of Supervisors authorized the advertisement of Request for Proposals (RFP) No. 011312-1 - Primary Servicing Bank. Per statutory requirement, the Board of Deposit of Gila County must issue a call for bids from qualified banks which agree to perform the duties of the Gila County Servicing Bank for the period July 1, 2012, through June 30, 2015, with an option to extend the contract until June 30, 2017.

On June 5, 2012, the Board of Supervisors awarded a contract to JPMorgan Chase Bank, N.A. to provide banking services to Gila County for the period July 1, 2012, through June 30, 2015, with an option to extend the contract until June 30, 2017.

Evaluation

Due to the RFP being issued later than normal in the process to seek proposals for a servicing bank contract, and the contract award followed at an even later date, the documents being presented to the Board of Supervisors for approval at this meeting were very recently received from JPMorgan Chase Bank and must be signed as soon as possible to ensure there is no lapse in the revolving lines of credit for Gila County and each of its special taxing districts.

Conclusion

It is imperative that the documents be approved by the Board of Supervisors for signature by its Chairman to ensure that a continuing revolving line of credit is provided for each political subdivision of the state for which the Gila County Treasurer acts as treasurer.

Recommendation

The Gila County Treasurer recommends the Board's approval for the Chairman of the Board of Supervisors to sign various documents related to the revolving line of credit for each political subdivision of the state for which the Gila County Treasurer acts as treasurer.

Suggested Motion

Information/Discussion/Action to adopt Resolution No. 12-07-01 which authorizes the Chairman's signature on the following documents between Gila County and JPMorgan Chase Bank, N.A. to provide for revolving lines of credit for Gila County and its special taxing districts, as follows: Business Loan Agreement-Gila County Revolving Line of Credit; Gila County Revolving Line of Credit - Promissory Note; Business Loan Agreement-Gila County Districts Revolving Line of Credit; and Gila County Districts Revolving Line of Credit - Promissory Note. **(Debora Savage)**

Attachments

Resolution No. 12-07-01

Business Loan Agreement-Gila County Revolving Line of Credit

Gila County Revolving Line of Credit-Promissory Note

Business Loan Agreement-Gila County Districts Revolving Line of Credit

Gila County's Districts Revolving Line of Credit-Promissory Note

RESOLUTION NO. 12-07-01

A RESOLUTION OF THE BOARD OF SUPERVISORS OF GILA COUNTY, ARIZONA APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE TREASURER OF GILA COUNTY AND J.P. MORGAN CHASE BANK, N.A. PROVIDING FOR SEPARATE LINES OF CREDIT FOR EACH POLITICAL SUBDIVISION OF THE STATE FOR WHICH THE COUNTY TREASURER ACTS AS TREASURER.

RECITALS

WHEREAS, Gila County (the “*County*”) through its Board of Supervisors (the “*Supervisors*”), acting as the Board of Deposit (the “*Board of Deposit*”), has heretofore ordered the receipt of bids for servicing bank for the County for the period commencing July 1, 2012, and ending June 30, 2015, with permitted extensions of two additional years pursuant to A.R. S. § 35-325; and

WHEREAS, included in the proposals for servicing bank were proposals for a line of credit for each individual political subdivision of the state for which the Gila County Treasurer acts as treasurer pursuant to A.R.S. § 11-604.01; and

WHEREAS, the proposal of J.P. Morgan Chase Bank, N.A. was announced as the best bid for services as servicing bank and the best bid to provide Gila County and political subdivisions of the state for which the Gila County Treasurer acts as treasurer with lines of credit for the period commencing July 1, 2012, and ending June 30, 2015, with permitted extensions of not more than two additional years; and

WHEREAS, A.R.S. § 11-604.01 authorizes the Supervisors of Gila County to enter into line of credit agreements for each individual subdivision of the state for which the Gila County Treasurer acts as treasurer; and

WHEREAS, the proposed Business Loan Agreement providing a line of credit for each qualifying political subdivision of this State for which the Gila County Treasurer acts as treasurer has been provided by the Bank and has been placed on file with the Clerk of this Board and presented at the meeting at which this Resolution was adopted; and

WHEREAS, by this Resolution of the Supervisors will authorize the execution and delivery of the Political Subdivision Agreement in substantially the forms so presented to the Board of Supervisors, subject to the approval of the County Attorney.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF GILA COUNTY, ARIZONA, as follows:

Section 1. That Political Subdivision Agreement, in substantially the form on file with the Clerk of the Board, is approved and the Chairman of this Board and the Treasurer of Gila County are authorized and directed to execute and deliver the Political Subdivision Agreement in substantially the form of the Political Subdivision Agreement on file with the Clerk for each qualifying political subdivision of the state for which the County Treasurer acts as treasurer.

Section 2. That the Gila County Treasurer is named as each political subdivision's agent for all purposes of the Political Subdivision Agreement. The Gila County Treasurer is authorized to take all acts and do all things on behalf of each qualifying political subdivision of the state for which the Gila County Treasurer acts as treasurer.

Section 3. All actions taken by the Gila County Treasurer with respect to the Political Subdivision Agreement and the procedures pertaining thereto are hereby ratified and affirmed. This Resolution shall become effective upon its adoption and execution.

PASSED AND ADOPTED this 3rd day of July, 2012.

Tommie C. Martin
Chairman, Board of Supervisors

ATTEST:

Marian Sheppard, Chief Deputy Clerk

APPROVED AS TO FORM:

Bryan Chambers,
Chief Deputy County Attorney

BUSINESS LOAN AGREEMENT

(GILA COUNTY REVOLVING LINE OF CREDIT)

DATE: July 3, 2012

PARTIES: Borrower: Gila County, Arizona, Board of Supervisors
for Gila County, through the Gila County Treasurer,
as its agent

Bank JPMorgan Chase Bank, N.A., a national banking
association authorized to do business in the State of
Arizona ("Bank")

AGREEMENT: Pursuant to §11-604.01, Arizona Revised Statutes (the "Act"), the Board of Supervisors of a county may enter into an agreement with the financial institution authorized to do business in the State of Arizona to obtain a line of credit for the county. The Act further provides that the Gila County Treasurer is the agent for the County and for each political subdivision of the State of Arizona for which the Gila County Treasurer acts as treasurer and may take any action required under such agreement without further approval of any governing body of a political subdivision. The Board of Supervisors of Gila County, Arizona (herein, the "County" or "Borrower"), the Gila County Treasurer and Bank intend to enter into this Agreement and the hereafter-described Note to obtain a line of credit pursuant to the Act for Borrower, in the maximum amount of the Commitment Amount Cap (as defined herein), and to evidence such line of credit in this Agreement and the Note. For purposes of this Agreement and the line of credit extended to Borrower evidenced hereunder and in the Note, Borrower shall be acting through the Gila County Treasurer as its agent pursuant to the Act. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Bank agree as follows:

1. DEFINITIONS. In this Agreement, the following terms shall have the following meanings:

 "Advance" means a disbursement of funds by Bank to Borrower pursuant to Section 2.1.

 "Agreement" means this Business Loan Agreement (Gila County Revolving Line of Credit) as it may be amended, modified, extended, renewed, restated, or supplemented from time to time.

“Authorized Person” means any of the following Persons acting alone:

<u>Debora Savage</u> Gila County Treasurer	_____
	Sample Signature
<u>Martha Gonzales</u> Chief Deputy Treasurer	_____
	Sample Signature
<u>Pam Alvino</u> Accountant	_____
	Sample Signature
<u>Terri Powell</u> Office Manager	_____
	Sample Signature

or any other person authorized to act for Borrower hereunder as shown by a written statement signed by the Gila County Treasurer and that also shows the specimen signature of such additional Authorized Person.

“Business Day” means a day of the year on which banks are not required or authorized to close in Phoenix, Arizona.

“Code” means the Internal Revenue Code of 1986, as amended.

“Code and Regulations” means the Code and the regulations thereunder, as such Code and regulations heretofore have been and hereafter may be amended from time to time.

“Collateral” means the property, interests’ in property, and rights to property securing any or all Obligations from time to time, including without limitation the security interest in the non-restricted operating revenues received by the Gila County Treasurer on behalf of Borrower.

“Commitment” means the agreement of Bank to make Advances as provided in this Agreement.

“Commitment Amount” means the lesser of (i) the Commitment Amount Cap, or (ii) forty-five percent (45%) of the total amount of non-restricted operating revenues received by Borrower in the immediately preceding Fiscal Year.

“Commitment Amount Cap” means the amount of Three Million Four Hundred Sixty Five Thousand and NO/100 Dollars (\$3,465,000.00).

“Commitment Expiration Date” means June 30, 2013, subject to earlier termination as provided herein, and subject to extension by mutual agreement of the parties, as described in Section 2.8.

“Declaration” means a letter executed by Borrower, in the form attached hereto as Exhibit B, in which Borrower designates the Advances for a certain calendar year to be “qualified tax-exempt obligations” (as defined in Section 265(b)(3)(B) of the Code).

“Default Rate” has the meaning specified in the Note.

“Event of Default” has the meaning specified in the Note.

“Fiscal Year” means Borrower’s fiscal year and shall commence each July 1 and end each immediately following June 30.

“Governmental Authority” means any government, any court, and any agency, authority, body, bureau, department, or instrumentality of any government.

“Loan Documents” means this Agreement, the Note, the Services Proposal and any other agreements, documents, and instruments from time to time evidencing, guarantying, securing, or otherwise relating to the Note, as they may be amended, modified, extended, renewed, restated, or supplemented from time to time.

“Material Adverse Effect” means a material adverse change in, or a material adverse effect upon (i) the assets, business, properties, prospects, condition (financial or otherwise) or results of operations of Borrower taken as a whole, (ii) the ability of Borrower to perform any of the Obligations, (iii) any substantial portion of the Collateral, (iv) the legality, validity, binding effect or enforceability of the Loan Documents against Borrower; or (v) the rights or remedies of the Bank under any Loan Documents.

“Note” means the Promissory Note, dated of even date herewith, of Borrower payable to Bank, as it may be amended, modified, extended, renewed, restated, or supplemented from time to time.

“Obligations” means the respective obligations of Borrower under the Loan Documents.

“Person” means a natural person, a partnership, a joint venture, an unincorporated association, a limited liability company, a corporation, a trust, any other legal entity, or any Governmental Authority.

“Services Proposal” means the Gila County Proposal for Depository and Banking Services, dated May 3, 2012, by Bank to Gila County, Arizona.

“Servicing Bank Term” means the period, during which Bank provides services to County as servicing bank, with such term commencing July 1, 2012 and ending June 30, 2015, subject to extensions of not more than two (2) additional years.

“Unmatured Event of Default” means any condition or event that with notice, passage of time, or both would be an Event of Default.

2. REVOLVING LINE OF CREDIT FACILITY.

2.1 Credit Facility. Subject to the terms and conditions of this Agreement, Bank agrees to make Advances to Borrower from time to time on or before the Commitment Expiration Date, provided that the outstanding amount of Advances shall not exceed the Commitment Amount. Advances to Borrower shall be on a revolving basis. Advances repaid

may be re-borrowed subject to the terms and conditions of this Agreement. Upon occurrence of an Event of Default or an Unmatured Event of Default, Bank, in its absolute and sole discretion and without notice, may suspend the commitment to make Advances to Borrower. In addition, upon occurrence of an Event of Default, Bank, in its absolute and sole discretion and without notice, may terminate the commitment to make Advances to Borrower. The obligation of Borrower to repay Advances is evidenced by the Note as to the amount outstanding thereunder. Although the outstanding principal of the Note may be zero from time to time, the Loan Documents shall remain in full force and effect until the Commitment terminates and all Obligations are paid and performed in full.

2.2 Requests for Advances and Repayments. Each request for an Advance will be made in writing in a manner mutually acceptable to Bank and the Gila County Treasurer, or by another means mutually acceptable to the Bank and the Gila County Treasurer. Each request for an Advance shall identify the amount of such request. Borrower shall deliver to Bank an executed Declaration to designate the Advances received in any one calendar year as “qualified tax-exempt obligations” (as defined in Section 265(b)(3)(B) of the Code.

2.3 Advances and Repayments.

Advances will be deposited in and repayments will be withdrawn from the accounts of the County with Bank, which account number is _____, or such other accounts with Bank as designated in writing by an Authorized Person. Borrower hereby irrevocably authorizes and directs Bank to make such debits. The arrangement in this Section 2.3 to debit such demand deposit account shall not restrict Bank’s right to collect any amounts due under the Loan Documents from any revenues or funds of Borrower, or otherwise available for payment of such amounts, including, without limitation, all non-restricted operating revenues of Borrower.

2.4 Advances - Repayment. Borrower agrees to apply all “non-restricted operating revenues,” as such term is described in Section 11-604.01.A, Arizona Revised Statutes, according to the priorities set forth in said Section 11-604.01.C. If there remain any amounts outstanding on the Note as of June 30 of any year, Borrower agrees to notify Bank on or before June 30th of such year of the amounts on deposit in the demand deposit and other accounts of Borrower with Bank which constitute non-restricted operating revenues.

2.5 Advances in Excess of Commitment Amount. If with or without the approval of Bank the aggregate outstanding amount of Advances to Borrower at any time exceeds the Commitment Amount, Borrower shall repay the excess immediately upon demand by Bank.

2.6 Authority to Amend Commitment. In accordance with the provisions of the Act, the Gila County Treasurer on behalf of Borrower is hereby authorized to amend this Agreement and the Note with respect to the following matters:

2.6.1 To extend the Commitment Expiration Date, as described in Section 2.8; and

2.6.2 To increase or decrease the Commitment Amount Cap, provided that the Commitment Amount Cap shall not be increased to an amount which exceeds Three Million Four Hundred Sixty Five Thousand and NO/100 Dollars (\$3,465,000.00), without such amendment being approved by resolution adopted by the Gila County Board of Supervisors.

2.7 Procedure to Amend Commitment. The Agreement and Note may be amended by a written amendment substantially in the form attached hereto as Exhibit C (the "Addendum") executed by the Bank and by the Gila County Treasurer on behalf of Borrower. Each amendment, when dated and fully executed, shall be construed to amend all prior versions of this Agreement and Note, whether or not it is actually attached to all copies of this Agreement or the Note.

2.8 Extension of Commitment Expiration Date. The Commitment provided to Borrower hereunder shall be in effect initially for Fiscal Year 2012-2013. Borrower and Bank may agree to extend the Commitment for each Fiscal Year thereafter through the execution of the Addendum extending the Commitment Expiration Date from June 30, 2013, to June 30, 2014 for Fiscal Year 2013-2014, and June 30, 2015 for fiscal year 2014-2015. Provided that the Bank Services Term is extended beyond June 30, 2015, Borrower and Bank may agree to further extend the Commitment for subsequent Fiscal Years by extending the Commitment Expiration Date to June 30 of the next calendar year. Notwithstanding the foregoing, nothing set forth herein authorizes the Commitment to be extended beyond the expiration of the Servicing Bank Term.

3. CONDITIONS PRECEDENT TO ADVANCES.

3.1 Conditions Precedent to Initial Advance. Bank must receive the following items, in form and content acceptable to Bank, before Bank is required to make any Advances to Borrower under this Agreement.

3.1.1 Legal Opinion of Borrower. A written opinion of the legal counsel for such Borrower, in a form satisfactory to Bank, opining on the following:

(a) Authorization. The execution, delivery, and performance by Borrower of the Loan Documents have been duly authorized by all requisite action by or on behalf of Borrower.

(b) Enforceability. The Loan Documents have been duly executed and delivered on behalf of Borrower. The Loan Documents are legal, valid, and binding obligations of Borrower, enforceable in accordance with their terms against Borrower, except as such enforceability may be limited by Section 42-17101, et seq., Arizona Revised Statutes, bankruptcy, insolvency, moratorium, reorganization, or similar laws and by equitable principles of general application.

3.1.2 Borrower's Financial Statement and Annual Budget. A copy of Borrower's published Annual Financial Statement for Fiscal Year ending June 30, 2011 (and each Fiscal Year thereafter) and the draft budget for Borrower for its Fiscal Year 2012-2013 (and each Fiscal Year thereafter) and such other information and documents as Bank may reasonably request, provided, however, that Bank may waive the requirement for Borrower's Annual

Financial Statement for Fiscal Year ending June 30, 2011, and accept an unpublished or unaudited version, without waiving the requirement for timely delivery of Borrower's Annual Financial Statement in subsequent years, as provided herein.

3.2 Conditions Precedent to All Advances. Bank shall be obligated to make an Advance when requested on behalf of Borrower only if the following conditions precedent are satisfied.

3.2.1 Representations and Warranties Accurate. The representations and warranties by Borrower in the Loan Documents are correct on and as of the date of this Agreement and, except as Borrower shall have otherwise notified Bank in writing prior to the date thereof, on and as of the date of each Advance, before and after giving effect to such Advance and to the application of the proceeds of such Advance, as though made on and as of such date.

3.2.2 No Violation of Limits on Advances. The making of the Advance to Borrower would not result in the outstanding amount of Advances exceeding the Commitment Amount.

3.3 Bank's Waiver of Conditions. Bank may elect, in its absolute and sole discretion, to waive any of the foregoing conditions precedent. Any such waiver shall be effective only if it (i) is in writing executed by Bank, (ii) specifically identifies the condition precedent, and (iii) describes the particular Advance as to which such condition precedent is waived. Any such waiver shall be limited to the condition(s) precedent specifically described therein. Delay or failure by Bank to insist on satisfaction of any condition precedent of an Advance shall not be a waiver of such condition precedent or any other condition precedent. If Borrower is unable to satisfy any condition precedent of an Advance, the making of the Advance shall not preclude Bank from thereafter declaring the condition or event causing such inability to be an Event of Default.

4. BORROWER REPRESENTATIONS AND WARRANTIES.

4.1 Closing Representations and Warranties. Borrower represents and warrants to Bank as of the date of this Agreement:

4.1.1 Existence and Authorization. Borrower is a duly formed, organized and validly existing political subdivision of the State of Arizona. The execution, delivery, and performance by Borrower of the Loan Documents have been duly authorized by all requisite action by or on behalf of Borrower.

4.1.2 No Approvals. No approval, authorization, bond, consent, certificate, franchise, license, permit, registration, qualification, or other action or grant by or filing with any Person is required in connection with the execution, delivery, or performance by Borrower of the Loan Documents that has not been obtained.

4.1.3 No Conflicts. The execution, delivery, and performance by Borrower of the Loan Documents will not conflict with, or result in a violation of or a default under: any applicable law, ordinance, regulation, or rule (federal, state, or local); any judgment,

order, or decree of any arbitrator, other private adjudicator, or Governmental Authority to which Borrower is a party or by which Borrower or any of the assets or property of Borrower is bound; or any agreement, document, or instrument to which Borrower is a party or by which Borrower or any of the assets or property of Borrower is bound.

4.1.4 Execution and Delivery and Binding Nature of Loan Documents. The Loan Documents have been duly executed and delivered on behalf of Borrower. The Loan Documents are legal, valid, and binding obligations of Borrower, enforceable in accordance with their terms against Borrower, except as such enforceability may be limited by Section 42-17101, et seq., Arizona Revised Statutes, bankruptcy, insolvency, moratorium, reorganization, or similar laws and by equitable principles of general application.

4.1.5 Accurate Information. All information in any loan application, financial statement, certificate, or other document and all other Information delivered by or on behalf of Borrower to Bank in obtaining the Commitment is correct and complete in all material respects, and there are no omissions therefrom that result in any such information being incomplete, incorrect, or misleading in any material respect as of the date thereof.

4.1.6 Litigation. There is no lawsuit, tax claim, or other dispute pending or overtly threatened against Borrower which, if lost, would materially impair Borrower's financial condition or Borrower's ability to repay any amount payable under this Agreement, except as have been or will be disclosed in writing to Bank.

4.1.7 Purpose of Advances. This Agreement is made pursuant to the Act. The purpose of Advances is to provide funds for the general operations of Borrower; provided, however, proceeds may not be used for any expenses, costs, or reimbursements relating to Borrower's sponsorship of Charter Schools without the prior written consent of Bank.

4.1.8 No Event of Default or Unmatured Event of Default. No Event of Default and no Unmatured Event of Default has occurred and is continuing.

4.1.9 No Material Adverse Change. No material adverse change from Borrower's financial condition and operations as reflected in Borrower's published Annual Financial Statement for Fiscal Year ending June 30, 2011.

4.1.10 No Material Adverse Effect. The absence of any situation occurring which would, in the opinion of the Bank, result in a Material Adverse Effect.

4.2 Representations and Warranties Upon Requests for Advances. Each request for an Advance on behalf of Borrower shall be a representation and warranty by such Borrower to Bank that the representations and warranties in this Section 4 are correct and complete as of the date of the Advance with respect to Borrower, except as Borrower shall have otherwise notified Bank in writing prior to the date thereof, and that the conditions precedent in Section 3 are satisfied as of the date of the Advance.

5. BORROWER AFFIRMATIVE COVENANTS. Borrower agrees that:

5.1 Existence. Borrower shall continue to be a validly existing political subdivision of the State of Arizona.

5.2 Books and Records: Access By Bank. Borrower shall maintain a system of accounting for and appropriate books and records showing its receipt and use of (i) non-restricted operating revenues, (ii) proceeds of Advances, and (iii) other funds available for expenditure for the general operations of Borrower. During business hours, after an Event of Default, Borrower shall give representatives of Bank access to all assets, property, books, records, and documents of Borrower and shall permit such representatives to inspect such assets and property and to audit, copy, examine, and make excerpts from such books, records, and documents.

5.3 Information and Statements. Borrower shall furnish to Bank: (i) as soon as available and in any event within two hundred forty (240) days after the end of each Fiscal Year of Borrower, copies of annual financial reports, (ii) as soon as available and in any event prior to sixty (60) days after the beginning of each Fiscal Year, Borrower's budget for such Fiscal Year, as adopted, (iii) any other information and documents given to any securities rating agency or other Person in connection with the indebtedness of Borrower and (iv) such additional information and statements as the Bank may request, from time to time.

5.4 Law; Judgments; Material Agreements; Approvals and Permits. Borrower shall comply with all laws, ordinances, regulations, and rules (federal, state, and local) and all judgments, orders, and decrees of any arbitrator, other private adjudicator, or Governmental Authority relating to Borrower or the assets, business, operations, or property of Borrower. Borrower shall comply in all material respects with all material agreements, documents, and instruments to which Borrower is a party or by which Borrower or any of the assets or property of Borrower is bound or affected.

5.5 Further Assurances. Borrower shall promptly execute, acknowledge, and deliver and, as appropriate, cause to be duly filed and recorded such additional agreements, documents, and instruments and do or cause to be done such other acts as Bank may reasonably request from time to time to better assure, perfect, preserve, and protect the rights and remedies of Bank under the Loan Documents.

5.6 Use of Advances. Borrower shall use proceeds of Advances only to pay expenses incurred in its general operations ("Operating Expenses"). Borrower shall only use proceeds of Advances to pay then due Operating Expenses, and shall only receive such Advances when it has no other available funds to pay such Operating Expenses.

5.7 Taxation of Interest. Borrower shall neither take nor fail to take any action which action or failure to act is within the power and authority of such Borrower and would result in interest payable by such Borrower under the Note (i) being included in gross income of Bank for federal income tax purposes, or (ii) otherwise being subject to the federal income tax. Such actions may include, without limitation: making certifications and representations; giving assurances; paying to the United States of America any required amounts

representing rebates of arbitrage profits relating to proceeds of Advances to such Borrower; filing forms, statements, and supporting documents as may be required under the Code and Regulations; limiting the term of and yield on investments made with proceeds of Advances to such Borrower; and limiting the use of the proceeds of Advances to such Borrower. In addition to other actions under this Section 5.7, the Gila County Treasurer, as agent for Borrower, shall sign and file with the Internal Revenue Service properly completed Forms 8038-G provided by Bank as and when required by the Code and Regulations and shall promptly deliver to Bank a copy of each filed Form 8038-G.

5.8 Registration of Warrants. The Gila County Treasurer, as agent for Borrower, shall perform its obligations under Arizona Revised Statutes Section 11-604.01.E, which is hereby incorporated herein by reference.

5.9 Security Interest Grants. Borrower shall not grant or suffer to exist any lien, claim, or encumbrance to or in favor of any person or entity other than Bank covering the non-restricted operating revenues of such Borrower (it being understood that Tax Anticipation Notes, General Obligation Bonds, and other payment-source-specific financing commitments of such Borrower deal with operating revenues which are restricted and thus are not "non-restricted operating revenues"). Borrower and Bank agree that Bank is entitled to a security interest in the non-restricted operating revenues received by the Gila County Treasurer on behalf of such Borrower to the extent of any credit extended under this Agreement.

6. COSTS, EXPENSES, AND FEES. Borrower agrees to pay on demand all external and internal costs, expenses, and fees (including, without limitation, as applicable, inside and outside attorneys and paralegals costs, expenses, and fees) of Bank (i) in enforcement of the Loan Documents and exercise of the rights and remedies of Bank, (ii) in defense of the legality, validity, binding nature, and enforceability of the Loan Documents and the perfection and priority of the liens and encumbrances granted in the Loan Documents, (iii) in gaining possession of, holding, preserving, and protecting the Collateral, (iv) otherwise in relation to the Loan Documents, the Collateral, or the rights and remedies of Bank under the Loan Documents or relating to the Collateral, and (v) in preparing for the foregoing, whether or not any legal proceeding is brought or other action is taken. Such costs, expenses, and fees shall include, without limitation, all such costs, expenses, and fees incurred in connection with any bankruptcy, receivership, replevin, or other court proceedings (whether at the trial or appellate level). Borrower agrees to pay interest on such costs, expenses, and fees at the Default Rate from the date incurred by Bank until paid in full. Such interest shall be computed on the basis of a 365 day year and actual days elapsed.

7. BANK'S OBLIGATIONS TO BORROWER ONLY. The obligations of Bank under this Agreement are for the benefit of Borrower only. No other Person shall have any rights hereunder or be a third-party beneficiary hereof.

8. SURVIVAL. The representations, warranties, and covenants of Borrower in the Loan Documents shall survive the execution and delivery of the Loan Documents and the making of Advances.

9. INTEGRATION, ENTIRE AGREEMENT, CHANGE DISCHARGE, TERMINATION, WAIVER APPROVAL, CONSENT, ETC. The Loan Documents contain the complete understanding and agreement of Borrower and Bank and supersede all prior representations, warranties, agreements, arrangements, understandings, and negotiations on the matters set forth in the Loan Documents. No provision of the Loan Documents may be changed, discharged, supplemented, terminated, or waived except in a writing signed by the parties thereto. Delay or failure by Bank to insist on performance of any obligation when due or compliance with any other term or condition in the Loan Documents shall not operate as a waiver thereof or of any other obligation, term, or condition or of the time of the essence provision. Acceptance of late payments shall not be a waiver of the time of the essence provision, the right of Bank to require that subsequent payments be made when due, or the right of Bank to declare an Event of Default if subsequent payments are not made when due. Any approval, consent, or statement that a matter is satisfactory by Bank under the Loan Documents must be in writing executed by Bank and shall be construed to apply only to the Persons and facts specifically set forth in the writing. Delay or failure by the Bank to insist on performance of any obligation when due or compliance with any other term or condition in the Loan Documents shall not operate as a waiver thereof or of any other obligation, term, or condition or of the time of the essence provision.

10. BINDING EFFECT. The Loan Documents shall be binding upon and shall inure to the benefit of Bank and each Borrower and their successors and assigns, provided, however, that Borrower may not assign any of its rights or delegate any of its obligations under the Loan Documents and any purported assignment or delegation shall be void, and provided further that Bank may sell participations in or assign the loan commitment contained in this Agreement, and may exchange financial information about Borrower, but not financial information with regard to employees of Borrower, with actual or potential participants or assignees; provided, however, such actions shall not be taken by Bank without the prior written approval of Borrower, which approval shall not be unreasonably withheld.

11. SEVERABILITY. If any provision or any part of any provision of the Loan Documents is unenforceable, the enforceability of the other provisions or the other provisions and the remainder of the subject provision, respectively, shall not be affected and they shall remain in full force and effect.

12. CHOICE OF LAW. The Loan Documents shall be governed by the law of the State of Arizona, without giving effect to conflict of laws principles.

13. TIME OF ESSENCE. Time is of the essence with regard to each provision of the Loan Documents as to which time is a factor.

14. NOTICES AND DEMANDS. All demands or notices under the Loan Documents shall be in writing (including, without limitation, telecopy, telegraphic, telex, or cable communication) and mailed, telecopied, telegraphed, telexed, cabled, or delivered to the respective party hereto at the address specified at the end of this Section 14 or such other address as shall have been specified in a written notice. Any demand or notice mailed shall be mailed first-class mail, postage-prepaid, return-receipt-requested and shall be effective upon the earlier of (i) actual receipt by the addressee, and (ii) the date shown on the return-receipt. Any demand

or notice not mailed will be effective upon the earlier of (i) actual receipt by the addressee, and (ii) the time the receipt of the telecopy, telegram, telex, or cable is mechanically confirmed.

Addresses for Notices to Borrower:

Gila County Treasurer
1400 Ash Street
Globe, Arizona 85501
Attn: Debora Savage, County Treasurer
Telephone: (928) 402-8700
Facsimile: (928) 425-7268

Address for Notice to Bank:

JPMorgan Chase Bank, N.A.
201 North Central Avenue
21st Floor, AZ1-1178
Phoenix, AZ 85004
Attn: George W. McManus, Vice President
Telephone: (602) 221-2179
Facsimile: (602) 221-1075

15. RESCISSION OR RETURN OF PAYMENTS. If at any time or from time to time, whether before or after payment and performance of the Obligations in full, all or any part of any amount received by Bank in payment of, or on account of, any Obligation is or must be, or is claimed to be, avoided, rescinded, or returned by Bank to Borrower or any other Person for any reason whatsoever (including, without limitation, bankruptcy, insolvency, or reorganization of Borrower or any other Person), such Obligation and any liens, security interests, and other encumbrances that secured such Obligation at the time such avoided, rescinded, or returned payment was received by Bank shall be deemed to have continued in existence or shall be reinstated, as the case may be, all as though such payment had not been received.

16. HEADINGS. The headings at the beginning of each section of the Loan Documents are solely for convenience and are not part of the Loan Documents.

17. MULTIPLE CREDIT ACCOMMODATIONS. If from time to time Borrower has more than one loan or other credit accommodation with Bank, Borrower agrees that, unless otherwise agreed by Bank and such Borrower in writing, (i) the Loan Documents and the agreements, documents, and instruments evidencing and relating to such other loan(s) and credit accommodation(s) shall all remain in effect and neither shall supersede the other, regardless of whether the Loan Documents and such other agreements, documents, and instruments have differing terms, conditions, and requirements, and (ii) regardless of any such differences, such Borrower shall comply with all the terms, conditions, and requirements of the Loan Documents and of such other agreements, documents, and instruments.

18. SECURITY INTEREST. Pursuant to Arizona Revised Statutes Section 11-604.41, Bank is entitled to and Borrower hereby grants to Bank a security interest in the non-restricted operating revenues received by the Gila County, Arizona, Treasurer on behalf of Borrower and in all proceeds of such non-restricted operating revenues to secure the Obligations.

19. WAIVER OF SPECIAL DAMAGES. BORROWER WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT BORROWER MAY HAVE TO CLAIM OR RECOVER FROM BANK IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

20. USURY LAWS. Notwithstanding any other provision of this Agreement, the parties agree that the maximum rate or rates of interest to be charged by Bank hereunder shall not exceed the maximum rates permitted under the Act, as it exists on the date hereof. This Section covers the transactions described in this Agreement and any other agreements with Bank or its affiliates executed in connection with this Agreement, to the extent they are subject to the Arizona usury laws (the "Transactions"). Borrower understands and believes that the Transactions comply with the Arizona usury laws. However, if any interest or other charges paid or payable in connection with the Transactions are ever determined to exceed the maximum amount permitted by law, such Borrower agrees that:

(a) the amount of interest or other charges payable or paid by Borrower pursuant to the Transactions shall be reduced to the maximum amount permitted by law; and

(b) any excess amount previously collected from Borrower in connection with the Transactions which exceeded the maximum amount permitted by law will be credited against the then outstanding principal balance. If the outstanding principal balance has been repaid in full, the excess amount paid will be refunded to such Borrower.

21. COUNTERPARTS. This Agreement may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same agreement.

22. TERMINATION FOR CONFLICT OF INTEREST. This Agreement may be subject to termination under the circumstances described in and as provided in Section 38-511 of the Arizona Revised Statutes. If this Agreement is terminated by Borrower pursuant to said Section 38-511, all advances for the benefit of such Borrower and accrued interest shall be due and payable immediately.

23. JURY WAIVER. EACH BORROWER AND BANK HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) BETWEEN BORROWER AND BANK ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT.

THIS PROVISION IS A MATERIAL INDUCEMENT TO BANK TO PROVIDE THE FINANCING DESCRIBED HEREIN.

[SIGNATURE PAGES FOLLOW]

DATED as of the date first above stated.

GILA COUNTY, ARIZONA

By: _____
Name: _____
Title: Chairman, Board of Supervisors

ATTEST:

APPROVED AS TO FORM:

Clerk of the Board

Attorney for the County

GILA COUNTY TREASURER,
As Agent for the County

By: Debora Savage
Debora Savage
Gila County Treasurer

JPMORGAN CHASE BANK, N.A.

By: George W. McManus
Name: GEORGE W. McMANUS
Title: SENIOR BANKER

Exhibit A
To
Business Loan Agreement

SPECIMEN OF PROMISSORY NOTE
(COUNTY)

Exhibit B
To
Business Loan Agreement
FORM OF DECLARATION
(COUNTY)

(Use County Letterhead)

Date:

JPMorgan Chase Bank, N.A.
Government Banking
201 North Central Avenue
21st Floor, AZ1-1178
Phoenix, AZ 85004
Attn: George W. McManus, Vice President

Re: Letter of Declaration for Gila County, for calendar years 20__ and 20__

Dear Mr. McManus:

Gila County ("County") has approved obtaining a revolving line of credit ("Line of Credit") for the County from JPMorgan Chase Bank, N.A. ("Bank") pursuant to A.R.S. Section 11-604.01 and requests the County Treasurer to enter into an agreement with the Bank to provide the Line of Credit to the County.

In accordance with the Internal Revenue Code of 1986, as amended from time to time ("Code"), the County hereby certifies that it is reasonably anticipated that the aggregate amount of "tax-exempt obligations" (as defined in Code Section 265(b)(4)) which will be issued by the County during each of the above-referenced calendar years will not exceed \$10,000,000 and hereby designates all borrowings under the Line of Credit as "qualified tax-exempt obligations" (as defined in Code Section 265(b)(3)(B)).

In the event the anticipated amount for either year changes to the extent that the above certification changes, the County agrees to deliver to the Bank a supplement to this letter notifying the Bank of such change.

To the best of the undersigned's knowledge, information and belief, the expectations set forth in this Declaration are reasonable and there are no other facts, estimates or circumstances that would materially change the expectations expressed herein.

Sincerely,

By: _____

Name: _____

Title: _____

STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn before me by _____ this ____ day of _____, ____.

Notary Public

My commission expires:

Exhibit C
To
Business Loan Agreement
FORM OF ADDENDUM
(COUNTY)

ADDENDUM NO. ____

EFFECTIVE DATE: _____

PARTIES:

Borrower Gila County, Arizona Board of Supervisors
for Gila County, through the Gila County Treasurer,
as its agent

Bank JPMorgan Chase Bank, N.A., a national banking
association authorized to do business in the State of
Arizona

RECITAL:

Bank and Borrower are parties to that certain Business Loan Agreement, dated July 1, 2012 ("Agreement"), and Promissory Note, dated July 1, 2012 ("Note"), as the Agreement and Note have been amended, modified, extended, renewed, restated, or supplemented. Bank and Borrower desire to enter into this Addendum No. ____ ("Addendum") to modify the Agreement and Note, as described herein.

AGREEMENT:

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bank and Borrower agree as follows:

1. Definitions. Unless otherwise defined in this Addendum, the capitalized words and phrases used herein shall have the meanings as described in the Agreement.
2. Modification to Commitment Expiration Date. The Commitment Expiration Date is hereby extended from June 30, 201_ to June 30, 201_. After the Effective Date, all references in the Agreement to the Commitment Expiration Date shall mean and refer to June 30, 201_.
3. Commitment Amount Cap/Principal Amount of Note. The Commitment Amount Cap and the Principal Amount of the Note are hereby modified to be in the amount of _____ and NO/100 Dollars (\$ _____) ("Revised Amount"). After the Effective Date, all references in the Agreement to the Commitment Amount Cap and in the Note to the Principal Amount shall mean and refer to the Revised Amount.

5. Full Force and Effect. Except as modified in this Addendum, the terms and conditions of the Loan Documents remain unchanged and in full force and effect.

6. Representations and Warranties. Borrower hereby represents and warrants to Bank that the representations and warranties in Section 4 of the Agreement are correct and complete as of the Effective Date, except as Borrower shall have otherwise notified Bank in writing prior to the Effective Date.

7. Governing Law. This Addendum shall be deemed to be a contract made under the laws of the State of Arizona for all purposes and shall be construed in accordance with the laws of said State, without regard to principles of conflicts of law.

IN WITNESS WHEREOF, Bank and Borrower have caused this Addendum to be executed and delivered as of the Effective Date.

GILA COUNTY TREASURER,
As Agent for the County

By: _____
Name: _____
Title: _____ County Treasurer

APPROVED AS TO FORM:

Attorney for the County

JPMORGAN CHASE BANK, N.A.

By: _____
Name: _____
Title: _____

**THIS NOTE IS IN FULLY REGISTERED FORM AND IS NOT TRANSFERABLE
EXCEPT ON THE REGISTRATION BOOKS OF BORROWER**

GILA COUNTY REVOLVING LINE OF CREDIT

PROMISSORY NOTE

JPMorgan Chase Bank, N.A.
201 North Central Ave., Floor 21
Phoenix, Arizona 85004

Date: July 3, 2012

Principal Amount: \$ 3,465,000.00

1. **PROMISE TO PAY AND INTEREST.** For value received, the undersigned, GILA COUNTY, ARIZONA, ACTING THROUGH THE GILA COUNTY TREASURER, AS ITS AGENT ("Borrower") promises to pay to JPMORGAN CHASE BANK, N.A., or registered assigns ("Bank") at its above office, or at such other place as Bank may designate in writing, in lawful money of the United States of America, in the principal sum of Three Million Four Hundred Sixty Five Thousand and NO/100 Dollars (\$3,465,000.00), or, if different, the unpaid amount disbursed by Bank by making Advances (as such term is defined in the Business Loan Agreement (Gila County Revolving Line of Credit), dated of even date herewith ("Loan Agreement"), between Borrower and Bank, as it may be amended, modified, extended, renewed, restated, or supplemented from time to time), as shown on the records of Bank which, when in agreement with the records of Borrower, shall be conclusive as to such unpaid amount, with interest thereon from the date advanced at the Interest Rate. "Interest Rate" means any of the Qualified Tax Exempt Interest Rate set forth in Section 2, the Non-Qualified Tax Exempt Interest Rate set forth in Section 3, or the Taxable Interest Rate set forth in Section 4 below, as may be applicable from time to time

2. **QUALIFIED TAX EXEMPT INTEREST RATE.** If interest payable with respect to an Advance under this Note is not included in the gross income of Bank, or the registered owner if other than Bank, under the Internal Revenue Code of 1986 and the regulations thereunder, as such code and regulations heretofore have been and hereafter may be amended from time to time ("Code and Regulations"), and is not otherwise subject to the federal income tax, and if all of the requirements set forth in both Section 5(a) and Section 5(b) of this Note are met, then the Interest Rate applicable to the specific Advance (the "Qualified Tax Exempt Interest Rate") shall be a rate per annum equal to sixty-one percent (61%) of the Prime Rate, provided that in no event shall the Qualified Tax Exempt Interest Rate at any time exceed ten percent (10%) per annum. The Qualified Tax Exempt Interest Rate will be re-determined by Bank on each day that the Prime Rate changes and any change in the Qualified Tax Exempt Interest Rate will be effective on and after the date of such change and until the next change in the Qualified Tax Exempt Interest Rate.

3. **NON-QUALIFIED TAX EXEMPT INTEREST RATE.** If interest payable with respect to an Advance under this Note is not included in the gross income of Bank, or the registered owner if other than Bank, under the Code and Regulations, and is not otherwise

Note are met, but not the requirements set forth in Section 5(b), then the Interest Rate applicable to the specific Advance (the “Non-Qualified Tax Exempt Interest Rate”) shall be a rate per annum equal to sixty-six percent (66%) of the Prime Rate, provided that in no event shall the Non-Qualified Tax Exempt Interest Rate at any time exceed ten percent (10%) per annum. The Non-Qualified Tax Exempt Interest Rate will be re-determined by Bank on each day that the Prime Rate changes and any change in the Non-Qualified Tax Exempt Interest Rate will be effective on and after the date of such change and until the next change in the Non-Qualified Tax Exempt Interest Rate.

4. TAXABLE INTEREST RATE. If interest payable under this Note is included in the gross income of Bank, or the registered owner if other than Bank, under the Code and Regulations, or is otherwise subject to federal income tax, or if one or more of the requirements set forth in Section 5(a) of this Note are not met, the Interest Rate applicable to the specific Advance (the “Taxable Interest Rate”) during each calendar quarter shall be a rate per annum equal to one hundred ten percent (110.00%) of the previous quarter’s weighted average “prime rate” among the top three financial institutions by asset size in the State of Arizona.

5. REQUIREMENTS

(a) Tax Exempt Interest Rate. For each Advance, Borrower shall meet all of the following requirements to qualify for a Tax Exempt Interest Rate:

(i) Borrower signs and files with the United States Internal Revenue Service a properly completed Form 8038-G as and when required by the Code and Regulations and promptly delivers to Bank a copy of each filed Form 8038-G.

(b) Qualified Tax Exempt Interest Rate. For each Advance, Borrower shall meet all of the following requirements, in addition to the requirements set forth in paragraph (a) above, to qualify for a Qualified Tax Exempt Interest Rate:

(i) Borrower delivers to Bank a Declaration (as defined in the Loan Agreement) certifying that the indebtedness evidenced by this Note with respect to such Advance is a “Qualified Tax Exempt Obligation,” as such term is defined in Section 265 of the Code and Regulations.

(ii) The Advance is a “Qualified Tax Exempt Obligation,” as such term is defined in Section 265 of the Code and Regulations.

6. CERTAIN DEFINED TERMS.

(a) “Prime Rate” means the rate of interest per annum announced from time to time by the Bank, or Bank’s successors, in Phoenix, Arizona, as its prime rate. The Prime Rate is a variable rate and each change in the Prime Rate is effective from and including the date the change is announced as being effective. THE PRIME RATE IS A REFERENCE RATE AND MAY NOT BE THE BANK’S LOWEST RATE.

(b) “Tax Exempt Interest Rate” means either a Qualified Tax Exempt Interest Rate, or a Non-Qualified Tax Exempt Interest Rate.

7. TAXABILITY OF TAX EXEMPT INTEREST.

(a) Borrower agrees that in the event that Borrower pays interest at a Tax-Exempt Interest Rate on any portion of the sums outstanding hereunder, and

(i) the Internal Revenue Service determines that the interest on such portion is not exempt from federal income taxation, or

(ii) Bank is required to pay any sums as federal income taxes because of any assertion by the Internal Revenue Service (whether or not a final determination) that interest paid on such portion of the obligations of Borrower hereunder is not exempt from federal income tax,

then, the applicable interest rate hereunder for that portion shall be deemed always to have been the Taxable Interest Rate and Borrower shall, immediately upon request by Bank, pay to Bank the difference between (A) interest, computed at the Taxable Interest Rate, on any such portion at any time outstanding hereunder and (B) the interest already paid for such portion by Borrower under this Agreement. The obligations of Borrower under this section shall survive the termination of the Loan Documents and the repayment of sums borrowed hereunder.

(b) Borrower agrees that in the event that Borrower pays interest at a Qualified Tax-Exempt Rate on any portion of the sums outstanding hereunder, and

(i) the Internal Revenue Service determines that the interest on such portion is not subject to treatment as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code, or

(ii) Borrower causes the amount of tax-exempt obligations issued in any calendar year for which such Borrower is paying interest at a Qualified Tax-Exempt Rate to exceed \$10,000,000; or

(iii) Bank is required to pay any sums as federal income taxes because of any assertion by the Internal Revenue Service (whether or not a final determination) that all or any portion of the obligations of Borrower hereunder are not "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code,

then, the applicable interest rate hereunder for the portion that no longer qualifies as a Qualified Tax-Exempt Obligation shall be deemed always to have been the Non-Qualified Tax-Exempt Interest Rate and Borrower shall, immediately upon request by Bank, pay to Bank the difference between (A) interest, computed at the Non-Qualified Tax-Exempt Interest Rate, on any such portion at any time outstanding hereunder and (B) the interest already paid for such portion by Borrower under this Agreement. The obligations of Borrower under this section shall survive the termination of the Loan Documents and the repayment of sums borrowed hereunder.

8. PAYMENT IN FULL ON THE MATURITY DATE. Prior to June 30, 2013, or if the Commitment Expiration Date under the Loan Agreement has been extended by mutual agreement between Borrower, acting through its agent, the Gila County Treasurer, and Bank,

such Commitment Expiration Date (the "Maturity Date"), payments under this Note shall be made as Borrower receives "non-restricted operating revenues", as such term is used in Arizona Revised Statutes Section 11-604.01. On the Maturity Date, Borrower shall pay to Bank the unpaid principal, all accrued and unpaid interest, and all other amounts ("Other Amounts") payable by such Borrower to Bank under the Loan Documents. "Loan Documents" means this Note, the Loan Agreement, the Services Proposal (as defined in the Loan Agreement), and any other agreements, documents, and instruments relating to this Note, as they may be amended, modified, extended, renewed, restated, or supplemented from time to time. Nothing set forth in this Section 8 waives or otherwise modifies Borrower's obligation to pay principal, interest, and Other Amounts on dates prior to the Maturity Date, as required herein or in the Loan Agreement.

9. INTEREST.

(a) Principal shall bear interest at the Interest Rate from the date of disbursement until the due date thereof, whether by acceleration or otherwise. Principal, interest, and Other Amounts not paid when due and any judgment therefor shall bear interest from its due date or the judgment date, as applicable, until paid at a rate of ten percent (10%) per annum ("Default Rate"), and such interest shall be immediately due and payable.

(b) All interest under the Loan Documents shall be computed on the basis of a 365-day year and accrue on a daily basis for the actual number of days elapsed. Borrower agrees to pay an effective rate of interest that is the sum of (i) the Interest Rate provided herein and (ii) any additional rate of interest resulting from any other charges or fees paid or to be paid in connection herewith that are determined to be interest or in the nature of interest.

10. PAYMENT IN FULL PRIOR TO THE MATURITY DATE. Notwithstanding any other provision herein or in the Loan Documents, Borrower shall pay to Bank all outstanding principal, interest and Other Amounts on June 30 of each year. So long as Borrower makes such payment, Borrower shall, subject to the provisions of the Loan Agreement, continue to be entitled to Advances pursuant to the Loan Agreement prior to the Commitment Expiration Date specified therein. Principal, interest, and Other Amounts not paid on June 30 of each year shall bear interest from June 30 until paid at the Default Rate, and such interest shall be immediately due and payable.

11. APPLICATION OF PAYMENTS. At the option of Bank, payments shall be applied to principal, interest, and Other Amounts in such order as Bank shall determine.

12. PREPAYMENT. Borrower may prepay the outstanding principal balance hereof, in whole or in part, at any time prior to the Maturity Date without penalty or premium.

13. NO COUNTERCLAIMS, DEDUCTIONS, ETC. All payments and other obligations of Borrower under the Loan Documents will be made and performed without counterclaim, deduction, defense, deferment, reduction, or set-off.

14. EVENTS OF DEFAULT. Each of the following shall be an event of default ("Event of Default"):

(a) Failure by Borrower to pay when due (i) any amount payable by Borrower under any of the Loan Documents, or (ii) any other indebtedness of Borrower to Bank.

(b) Failure by Borrower to perform any material obligation not involving the payment of money, or to comply with any other term or condition applicable to Borrower, in any of the Loan Documents.

(c) Any representation or warranty made by Borrower in any of the Loan Documents or otherwise or any information delivered by Borrower to Bank in obtaining or hereafter in connection with the credit evidenced by this Note is or becomes materially incomplete, incorrect, or misleading from the representations or warranties made of the date of this Note or as of the date made or delivered.

(d) The occurrence of any change or other event that Bank determines has or will materially and adversely affect (i) any or all property, interests in property, or rights to property securing the obligations of Borrower under the Loan Documents, including without limitation the security interest in the non-restricted operating revenues received by the Gila County Treasurer on behalf of Borrower ("Collateral") as security for the obligations of Borrower under the Loan Documents, (ii) the financial condition of Borrower, or (iii) the ability of Borrower to pay the monetary obligations of Borrower under the Loan Documents.

(e) Borrower (i) is unable or admits in writing Borrower's inability to pay Borrower's monetary obligations as they become due, (ii) is generally not paying its debts as they become due, (iii) makes a general assignment for the benefit of creditors, or (iv) applies for, consents to, or acquiesces in, appointment of a trustee, receiver, or other custodian for Borrower or any or all of the property of Borrower, or in the absence of such application, consent, or acquiescence by Borrower a trustee, receiver, or other custodian is appointed for Borrower or any or all of the property of Borrower.

(f) Commencement of any case under the Bankruptcy Code (Title 9 of the United States Code) or commencement of any other bankruptcy, arrangement, reorganization, receivership, custodianship, or similar proceeding under any federal or state law by or against Borrower.

(g) Attachment, garnishment, levy of execution, or seizure by legal process of any or all Collateral of Borrower, except any pre-judgment attachment or garnishment of any or all Collateral.

(h) Any legal proceeding or other action against or affecting any or all Collateral of Borrower is commenced (including, without limitation, any prejudgment attachment or garnishment) and is not quashed, stayed, or released within twenty (20) days.

(i) Any Collateral of Borrower is sold, disposed of, or otherwise transferred by such Borrower after the date of this Note, not in the ordinary course of operations of Borrower.

(j) Any Collateral of Borrower becomes subject to any lien or security interest, other than the security interest granted to Bank in this Note.

(k) Any Collateral of Borrower is lost, stolen, suffers substantial damage or destruction, or is used in violation of any law, ordinance, regulation, or rule (federal, state, or local).

(l) Borrower abandons or, except for expenditure of funds included in the Collateral in the ordinary operations of Borrower, ceases to have exclusive possession of any Collateral or any books and records of Borrower relating to the Collateral.

(m) Borrower or any other person on behalf of Borrower claims that any Loan Document is not legal, valid, binding, and enforceable against Borrower, that any lien, security interest, or other encumbrance securing any of the obligations under the Loan Documents is not legal, valid, binding, and enforceable, or that the priority of any lien, security interest, or other encumbrance securing any of the obligations in the Loan Documents is different than the priority set forth in Arizona Revised Statutes Section 11-604.01 (except as such priority may be affected by the laws regarding garnishment of wages of Borrower's employees and federal and state tax liens for withholding taxes of Borrower's employees).

(n) The occurrence of any condition or event that is a default or is designated as a default, an event of default, or an Event of Default in any other Loan Document or in any agreement, document, or instrument relating to any other indebtedness of Borrower to Bank.

(o) The occurrence of any condition or event that is designated as a default or an event of default and the expiration of any cure period with respect to any other indebtedness of Borrower to any other person.

(p) The failure of Borrower to repay to Bank within five (5) Business Days of written notice from Bank to Borrower the amount by which the outstanding amount of Advances exceeds the Commitment.

15. RIGHTS AND REMEDIES OF BANK. Upon occurrence of an Event of Default, Bank may, at its option, in its absolute and sole discretion, and without demand or notice, (i) declare the obligations in the Loan Documents to be immediately due and payable, whereupon the obligations in the Loan Documents shall be immediately due and payable, and (ii) exercise any or all other rights and remedies of Bank concurrently or consecutively in such order as Bank elects. The rights and remedies of Bank shall be cumulative and non-exclusive. Delay, discontinuance, or failure to exercise any right or remedy of Bank shall not be a waiver thereof, or of any other right or remedy of Bank, or of the time, of the essence provision. Exercise of any right or remedy of Bank shall not cure or waive any Event of Default or invalidate any act done in response to any Event of Default.

16. LIMIT OF LIABILITY OF BANK. In exercising rights and remedies, neither Bank nor any stockholder, director, officer, employee, agent, or representative of Bank shall have any liability for any injury to the assets, business, operations, or property of Borrower or any other liability to Borrower, other than for its own gross negligence or willful misconduct.

17. PROVISIONS IN LOAN AGREEMENT GOVERN THIS AGREEMENT. This Note is subject to certain terms and provisions in the Loan Agreement, to which reference is made for a statement of such terms and provisions.

18. WAIVER OF STATUTE OF LIMITATIONS. Borrower waives, to the full extent permitted by law, the right to plead any statutes of limitations as a defense to any or all obligations under the Loan Documents.

19. WAIVERS BY BORROWER. Borrower (i) waives, to the full extent permitted by law, presentment, notice of dishonor, protest, notice of protest, notice of intent to accelerate, notice of acceleration, and all other notices or demands of any kind (except notices specifically provided for in the Loan Documents), and (ii) agrees that Bank may enforce this Note and any other Loan Documents against Borrower without first having sought enforcement against any Collateral.

20. JURY WAIVER. BORROWER AND BANK HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) BETWEEN BORROWER AND BANK ARISING OUT OF OR IN ANY WAY RELATED TO THIS NOTE. THIS PROVISION IS A MATERIAL INDUCEMENT TO BANK TO PROVIDE THE FINANCING DESCRIBED HEREIN.

21. WAIVER OF SPECIAL DAMAGES. BORROWER WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT BORROWER MAY HAVE TO CLAIM OR RECOVER FROM BANK IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

[Signatures appear on following page]

GILA COUNTY BOARD OF SUPERVISORS

By _____
Title: Chairman, Board of Supervisors

ATTEST:

Clerk of the Board

GILA COUNTY, ACTING THROUGH THE
GILA COUNTY TREASURER, AS ITS AGENT

By Debra Savage
Gila County Treasurer

APPROVED AS TO FORM:

County Attorney

BUSINESS LOAN AGREEMENT

(GILA COUNTY DISTRICTS REVOLVING LINE OF CREDIT)

DATE: July 3, 2012

PARTIES: Borrower: Each of the Districts listed in Schedule I hereto,
through the Gila County Treasurer, as their agent

Bank JPMorgan Chase Bank, N.A., a national banking
association authorized to do business in the State of
Arizona ("Bank")

AGREEMENT: Pursuant to §11-604.01, Arizona Revised Statutes (the "Act"), the Board of Supervisors of a county may enter into an agreement with the financial institution authorized to do business in the State of Arizona to obtain a line of credit for each of the political subdivisions of the county. The Act further provides that the Gila County Treasurer is the agent for the County and for each political subdivision of the State of Arizona for which the Gila County Treasurer acts as treasurer and may take any action required under such agreement without further approval of any governing body of a political subdivision. The Board of Supervisors of Gila County, Arizona (the "County"), the Gila County Treasurer and Bank intend to enter into this Agreement and the hereafter-described Note to obtain a line of credit pursuant to the Act for each of the districts listed in Schedule I attached hereto (individually a "Borrower" and collectively, the "Borrowers"), in the respective maximum amounts shown on said Schedule I for each Borrower, and to evidence all such lines of credit in this Agreement and the Note. For purposes of this Agreement and each line of credit extended to a Borrower evidenced hereunder and in the Note, such Borrower shall be acting through the Gila County Treasurer as its agent pursuant to the Act. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Borrower and Bank agree as follows:

1. DEFINITIONS. In this Agreement, the following terms shall have the following meanings:

 "Advance" means a disbursement of funds by Bank to a Borrower pursuant to Section 2.1.

 "Agreement" means this Business Loan Agreement (Gila County Districts Revolving Line of Credit) as it may be amended, modified, extended, renewed, restated, or supplemented from time to time.

“Authorized Person” means any of the following Persons acting alone:

Debora Savage

Gila County Treasurer

Sample Signature

Martha Gonzales

Chief Deputy Treasurer

Sample Signature

Pam Alvino

Accountant

Sample Signature

Terri Powell

Office Manager

Sample Signature

or any other person authorized to act for a Borrower hereunder as shown by a written statement signed by the Gila County Treasurer and that also shows the specimen signature of such additional Authorized Person.

“Business Day” means a day of the year on which banks are not required or authorized to close in Phoenix, Arizona.

“Code” means the Internal Revenue Code of 1986, as amended.

“Code and Regulations” means the Code and the regulations thereunder, as such Code and regulations heretofore have been and hereafter may be amended from time to time.

“Collateral” means the property, interests in property, and rights to property securing any or all Obligations from time to time, including without limitation the security interest in the non-restricted operating revenues received by the Gila County Treasurer on behalf of each Borrower.

“Commitment” means the agreement of Bank to make Advances as provided in this Agreement.

“Commitment Amount” means, with respect to each Borrower, the lesser of (i) the maximum amount shown for such Borrower on Schedule I hereto, or (ii) forty-five percent (45%) of the total amount of non-restricted operating revenues received by such Borrower in the immediately preceding Fiscal Year of such Borrower, provided that the Commitment Amount, in the aggregate, shall not exceed the Commitment Amount Cap (defined below).

“Commitment Amount Cap” means the amount of Eight Million and NO/100 Dollars (\$8,000,000.00).

“Commitment Expiration Date” means June 30, 2013, subject to earlier termination as provided herein, and subject to extension by mutual agreement of the parties, as described in Section 2.8.

“Declaration” means a letter executed by a Borrower, in the form attached hereto as Exhibit B, in which Borrower designates the Advances for a certain calendar year to be “qualified tax-exempt obligations” (as defined in Section 265(b)(3)(B) of the Code).

“Default Rate” has the meaning specified in the Note.

“Districts” means political subdivisions of Gila County, Arizona.

“Event of Default” has the meaning specified in the Note.

“Fiscal Year” means the fiscal year for each Borrower, and shall commence each July 1 and end each immediately following June 30.

“Governmental Authority” means any government, any court, and any agency, authority, body, bureau, department, or instrumentality of any government.

“Loan Documents” means this Agreement, the Note, the Services Proposal and any other agreements, documents, and instruments from time to time evidencing, guarantying, securing, or otherwise relating to the Note, as they may be amended, modified, extended, renewed, restated, or supplemented from time to time.

“Material Adverse Effect” means a material adverse change in, or a material adverse effect upon (i) the assets, business, properties, prospects, condition (financial or otherwise) or results of operations of the Borrower taken as a whole, (ii) the ability of the Borrower to perform any of the Obligations, (iii) any substantial portion of the Collateral, (iv) the legality, validity, binding effect or enforceability of the Loan Documents against the Borrower; or (v) the rights or remedies of the Bank under any Loan Documents.

“Note” means the Promissory Note, dated of even date herewith, of Borrowers payable to Bank, as it may be amended, modified, extended, renewed, restated, or supplemented from time to time.

“Obligations” means the respective obligations of Borrowers under the Loan Documents.

“Person” means a natural person, a partnership, a joint venture, an unincorporated association, a limited liability company, a corporation, a trust, any other legal entity, or any Governmental Authority.

“Services Proposal” means the Gila County Proposal for Depository and Banking Services, dated May 3, 2012, by Bank to Gila County, Arizona.

“Servicing Bank Term” means the period, during which Bank provides services to County as servicing bank, with such term commencing July 1, 2012 and ending June 30, 2015, subject to extensions of not more than two (2) additional years.

“Unmatured Event of Default” means any condition or event that with notice, passage of time, or both would be an Event of Default.

2. REVOLVING LINE OF CREDIT FACILITY.

2.1 Credit Facility. Subject to the terms and conditions of this Agreement, Bank agrees to make Advances to Borrowers from time to time on or before the Commitment Expiration Date, provided that the outstanding amount of Advances with respect to any Borrower from time to time shall not exceed the Commitment Amount for such Borrower. Advances to each Borrower shall be on a revolving basis. Advances repaid may be re-borrowed subject to the terms and conditions of this Agreement. Upon occurrence of an Event of Default or an Unmatured Event of Default with respect to any Borrower, Bank, in its absolute and sole discretion and without notice, may suspend the commitment to make Advances with respect to such Borrower. In addition, upon occurrence of an Event of Default with respect to any Borrower, Bank, in its absolute and sole discretion and without notice, may terminate the commitment to make Advances to such Borrower. The obligation of each Borrower to repay Advances is evidenced by the Note as to the amount outstanding thereunder with respect to such Borrower. Neither the Gila County Treasurer nor the County shall be liable for amounts owed by any Borrower hereunder. Although the outstanding principal of the Note may be zero from time to time, the Loan Documents shall remain in full force and effect until the Commitment terminates and all Obligations are paid and performed in full.

2.2 Requests for Advances and Repayments. Each request for an Advance will be made in writing in a manner mutually acceptable to Bank and the Gila County Treasurer, or by another means mutually acceptable to the Bank and the Gila County Treasurer. Each request for an Advance shall identify which Borrower or Borrowers it relates to and the amount of such request for an Advance related to each Borrower. Borrower shall deliver to Bank an executed Declaration to designate the Advances received in any one calendar year as "qualified tax-exempt obligations" (as defined in Section 265(b)(3)(B) of the Code).

2.3 Advances and Repayments.

Advances will be deposited in and repayments will be withdrawn from the accounts of the County with Bank, which account number is _____, or such other accounts with Bank as designated in writing by an Authorized Person. Each Borrower hereby irrevocably authorizes and directs Bank to make such debits. The arrangement in this Section 2.3 to debit such demand deposit account shall not restrict Bank's right to collect any amounts due under the Loan Documents from any revenues or funds of Borrowers which have Advances outstanding hereunder otherwise available for payment of such amounts, including, without limitation, all non-restricted operating revenues of Borrowers.

2.4 Advances - Repayment. Each Borrower agrees to apply all "non-restricted operating revenues", as such term is described in Section 11-604.01.A, Arizona Revised Statutes, according to the priorities set forth in said Section 11-604.01.C. If there remain any amounts outstanding on the Note as of June 30 of any year with respect to each Borrower, such Borrower agrees to notify Bank on or before June 30th of such year of the amounts on deposit in the demand deposit and other accounts of the Borrower with Bank which constitute non-restricted operating revenues.

2.5 Advances in Excess of Commitment Amount. If with or without the approval of Bank the aggregate outstanding amount of Advances to a Borrower at any time exceeds the Commitment Amount for such Borrower, that Borrower shall repay the excess immediately upon demand by Bank.

2.6 Authority to Amend Commitment. In accordance with the provisions of the Act, the Gila County Treasurer on behalf of the Borrowers is hereby authorized to amend this Agreement and the Note with respect to the following matters:

2.6.1 To amend Schedule I to (a) add additional Borrowers, and (b) modify the Commitment Amount with respect to each Borrower;

2.6.2 To extend the Commitment Expiration Date, as described in Section 2.8; and

2.6.3 To increase or decrease the Commitment Amount Cap, provided that the Commitment Amount Cap shall not be increased to an amount which exceeds Eight Million Dollars (\$8,000,000.00), without such amendment being approved by resolution adopted by the Gila County Board of Supervisors.

2.7 Procedure to Amend Commitment. The Agreement and Note may be amended by a written amendment substantially in the form attached hereto as Exhibit C (the "Addendum") executed by the Bank and by the Gila County Treasurer on behalf of the Borrowers. Each amendment, when dated and fully executed, shall be construed to amend all prior versions of this Agreement and Note, whether or not it is actually attached to all copies of this Agreement or the Note.

2.8 Extension of Commitment Expiration Date. The Commitment provided to Borrowers hereunder shall be in effect initially for Fiscal Year 2012-2013. Borrowers and Bank may agree to extend the Commitment for each Fiscal Year thereafter through the execution of the Addendum extending the Commitment Expiration Date from June 30, 2013, to June 30, 2014 for Fiscal Year 2013-2014, and June 30, 2015 for Fiscal Year 2014-2015. Provided that the Bank Services Term is extended beyond June 30, 2015, Borrowers and Bank may agree to further extend the Commitment for subsequent Fiscal Years by extending the Commitment Expiration Date to June 30 of the next calendar year. Notwithstanding the foregoing, nothing set forth herein authorizes the Commitment to be extended beyond the expiration of the Servicing Bank Term.

3. CONDITIONS PRECEDENT TO ADVANCES.

3.1 Conditions Precedent to Initial Advance. Bank must receive the following items, in form and content acceptable to Bank, before Bank is required to make any Advances to a Borrower under this Agreement.

3.1.1 Legal Opinion of Borrower. A written opinion of the legal counsel for such Borrower, in a form satisfactory to Bank, opining on the following:

(a) Authorization. The execution, delivery, and performance by Borrower of the Loan Documents have been duly authorized by all requisite action by or on behalf of Borrower.

(b) Enforceability. The Loan Documents have been duly executed and delivered on behalf of Borrower. The Loan Documents are legal, valid, and binding obligations of Borrower, enforceable in accordance with their terms against Borrower, except as such enforceability may be limited by Section 42-17101 et seq., Arizona Revised Statutes, bankruptcy, insolvency, moratorium, reorganization, or similar laws and by equitable principles of general application.

3.1.2 Borrower's Financial Statement and Annual Budget. A copy of such Borrower's published Annual Financial Statement for Fiscal Year ending June 30, 2011 (and each Fiscal Year thereafter) and the adopted budget for Borrower for its Fiscal Year 2012-2013 (and each Fiscal Year thereafter) and such other information and documents as Bank may reasonably request, provided, however, that Bank may waive the requirement for such Borrower's Annual Financial Statement for Fiscal Year ending June 30, 2011, and accept an unpublished or unaudited version, without waiving the requirement for timely delivery of such Borrower's Annual Financial Statement in subsequent years, as provided herein.

3.2 Conditions Precedent to All Advances. Bank shall be obligated to make an Advance when requested on behalf of a Borrower only if the following conditions precedent are satisfied.

3.2.1 Representations and Warranties Accurate. The representations and warranties by Borrower in the Loan Documents are correct on and as of the date of this Agreement and, except as Borrower shall have otherwise notified Bank in writing prior to the date thereof, on and as of the date of each Advance, before and after giving effect to such Advance and to the application of the proceeds of such Advance, as though made on and as of such date.

3.2.2 No Violation of Limits on Advances. The making of the Advance to Borrower would not result in the outstanding amount of Advances exceeding the Commitment Amount to such Borrower.

3.3 Bank's Waiver of Conditions. Bank may elect, in its absolute and sole discretion, to waive any of the foregoing conditions precedent. Any such waiver shall be effective only if it (i) is in writing executed by Bank, (ii) specifically identifies the condition precedent, and (iii) describes the particular Advance as to which such condition precedent is waived. Any such waiver shall be limited to the condition(s) precedent specifically described therein. Delay or failure by Bank to insist on satisfaction of any condition precedent of an Advance shall not be a waiver of such condition precedent or any other condition precedent. If Borrower is unable to satisfy any condition precedent of an Advance, the making of the Advance shall not preclude Bank from thereafter declaring the condition or event causing such inability to be an Event of Default.

4. BORROWER REPRESENTATIONS AND WARRANTIES.

4.1 Closing Representations and Warranties. Each Borrower represents and warrants to Bank as of the date of this Agreement:

4.1.1 Existence and Authorization. Borrower is a duly formed, organized and validly existing political subdivision of the State of Arizona. The execution, delivery, and performance by Borrower of the Loan Documents have been duly authorized by all requisite action by or on behalf of Borrower.

4.1.2 No Approvals. No approval, authorization, bond, consent, certificate, franchise, license, permit, registration, qualification, or other action or grant by or filing with any Person is required in connection with the execution, delivery, or performance by Borrower of the Loan Documents that has not been obtained.

4.1.3 No Conflicts. The execution, delivery, and performance by Borrower of the Loan Documents will not conflict with, or result in a violation of or a default under: any applicable law, ordinance, regulation, or rule (federal, state, or local); any judgment, order, or decree of any arbitrator, other private adjudicator, or Governmental Authority to which Borrower is a party or by which Borrower or any of the assets or property of Borrower is bound; or any agreement, document, or instrument to which Borrower is a party or by which Borrower or any of the assets or property of Borrower is bound.

4.1.4 Execution and Delivery and Binding Nature of Loan Documents. The Loan Documents have been duly executed and delivered on behalf of Borrower. The Loan Documents are legal, valid, and binding obligations of Borrower, enforceable in accordance with their terms against Borrower, except as such enforceability may be limited by Section 42-17101 et seq., Arizona Revised Statutes, bankruptcy, insolvency, moratorium, reorganization, or similar laws and by equitable principles of general application.

4.1.5 Accurate Information. All information in any loan application, financial statement, certificate, or other document and all other Information delivered by or on behalf of Borrower to Bank in obtaining the Commitment is correct and complete in all material respects, and there are no omissions therefrom that result in any such information being incomplete, incorrect, or misleading in any material respect as of the date thereof.

4.1.6 Litigation. There is no lawsuit, tax claim, or other dispute pending or overtly threatened against Borrower which, if lost, would materially impair Borrower's financial condition or Borrower's ability to repay any amount payable under this Agreement, except as have been or will be disclosed in writing to Bank.

4.1.7 Purpose of Advances. This Agreement is made pursuant to the Act. The purpose of Advances is to provide funds for the general operations of Borrower; provided, however, proceeds may not be used for any expenses, costs, or reimbursements relating to Borrower's sponsorship of Charter Schools without the prior written consent of Bank.

4.1.8 No Event of Default or Unmatured Event of Default. No Event of Default and no Unmatured Event of Default has occurred and is continuing.

4.1.9 No Material Adverse Change. No material adverse change from the Borrower's financial condition and operations as reflected in such Borrower's published Annual Financial Statement for Fiscal Year ending June 30, 2011.

4.1.10 No Material Adverse Effect. The absence of any situation occurring which would, in the opinion of the Bank, result in a Material Adverse Effect.

4.1.11 Limitation of Representations and Warranties. The foregoing representations and warranties are solely the representations and warranties of Borrowers. The County in no way makes any representations or warranties with respect to the organization, financial condition, or any other fact, with respect to any of the Districts listed in Schedule 1 hereto.

4.2 Representations and Warranties Upon Requests for Advances. Each request for an Advance on behalf of any Borrower shall be a representation and warranty by such Borrower to Bank that the representations and warranties in this Section 4 are correct and complete as of the date of the Advance with respect to such Borrower, except as such Borrower shall have otherwise notified Bank in writing prior to the date thereof, and that the conditions precedent in Section 3.1 are satisfied as of the date of the Advance.

5. BORROWER AFFIRMATIVE COVENANTS. Each Borrower agrees that:

5.1 Existence. Borrower shall continue to be a validly existing political subdivision of the State of Arizona.

5.2 Books and Records: Access By Bank. Borrower shall maintain a system of accounting for and appropriate books and records showing its receipt and use of (i) non-restricted operating revenues, (ii) proceeds of Advances, and (iii) other funds available for expenditure for the general operations of Borrower. During business hours, after an Event of Default, Borrower shall give representatives of Bank access to all assets, property, books, records, and documents of Borrower and shall permit such representatives to inspect such assets and property and to audit, copy, examine, and make excerpts from such books, records, and documents.

5.3 Information and Statements. Borrower shall furnish to Bank: (i) as soon as available and in any event within two hundred forty (240) days after the end of each Fiscal Year of Borrower, copies of annual financial reports, (ii) as soon as available and in any event prior to sixty (60) days after the beginning of each Fiscal Year, Borrower's budget for such Fiscal Year, as adopted, (iii) any other information and documents given to any securities rating agency or other Person in connection with the indebtedness of Borrower and (iv) such additional information and statements as the Bank may request, from time to time.

5.4 Law; Judgments; Material Agreements; Approvals and Permits. Borrower shall comply with all laws, ordinances, regulations, and rules (federal, state, and local) and all judgments, orders, and decrees of any arbitrator, other private adjudicator, or Governmental Authority relating to Borrower or the assets, business, operations, or property of Borrower. Borrower shall comply in all material respects with all material agreements, documents, and

instruments to which Borrower is a party or by which Borrower or any of the assets or property of Borrower is bound or affected.

5.5 Further Assurances. Borrower shall promptly execute, acknowledge, and deliver and, as appropriate, cause to be duly filed and recorded such additional agreements, documents, and instruments and do or cause to be done such other acts as Bank may reasonably request from time to time to better assure, perfect, preserve, and protect the rights and remedies of Bank under the Loan Documents.

5.6 Use of Advances. Borrower shall use proceeds of Advances only to pay expenses incurred in its general operations (“Operating Expenses”). Borrower shall only use proceeds of Advances to pay then due Operating Expenses, and shall only receive such Advances when it has no other available funds to pay such Operating Expenses.

5.7 Taxation of Interest. Each Borrower shall neither take nor fail to take any action which action or failure to act is within the power and authority of such Borrower and would result in interest payable by such Borrower under the Note (i) being included in gross income of Bank for federal income tax purposes, or (ii) otherwise being subject to the federal income tax. Such actions may include, without limitation: making certifications and representations; giving assurances; paying to the United States of America any required amounts representing rebates of arbitrage profits relating to proceeds of Advances to such Borrower; filing forms, statements, and supporting documents as may be required under the Code and Regulations; limiting the term of and yield on investments made with proceeds of Advances to such Borrower; and limiting the use of the proceeds of Advances to such Borrower. In addition to other actions under this Section 5.7, the Gila County Treasurer, as agent for each Borrower, shall sign and file with the Internal Revenue Service properly completed Forms 8038-G provided by Bank as and when required by the Code and Regulations and shall promptly deliver to Bank a copy of each filed Form 8038-G.

5.8 Registration of Warrants. The Gila County Treasurer, as agent for each Borrower, shall perform its obligations under Arizona Revised Statutes Section 11-604.01.E, which is hereby incorporated herein by reference.

5.9 Security Interest Grants. Each Borrower shall not grant or suffer to exist any lien, claim, or encumbrance to or in favor of any person or entity other than Bank covering the non-restricted operating revenues of such Borrower (it being understood that Tax Anticipation Notes, General Obligation Bonds, and other payment-source-specific financing commitments of such Borrower deal with operating revenues which are restricted and thus are not “non-restricted operating revenues”). Each Borrower and Bank agree that Bank is entitled to a security interest in the non-restricted operating revenues received by the Gila County Treasurer on behalf of such Borrower to the extent of any credit extended under this Agreement.

6. COSTS, EXPENSES, AND FEES. Each Borrower agrees to pay on demand all external and internal costs, expenses, and fees (including, without limitation, as applicable, inside and outside attorneys and paralegals costs, expenses, and fees) of Bank (i) in enforcement of the Loan Documents and exercise of the rights and remedies of Bank, (ii) in defense of the legality, validity, binding nature, and enforceability of the Loan Documents and the perfection

and priority of the liens and encumbrances granted in the Loan Documents, (iii) in gaining possession of, holding, preserving, and protecting the Collateral, (iv) otherwise in relation to the Loan Documents, the Collateral, or the rights and remedies of Bank under the Loan Documents or relating to the Collateral, and (v) in preparing for the foregoing, whether or not any legal proceeding is brought or other action is taken. Such costs, expenses, and fees shall include, without limitation, all such costs, expenses, and fees incurred in connection with any bankruptcy, receivership, replevin, or other court proceedings (whether at the trial or appellate level). Borrower agrees to pay interest on such costs, expenses, and fees at the Default Rate from the date incurred by Bank until paid in full. Such interest shall be computed on the basis of a 365 day year and actual days elapsed..

7. BANK'S OBLIGATIONS TO BORROWER ONLY. The obligations of Bank under this Agreement are for the benefit of each Borrower only. No other Person shall have any rights hereunder or be a third-party beneficiary hereof.

8. SURVIVAL. The representations, warranties, and covenants of each Borrower in the Loan Documents shall survive the execution and delivery of the Loan Documents and the making of Advances.

9. INTEGRATION, ENTIRE AGREEMENT, CHANGE DISCHARGE, TERMINATION, WAIVER APPROVAL, CONSENT, ETC. The Loan Documents contain the complete understanding and agreement of each Borrower and Bank and supersede all prior representations, warranties, agreements, arrangements, understandings, and negotiations on the matters set forth in the Loan Documents. No provision of the Loan Documents may be changed, discharged, supplemented, terminated, or waived except in a writing signed by the parties thereto. Delay or failure by Bank to insist on performance of any obligation when due or compliance with any other term or condition in the Loan Documents shall not operate as a waiver thereof or of any other obligation, term, or condition or of the time of the essence provision. Acceptance of late payments shall not be a waiver of the time of the essence provision, the right of Bank to require that subsequent payments be made when due, or the right of Bank to declare an Event of Default if subsequent payments are not made when due. Any approval, consent, or statement that a matter is satisfactory by Bank under the Loan Documents must be in writing executed by Bank and shall be construed to apply only to the Persons and facts specifically set forth in the writing. Delay or failure by the Bank to insist on performance of any obligation when due or compliance with any other term or condition in the Loan Documents shall not operate as a waiver thereof or of any other obligation, term, or condition or of the time of the essence provision.

10. BINDING EFFECT. The Loan Documents shall be binding upon and shall inure to the benefit of Bank and each Borrower and their successors and assigns, provided, however, that a Borrower may not assign any of its rights or delegate any of its obligations under the Loan Documents and any purported assignment or delegation shall be void, and provided further that Bank may sell participations in or assign the loan commitment contained in this Agreement, and may exchange financial information about a Borrower, but not financial information with regard to employees of such Borrower, with actual or potential participants or assignees; provided, however, such actions shall not be taken by Bank without the prior written approval of such Borrower, which approval shall not be unreasonably withheld.

11. SEVERABILITY. If any provision or any part of any provision of the Loan Documents is unenforceable, the enforceability of the other provisions or the other provisions and the remainder of the subject provision, respectively, shall not be affected and they shall remain in full force and effect.

12. CHOICE OF LAW. The Loan Documents shall be governed by the law of the State of Arizona, without giving effect to conflict of laws principles.

13. TIME OF ESSENCE. Time is of the essence with regard to each provision of the Loan Documents as to which time is a factor.

14. NOTICES AND DEMANDS. All demands or notices under the Loan Documents shall be in writing (including, without limitation, telecopy, telegraphic, telex, or cable communication) and mailed, telecopied, telegraphed, telexed, cabled, or delivered to the respective party hereto at the address specified at the end of this Section 14 or such other address as shall have been specified in a written notice. Any demand or notice mailed shall be mailed first-class mail, postage-prepaid, return-receipt-requested and shall be effective upon the earlier of (i) actual receipt by the addressee, and (ii) the date shown on the return-receipt. Any demand or notice not mailed will be effective upon the earlier of (i) actual receipt by the addressee, and (ii) the time the receipt of the telecopy, telegram, telex, or cable is mechanically confirmed.

Addresses for Notices to Borrower:

Gila County Treasurer
1400 Ash Street
Globe, Arizona 85501
Attn: Debora Savage, County Treasurer
Telephone: (928) 402-8700
Facsimile: (928) 425-7268

Address for Notice to Bank:

JPMorgan Chase Bank, N.A.
201 North Central Avenue
21st Floor, AZ1-1178
Phoenix, AZ 85004
Attn: George W. McManus, Vice President
Telephone: (602) 221-2179
Facsimile: (602) 221-1075

15. RESCISSION OR RETURN OF PAYMENTS. If at any time or from time to time, whether before or after payment and performance of the Obligations in full, all or any part of any amount received by Bank in payment of, or on account of, any Obligation is or must be, or is claimed to be, avoided, rescinded, or returned by Bank to a Borrower or any other Person for any reason whatsoever (including, without limitation, bankruptcy, insolvency, or reorganization of Borrower or any other Person), such Obligation and any liens, security interests, and other encumbrances that secured such Obligation at the time such avoided,

rescinded, or returned payment was received by Bank shall be deemed to have continued in existence or shall be reinstated, as the case may be, all as though such payment had not been received.

16. HEADINGS. The headings at the beginning of each section of the Loan Documents are solely for convenience and are not part of the Loan Documents.

17. MULTIPLE CREDIT ACCOMMODATIONS. If from time to time a Borrower has more than one loan or other credit accommodation with Bank, such Borrower agrees that, unless otherwise agreed by Bank and such Borrower in writing, (i) the Loan Documents and the agreements, documents, and instruments evidencing and relating to such other loan(s) and credit accommodation(s) shall all remain in effect and neither shall supersede the other, regardless of whether the Loan Documents and such other agreements, documents, and instruments have differing terms, conditions, and requirements, and (ii), regardless of any such differences, such Borrower shall comply with all the terms, conditions, and requirements of the Loan Documents and of such other agreements, documents, and instruments.

18. SECURITY INTEREST. Pursuant to Arizona Revised Statutes Section 11-604.41, Bank is entitled to and each Borrower hereby grants to Bank a security interest in the non-restricted operating revenues received by the Gila County, Arizona, Treasurer on behalf of such Borrower and in all proceeds of such non-restricted operating revenues to secure the Obligations.

19. WAIVER OF SPECIAL DAMAGES. EACH BORROWER WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT BORROWER MAY HAVE TO CLAIM OR RECOVER FROM BANK IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

20. USURY LAWS. Notwithstanding any other provision of this Agreement, the parties agree that the maximum rate or rates of interest to be charged by Bank hereunder shall not exceed the maximum rates permitted under Section 11-604.01, Arizona Revised Statutes, as it exists on the date hereof. This Section covers the transactions described in this Agreement and any other agreements with Bank or its affiliates executed in connection with this Agreement, to the extent they are subject to the Arizona usury laws (the "Transactions"). Each Borrower understands and believes that the Transactions comply with the Arizona usury laws. However, if any interest or other charges paid or payable in connection with the Transactions are ever determined to exceed the maximum amount permitted by law, such Borrower agrees that:

(a) the amount of interest or other charges payable or paid by such Borrower pursuant to the Transactions shall be reduced to the maximum amount permitted by law; and

(b) any excess amount previously collected from such Borrower in connection with the Transactions which exceeded the maximum amount permitted by law will be credited against the then outstanding principal balance. If the outstanding principal balance has been repaid in full, the excess amount paid will be refunded to such Borrower.

21. COUNTERPARTS. This Agreement may be executed in as many counterparts as necessary or convenient, and by the different parties on separate counterparts each of which, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same agreement.

22. TERMINATION FOR CONFLICT OF INTEREST. This Agreement may be subject to termination under the circumstances described in and as provided in Section 38-511 of the Arizona Revised Statutes. If this Agreement is terminated by a Borrower pursuant to said Section 38-511, all advances for the benefit of such Borrower and accrued interest shall be due and payable immediately.

23. JURY WAIVER. EACH BORROWER AND BANK HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) BETWEEN ANY BORROWER AND BANK ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT. THIS PROVISION IS A MATERIAL INDUCEMENT TO BANK TO PROVIDE THE FINANCING DESCRIBED HEREIN.

[SIGNATURE PAGES FOLLOW]

DATED as of the date first above stated.

GILA COUNTY, ARIZONA

By: _____
Name: _____
Title: Chairman, Board of Supervisors

ATTEST:

APPROVED AS TO FORM:

Clerk of the Board

Attorney for the County

GILA COUNTY TREASURER,
As Agent for the Districts Listed on Schedule I hereto

By: Debora Savage
Debora Savage
Gila County Treasurer

JPMORGAN CHASE BANK, N.A.

By: [Signature]
Name: GEORGE W. McMANUS
Title: SENIOR BANKER

SCHEDULE I

FEDERAL TAX ID NUMBERS AND CREDIT LINE LIMITS

[ATTACHED ARE TWO PAGES WITH
CREDIT LIMITS TOTALING \$8,147,500]

SCHEDULE I-A
FEDERAL TAX ID NUMBERS AND CREDIT LINE LIMITS

Name School Districts	District Number	Federal TIN (to be inserted at closing)	Credit Limits
Globe Unified School District	1		1,500,000
Young Public School District	5		325,000
Payson Unified School District	10		4,000,000
Pine Strawberry School District	12		50,000
San Carlos Unified School District	20		50,000
Tonto Basin School District	33		55,000
Miami Area Unified School District	40		1,000,000
Hayden-Winkelman Unified School District	41		300,000
Pine-Strawberry Water Improvement District			35,000
Rim Trail Domestic Water Improvement District			10,000
Fire Districts			
Beaver Valley Fire Department			10,000
Canyon Fire District			20,000
Christopher-Kohls Fire District			20,000
Hellsgate Fire District			275,000
East Verde Park Fire District			2,500
Gisela Valley Fire District			2,500
Houston Mesa Fire District			40,000
Pine-Strawberry Fire District			250,000
Pleasant Valley Fire District			20,000
Round Valley Ox Bow Estates Fire District			2,500
Tonto Basin Fire District			75,000
Tri-City Fire District			25,000
Whispering Pines Fire District			80,000
Total			\$ 8,147,500

Exhibit A
To
Business Loan Agreement

**SPECIMEN OF PROMISSORY NOTE
(DISTRICTS)**

Exhibit B
To
Business Loan Agreement
FORM OF DECLARATION
(DISTRICTS)

(Use District Letterhead)

Date:

George W. McManus, Vice President
JPMorgan Chase Bank, N.A.
201 North Central Avenue
21st Floor, AZ1-1178
Phoenix, AZ 85004

Re: Letter of Declaration for <insert district name here>, for calendar years 20__ and 20__

Dear Mr. McManus:

The above-referenced district ("District") in Gila County ("County") has approved obtaining a revolving line of credit ("Line of Credit") for the District from JPMorgan Chase Bank, N.A. ("Bank") pursuant to A.R.S. Section 11-604.01 and requests the County Treasurer to enter into an agreement with the Bank to provide the Line of Credit to the District.

In accordance with the Internal Revenue Code of 1986, as amended from time to time ("Code"), the District hereby certifies that it is reasonably anticipated that the aggregate amount of "tax-exempt obligations" (as defined in Code Section 265(b)(4)) which will be issued by the District during each of the above-referenced calendar years will not exceed \$10,000,000.00 and hereby designates all borrowings under the Line of Credit as "qualified tax-exempt obligations" (as defined in Code Section 265(b)(3)(B)).

In the event the anticipated amount for either year changes to the extent that the above certification changes, the District agrees to deliver to the Bank a supplement to this letter notifying the Bank of such change.

To the best of the undersigned's knowledge, information and belief, the expectations set forth in this Declaration are reasonable and there are no other facts, estimates or circumstances that would materially change the expectations expressed herein.

Sincerely,

By: _____

Name: _____

Title: _____

STATE OF ARIZONA)
) ss.
County of _____)

Subscribed and sworn before me by _____ this ____ day of _____, _____.

Notary Public

My commission expires:

Exhibit C
To
Business Loan Agreement
FORM OF ADDENDUM
(DISTRICTS)

ADDENDUM NO. ____

EFFECTIVE DATE: _____

PARTIES:

Borrower

Gila County, Arizona Board of Supervisors
for each of the Districts listed in Schedule I hereto,
through the Gila County Treasurer, as their agent

Bank

JPMorgan Chase Bank, N.A., a national banking
association authorized to do business in the State of
Arizona

RECITAL:

Bank and Borrowers are parties to that certain Business Loan Agreement, dated July 1, 2012 ("Agreement"), and Promissory Note, dated July 1, 2012 ("Note"), as the Agreement and Note have been amended, modified, extended, renewed, restated, or supplemented. Bank and Borrowers desire to enter into this Addendum No. ____ ("Addendum") to modify the Agreement and Note, as described herein.

AGREEMENT:

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Bank and Borrowers agree as follows:

1. **Definitions.** Unless otherwise defined in this Addendum, the capitalized words and phrases used herein shall have the meanings as described in the Agreement.

2. Modifications to Schedule I. Schedule I to the Agreement and Schedule I to the Note are hereby amended as follows (the “Modifications”):

[The following Districts are hereby added to the Agreement and Note, as Borrowers, and hereby assume all rights and obligations of a Borrower, subject to the credit limits set forth below:]

Name	Federal Tax ID Number	Credit Limits

[The Credit Limits for the following listed Borrowers are hereby modified as follows:]

Name	Federal Tax ID Number	Previous Credit Limits	New Credit Limits

3. Schedule I-A. To incorporate the Modifications into the Agreement and Note, Schedule I to the Agreement, and Schedule I to the Note are hereby deleted in their entirety and replaced with the Schedule attached hereto as Schedule I-A. After the Effective Date, all references in the Agreement and Note to Schedule I shall mean and refer to Schedule I-A, attached hereto.

4. Modification to Commitment Expiration Date. The Commitment Expiration Date is hereby extended from June 30, 201_ to June 30, 201_. After the Effective Date, all references in the Agreement to the Commitment Expiration Date shall mean and refer to June 30, 201_.

5. Commitment Amount Cap/Principal Amount of Note. The Commitment Amount Cap and the Principal Amount of the Note are hereby modified to be in the amount of _____ and NO/100 Dollars (\$ _____) (“Revised Amount”). After the Effective Date, all references in the Agreement to the Commitment Amount Cap and in the Note to the Principal Amount shall mean and refer to the Revised Amount.

6. Full Force and Effect. Except as modified in this Addendum, the terms and conditions of the Loan Documents remain unchanged and in full force and effect.

7. Representations and Warranties. Each Borrower hereby represents and warrants to Bank that the representations and warranties in Section 4 of the Agreement are correct and complete as of the Effective Date with respect to such Borrower, except as Borrower shall have otherwise notified Bank in writing prior to the Effective Date.

8. Governing Law. This Addendum shall be deemed to be a contract made under the laws of the State of Arizona for all purposes and shall be construed in accordance with the laws of said State, without regard to principles of conflicts of law.

IN WITNESS WHEREOF, Bank and Borrowers have caused this Addendum to be executed and delivered as of the Effective Date.

GILA COUNTY TREASURER,
As Agent for the Districts Listed on Schedule I hereto

By: _____

Name: _____
Gila County Treasurer

APPROVED AS TO FORM:

Attorney for the County

JPMORGAN CHASE BANK, N.A.

By: _____
Name: _____
Title: _____

**THIS NOTE IS IN FULLY REGISTERED FORM AND IS NOT TRANSFERABLE
EXCEPT ON THE REGISTRATION BOOKS OF BORROWER**

GILA COUNTY DISTRICTS REVOLVING LINE OF CREDIT

PROMISSORY NOTE

JPMorgan Chase Bank, N.A.
201 North Central Ave., Floor 21
Phoenix, Arizona 85004

Date: July 3, 2012

Principal Amount: \$ 8,000,000.00

1. **PROMISE TO PAY AND INTEREST.** For value received, the undersigned, EACH OF THE DISTRICTS IDENTIFIED IN SCHEDULE I HERETO, ACTING THROUGH THE GILA COUNTY TREASURER, AS ITS AGENT (each a "Borrower" and collectively, "Borrowers") promises to pay to JPMORGAN CHASE BANK, N.A., or registered assigns ("Bank") at its above office, or at such other place as Bank may designate in writing, in lawful money of the United States of America, (a) in the aggregate for all Borrowers, the principal sum of Eight Million and NO/100 Dollars (\$8,000,000.00), or, if different, the unpaid amount disbursed by Bank by making Advances (as such term is defined in the Business Loan Agreement (Gila County Districts Revolving Line of Credit), dated of even date herewith ("Loan Agreement"), between Borrowers and Bank, as it may be amended, modified, extended, renewed, restated, or supplemented from time to time), and (b) with respect to each Borrower, the lesser of the unpaid Advances under the Loan Agreement or the maximum amount shown for such Borrower on Schedule I hereto, as it may be amended from time to time, in either case as shown on the records of Bank which, when in agreement with the records of a Borrower, shall be conclusive as to such unpaid amount, with interest thereon from the date advanced at the Interest Rate. Neither the Gila County Treasurer nor Gila County shall be liable for amounts owed by any Borrower hereunder. "Interest Rate" means any of the Qualified Tax Exempt Interest Rate set forth in Section 2, the Non-Qualified Tax Exempt Interest Rate set forth in Section 3, or the Taxable Interest Rate set forth in Section 4 below, as may be applicable from time to time:

2. **QUALIFIED TAX-EXEMPT INTEREST RATE.** If interest payable with respect to an Advance under this Note allocable to a Borrower is not included in the gross income of Bank, or the registered owner if other than Bank, under the Internal Revenue Code of 1986 and the regulations thereunder, as such code and regulations heretofore have been and hereafter may be amended from time to time ("Code and Regulations"), and is not otherwise subject to the federal income tax, and if all of the requirements set forth in both Section 5(a) and Section 5(b) of this Note are met, then the Interest Rate applicable to the specific Advance (the "Qualified Tax Exempt Interest Rate") shall be a rate per annum equal to sixty-one percent (61%) of the Prime Rate, provided that in no event shall the Qualified Tax Exempt Interest Rate at any time exceed ten percent (10%) per annum. The Qualified Tax Exempt Interest Rate will be re-determined by Bank on each day that the Prime Rate changes and any change in the Qualified Tax Exempt Interest Rate will be effective on and after the date of such change and until the next change in the Qualified Tax Exempt Interest Rate.

3. NON-QUALIFIED TAX EXEMPT INTEREST RATE. If interest payable with respect to an Advance under this Note allocable to a Borrower is not included in the gross income of Bank, or the registered owner if other than Bank, under the Code and Regulations, and is not otherwise subject to the federal income tax, and if all of the requirements set forth in Section 5(a) of this Note are met, but not the requirements set forth in Section 5(b), then the Interest Rate applicable to the specific Advance (the "Non-Qualified Tax Exempt Interest Rate") shall be a rate per annum equal to sixty-six percent (66%) of the Prime Rate, provided that in no event shall the Non-Qualified Tax Exempt Interest Rate at any time exceed ten percent (10%) per annum. The Non-Qualified Tax Exempt Interest Rate will be re-determined by Bank on each day that the Prime Rate changes and any change in the Non-Qualified Tax Exempt Interest Rate will be effective on and after the date of such change and until the next change in the Non-Qualified Tax Exempt Interest Rate.

4. TAXABLE INTEREST RATE. If interest payable under this Note is included in the gross income of Bank, or the registered owner if other than Bank, under the Code and Regulations, or is otherwise subject to federal income tax, or if one or more of the requirements set forth in Section 5(a) of this Note are not met, then the Interest Rate applicable to the specific Advance (the "Taxable Interest Rate") during each calendar quarter shall be a rate per annum equal to one hundred ten percent (110.00%) of the previous quarter's weighted average "prime rate" among the top three financial institutions by asset size in the State of Arizona.

5. REQUIREMENTS.

(a) Tax Exempt Interest Rate. For each Advance, Borrower shall meet all of the following requirements to qualify for a Tax Exempt Interest Rate:

(i) Borrower signs and files with the United States Internal Revenue Service a properly completed Form 8038-G as and when required by the Code and Regulations and promptly delivers to Bank a copy of each filed Form 8038-G.

(b) Qualified Tax Exempt Interest Rate. For each Advance, Borrower shall meet all of the following requirements, in addition to the requirements set forth in paragraph (a) above, to qualify for a Qualified Tax Exempt Interest Rate:

(i) Borrower delivers to Bank a Declaration (as defined in the Loan Agreement) certifying that the indebtedness evidenced by this Note with respect to such Advance is a "Qualified Tax Exempt Obligation," as such term is defined in Section 265 of the Code and Regulations.

(ii) The Advance is a "Qualified Tax Exempt Obligation," as such term is defined in Section 265 of the Code and Regulations.

6. CERTAIN DEFINED TERMS.

(a) "Prime Rate" means the rate of interest per annum announced from time to time by the Bank, or Bank's successors, in Phoenix, Arizona, as its prime rate. The Prime Rate is a variable rate and each change in the Prime Rate is effective from and including the date the

change is announced as being effective. THE PRIME RATE IS A REFERENCE RATE AND MAY NOT BE THE BANK'S LOWEST RATE.

(b) "Tax Exempt Interest Rate" means either a Qualified Tax Exempt Interest Rate, or a Non-Qualified Tax Exempt Interest Rate

7. TAXABILITY OF TAX-EXEMPT INTEREST.

(a) Each Borrower agrees that in the event that such Borrower pays interest at a Tax-Exempt Interest Rate on any portion of the sums outstanding hereunder, and

(i) the Internal Revenue Service determines that the interest on such portion is not exempt from federal income taxation, or

(ii) Bank is required to pay any sums as federal income taxes because of any assertion by the Internal Revenue Service (whether or not a final determination) that interest paid on such portion of the obligations of Borrower hereunder is not exempt from federal income tax,

then, the applicable interest rate hereunder for that portion shall be deemed always to have been the Taxable Interest Rate and such Borrower shall, immediately upon request by Bank, pay to Bank the difference between (A) interest, computed at the Taxable Interest Rate, on any such portion at any time outstanding hereunder and (B) the interest already paid for such portion by Borrower under this Agreement. The obligations of Borrower under this section shall survive the termination of the Loan Documents and the repayment of sums borrowed hereunder.

(b) Each Borrower agrees that in the event that such Borrower pays interest at a Qualified Tax-Exempt Rate on any portion of the sums outstanding hereunder, and

(i) the Internal Revenue Service determines that the interest on such portion is not subject to treatment as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code, or

(ii) Borrower causes the amount of tax-exempt obligations issued in any calendar year for which such Borrower is paying interest at a Qualified Tax-Exempt Rate to exceed \$10,000,000; or

(iii) Bank is required to pay any sums as federal income taxes because of any assertion by the Internal Revenue Service (whether or not a final determination) that all or any portion of the obligations of Borrower hereunder are not "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code,

then, the applicable interest rate hereunder for the portion that no longer qualifies as a Qualified Tax-Exempt Obligation shall be deemed always to have been the Non-Qualified Tax-Exempt Interest Rate and such Borrower shall, immediately upon request by Bank, pay to Bank the difference between (A) interest, computed at the Non-Qualified Tax-Exempt Interest Rate, on any such portion at any time outstanding hereunder and (B) the interest already paid for such

portion by Borrower under this Agreement. The obligations of Borrower under this section shall survive the termination of the Loan Documents and the repayment of sums borrowed hereunder.

8. PAYMENT IN FULL ON THE MATURITY. Prior to June 30, 2013, or if the Commitment Expiration Date under the Loan Agreement has been extended by mutual agreement between Borrowers, acting through their agent, the Gila County Treasurer, and Bank, such Commitment Expiration Date (the "Maturity Date"), payments under this Note shall be made as each Borrower receives "non-restricted operating revenues", as such term is used in Arizona Revised Statutes Section 11-604.01. On the Maturity Date each Borrower shall pay to Bank the unpaid principal, all accrued and unpaid interest, and all other amounts ("Other Amounts") payable by such Borrower to Bank under the Loan Documents. "Loan Documents" means this Note, the Loan Agreement, the Services Proposal (as defined in the Loan Agreement), and any other agreements, documents, and instruments relating to this Note, as they may be amended, modified, extended, renewed, restated, or supplemented from time to time. Nothing set forth in this Section 8 waives or otherwise modifies Borrower's obligation to pay principal, interest, and Other Amounts on dates prior to the Maturity Date, as required herein or in the Loan Agreement.

9. INTEREST.

(a) Principal shall bear interest at the Interest Rate from the date of disbursement until the due date thereof, whether by acceleration or otherwise. Principal, interest, and Other Amounts not paid when due and any judgment therefor shall bear interest from its due date or the judgment date, as applicable, until paid at a rate of ten percent (10%) per annum ("Default Rate"), and such interest shall be immediately due and payable.

(b) All interest under the Loan Documents shall be computed on the basis of a 365-day year and accrue on a daily basis for the actual number of days elapsed. Each Borrower agrees to pay an effective rate of interest that is the sum of (i) the Interest Rate provided herein and (ii) any additional rate of interest resulting from any other charges or fees paid or to be paid in connection herewith that are determined to be interest or in the nature of interest.

10. PAYMENT IN FULL PRIOR TO THE MATURITY DATE. Notwithstanding any other provision herein or in the Loan Documents, each Borrower shall pay to Bank all outstanding principal, interest and Other Amounts on June 30 of each year relating to such Borrower. So long as a Borrower makes such payment, such Borrower shall, subject to the provisions of the Loan Agreement, continue to be entitled to Advances pursuant to the Loan Agreement prior to the Commitment Expiration Date specified therein. Principal, interest, and Other Amounts not paid on June 30 of each year shall bear interest from June 30 until paid at the Default Rate, and such interest shall be immediately due and payable.

11. APPLICATION OF PAYMENTS. At the option of Bank, payments shall be applied to principal, interest, and Other Amounts in such order as Bank shall determine.

12. PREPAYMENT. A Borrower may prepay the outstanding principal balance hereof relating to such Borrower, in whole or in part, at any time prior to the Maturity Date without penalty or premium.

13. NO COUNTERCLAIMS, DEDUCTIONS, ETC. All payments and other obligations of each Borrower under the Loan Documents will be made and performed without counterclaim, deduction, defense, deferment, reduction, or set-off.

14. EVENTS OF DEFAULT. Each of the following shall be an event of default ("Event of Default") as to any Borrower to which the Event of Default applies:

(a) Failure by a Borrower to pay when due (i) any amount payable by such Borrower under any of the Loan Documents, or (ii) any other indebtedness of such Borrower to Bank.

(b) Failure by a Borrower to perform any material obligation not involving the payment of money, or to comply with any other term or condition applicable to such Borrower, in any of the Loan Documents.

(c) Any representation or warranty made by a Borrower in any of the Loan Documents or otherwise or any information delivered by such Borrower to Bank in obtaining or hereafter in connection with the credit evidenced by this Note is or becomes materially incomplete, incorrect, or misleading from the representations or warranties made of the date of this Note or as of the date made or delivered.

(d) The occurrence of any change or other event that Bank determines has or will materially and adversely affect (i) any or all property, interests in property, or rights to property securing the obligations of a Borrower under the Loan Documents, including without limitation the security interest in the non-restricted operating revenues received by the Gila County Treasurer on behalf of each Borrower ("Collateral") as security for the obligations of a Borrower under the Loan Documents, (ii) the financial condition of a Borrower, or (iii) the ability of a Borrower to pay the monetary obligations of such Borrower under the Loan Documents.

(e) A Borrower (i) is unable or admits in writing such Borrower's inability to pay Borrower's monetary obligations as they become due, (ii) is generally not paying its debts as they become due, (iii) makes a general assignment for the benefit of creditors, or (iv) applies for, consents to, or acquiesces in, appointment of a trustee, receiver, or other custodian for Borrower or any or all of the property of Borrower, or in the absence of such application, consent, or acquiescence by Borrower a trustee, receiver, or other custodian is appointed for Borrower or any or all of the property of Borrower.

(f) Commencement of any case under the Bankruptcy Code (Title 9 of the United States Code) or commencement of any other bankruptcy, arrangement, reorganization, receivership, custodianship, or similar proceeding under any federal or state law by or against a Borrower.

(g) Attachment, garnishment, levy of execution, or seizure by legal process of any or all Collateral of a Borrower, except any pre-judgment attachment or garnishment of any or all Collateral.

(h) Any legal proceeding or other action against or affecting any or all Collateral of a Borrower is commenced (including, without limitation, any prejudgment attachment or garnishment) and is not quashed, stayed, or released within twenty (20) days.

(i) Any Collateral of a Borrower is sold, disposed of, or otherwise transferred by such Borrower after the date of this Note, not in the ordinary course of operations of Borrower.

(j) Any Collateral of a Borrower becomes subject to any lien or security interest, other than the security interest granted to Bank in this Note.

(k) Any Collateral of a Borrower is lost, stolen, suffers substantial damage or destruction, or is used in violation of any law, ordinance, regulation, or rule (federal, state, or local).

(l) A Borrower abandons or, except for expenditure of funds included in the Collateral in the ordinary operations of Borrower, ceases to have exclusive possession of any Collateral or any books and records of Borrower relating to the Collateral.

(m) A Borrower or any other person on behalf of Borrower claims that any Loan Document is not legal, valid, binding, and enforceable against Borrower, that any lien, security interest, or other encumbrance securing any of the obligations under the Loan Documents is not legal, valid, binding, and enforceable, or that the priority of any lien, security interest, or other encumbrance securing any of the obligations in the Loan Documents is different than the priority set forth in Arizona Revised Statutes Section 11-604.01 (except as such priority may be affected by the laws regarding garnishment of wages of Borrower's employees and federal and state tax liens for withholding taxes of Borrower's employees).

(n) The occurrence of any condition or event that is a default or is designated as a default, an event of default, or an Event of Default in any other Loan Document or in any agreement, document, or instrument relating to any other indebtedness of Borrower to Bank.

(o) The occurrence of any condition or event that is designated as a default or an event of default and the expiration of any cure period with respect to any other indebtedness of Borrower to any other person.

(p) The failure of a Borrower to repay to Bank within five (5) Business Days of written notice from Bank to Borrower the amount by which the outstanding amount of Advances exceeds the Commitment

15. RIGHTS AND REMEDIES OF BANK. Upon occurrence of an Event of Default, Bank may, at its option, in its absolute and sole discretion, and without demand or notice, (i) declare the obligations in the Loan Documents to be immediately due and payable, whereupon the obligations in the Loan Documents shall be immediately due and payable, and (ii) exercise any or all other rights and remedies of Bank concurrently or consecutively in such order as Bank elects. The rights and remedies of Bank shall be cumulative and non-exclusive. Delay, discontinuance, or failure to exercise any right or remedy of Bank shall not be a waiver thereof, or of any other right or remedy of Bank, or of the time, of the essence provision. Exercise of any

right or remedy of Bank shall not cure or waive any Event of Default or invalidate any act done in response to any Event of Default.

16. LIMIT OF LIABILITY OF BANK. In exercising rights and remedies, neither Bank nor any stockholder, director, officer, employee, agent, or representative of Bank shall have any liability for any injury to the assets, business, operations, or property of a Borrower or any other liability to Borrower, other than for its own gross negligence or willful misconduct.

17. PROVISIONS IN LOAN AGREEMENT GOVERN THIS AGREEMENT. This Note is subject to certain terms and provisions in the Loan Agreement, to which reference is made for a statement of such terms and provisions.

18. WAIVER OF STATUTE OF LIMITATIONS. Borrower waives, to the full extent permitted by law, the right to plead any statutes of limitations as a defense to any or all obligations under the Loan Documents.

19. WAIVERS BY BORROWER. Borrower (i) waives, to the full extent permitted by law, presentment, notice of dishonor, protest, notice of protest, notice of intent to accelerate, notice of acceleration, and all other notices or demands of any kind (except notices specifically provided for in the Loan Documents), and (ii) agrees that Bank may enforce this Note and any other Loan Documents against Borrower without first having sought enforcement against any Collateral.

20. JURY WAIVER. EACH BORROWER AND BANK HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) BETWEEN ANY BORROWER AND BANK ARISING OUT OF OR IN ANY WAY RELATED TO THIS NOTE. THIS PROVISION IS A MATERIAL INDUCEMENT TO BANK TO PROVIDE THE FINANCING DESCRIBED HEREIN.

21. WAIVER OF SPECIAL DAMAGES. EACH BORROWER WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT BORROWER MAY HAVE TO CLAIM OR RECOVER FROM BANK IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

[Signatures appear on following page]

GILA COUNTY BOARD OF SUPERVISORS

By _____
Title: Chairman, Board of Supervisors

ATTEST:

Clerk of the Board

THE DISTRICTS IDENTIFIED IN SCHEDULE I
HERETO, ACTING THROUGH THE GILA
COUNTY TREASURER, AS ITS AGENT

By Deborah Savage
Gila County Treasurer

APPROVED AS TO FORM:

County Attorney

SCHEDULE I

FEDERAL TAX ID NUMBERS AND CREDIT LINE LIMITS

[ATTACHED ARE TWO PAGES WITH
CREDIT LIMITS TOTALING \$8,147,500]

**SCHEDULE I-A
FEDERAL TAX ID NUMBERS AND CREDIT LINE LIMITS**

Name School Districts	District Number	Federal TIN (to be inserted at closing)	Credit Limits
Globe Unified School District	1		1,500,000
Young Public School District	5		325,000
Payson Unified School District	10		4,000,000
Pine Strawberry School District	12		50,000
San Carlos Unified School District	20		50,000
Tonto Basin School District	33		55,000
Miami Area Unified School District	40		1,000,000
Hayden-Winkelman Unified School District	41		300,000
Pine-Strawberry Water Improvement District			35,000
Rim Trail Domestic Water Improvement District			10,000
Fire Districts			
Beaver Valley Fire Department			10,000
Canyon Fire District			20,000
Christopher-Kohls Fire District			20,000
Hellsgate Fire District			275,000
East Verde Park Fire District			2,500
Gisela Valley Fire District			2,500
Houston Mesa Fire District			40,000
Pine-Strawberry Fire District			250,000
Pleasant Valley Fire District			20,000
Round Valley Ox Bow Estates Fire District			2,500
Tonto Basin Fire District			75,000
Tri-City Fire District			25,000
Whispering Pines Fire District			80,000
Total			\$ 8,147,500

ARF-1321

Consent Agenda Item 4- A

Regular BOS Meeting

Meeting Date: 07/03/2012

Submitted For: Linda Eastlick, Elections Director
Submitted By: David Rogers, Elections Specialist, Elections Department

Department: Elections Department

Presenter's Name: Linda Easlick

Information

Request/Subject

Intergovernmental Agreement for Election Services between Gila County and the Northern Gila County Sanitary District to provide election services on November 6, 2012.

Background Information

The Gila County Recorder's Office and Elections Department perform election services for various governmental agencies and special districts within Gila County.

Changes to County policy with regard to the conduct of jurisdictional elections were adopted by the Board of Supervisors on February 7, 2012. These changes provide for a master intergovernmental agreement to be signed for each participating jurisdiction. Each master agreement will remain in effect unless one of the parties cancels the agreement.

A Menu of Services will be completed for each election. The Menu includes a fee schedule for each type of service requested of the Recorder's Office or Elections Department.

Evaluation

The Northern Gila County Sanitary District has requested Gila County conduct their governing board member elections.

Conclusion

At this time, the Northern Gila County Sanitary District wishes to enter into a Master Agreement with Gila County for election services.

Recommendation

It is recommended the Board approve the Intergovernmental Agreement for Election Services between Gila County and the Northern Gila County Sanitary District.

Suggested Motion

Approval of an Intergovernmental Agreement for Election Services between Gila County and the Northern Gila County Sanitary District to provide election services on November 6, 2012.

Attachments

IGA with Northern Gila County Sanitary District

Legal Explanation

GILA COUNTY BOARD OF SUPERVISORS
1400 EAST ASH STREET, GLOBE, AZ 85501

GILA COUNTY RECORDER
1400 EAST ASH STREET, GLOBE, AZ 85501

GILA COUNTY DEPARTMENT OF ELECTIONS
5515 S. APACHE AVENUE, SUITE 900, GLOBE, AZ 85501



INTERGOVERNMENTAL AGREEMENT FOR ELECTION SERVICES

WHEREAS, the County of Gila has a comprehensive voting system and certified Elections Officials; and

WHEREAS, the Northern Gila County Sanitary District seeks Gila County assistance in the conduct of elections; and

WHEREAS, it is good public policy and benefits the citizens of Gila County and is the purpose of this Agreement to make available to any City, Town, School District, or Special Election Jurisdiction within the limits of Gila County the services already in existence;

NOW THEREFORE IT IS AGREED by and between the County of Gila, hereinafter called the "County", through the agency of the Gila County Recorder and the Gila County Department of Elections, and the Northern Gila County Sanitary District hereinafter called the "Jurisdiction," pursuant to ARS §16-172, 16-205 and §11-951 et seq., an agreement follows:

- I. The County shall:
 - a. Provide the services related to each election which are offered in the current Gila County, Arizona Jurisdiction Menu of Services, hereinafter Menu, and which are requested by the Jurisdiction as indicated on the Menu;

- b. Make available support services, ballots, voting equipment, vote tallying equipment, precinct supplies, and such other election materials and services as may be required for proper conduct of elections as agreed by the parties;
- c. To the extent the County determines it is able, provide personnel necessary to effectively administer and election as agreed by the parties;
- d. Furnish election administrative materials, which have been prepared for County elections, to the jurisdiction as agreed by the parties;
- e. Conduct early balloting and election functions at the polls as agreed by the parties.

II. The Jurisdiction shall:

- a. Submit to the County Recorder and the Department of Elections a completed Menu indicating which election services Jurisdiction is requesting the County to perform for each election at least 150 calendar days prior to the election.
- b. Reimburse the County for costs as noted in the Menu for each election where services are requested by the Jurisdiction. Such costs shall include election materials, postage, supplies and equipment and/or personnel or any other service required in direct support of the Jurisdiction Elections;
- c. Notify the County Recorder to arrange verification of signatures on Early Voting Requests and ballots to be verified;
- d. Be responsible for the security of all ballots tabulated by officials and vendors other than the County and ensure that election functions performed by the Jurisdiction or its outside vendors comply with applicable law and regulations of the Secretary of State;
- e. Comply with County restrictions on use and dissemination of voter information and ensure use of voter registration information for Jurisdiction's election purposes is as authorized by Arizona Revised Statutes, Title 16, Section 168;
- f. Provide Gila County with notification of preclearance requests made under Section 5 of the Voting Rights Act or request the County prepare preclearance requests to the Department of Justice for elections as necessary.
- g. Provide a list of inactive voters who voted or allow the Gila County Recorder to scan jurisdiction's rosters for inactive voters who voted following a jurisdictional election, for the purpose of re-establishing the inactive voter to active status,

and for updating the County's voter registration files to reflect address and other registration changes requested by voters;

- h. Be responsible for the creation, translation, printing and mailing of all publicity pamphlets;
- i. Reimburse the County for any costs associated with damage or repair of election equipment which may occur while such election equipment is in the possession of the Jurisdiction.

III. The County and the Jurisdiction mutually covenant and agree:

- a. The Jurisdiction will be responsible for all submissions required under Section 5 of the Voting Rights Act to the Department of Justice
- b. Charges for printing of ballot pages, sample ballots, ballot labels, or any other items commercially produced will be billed directly to the Jurisdiction by the commercial vendor providing such services, unless alternate arrangements are agreed to in the Menu to be completed for each election;
- c. Separate invoices may be submitted to the Jurisdiction by the Gila County Recorder's Office and the Gila County Department of Elections;
- d. Each party is responsible to finance and maintain a budget for its respective responsibilities and obligations under this agreement;
- e. Each party will use its personnel, property, and resources for accomplishing its respective obligations under this agreement;
- f. Each party will maintain its respective property after termination of this agreement and will eventually dispose of any elections materials used under this agreement in a manner provided for by state and federal law. In the event conflict arises between the County and Jurisdiction over the use of voting equipment, vote tallying equipment, or County personnel, the County will have priority usage. The County agrees to make every effort to reconcile conflicts and make reasonable provisions with the Jurisdiction so neither party will suffer as a consequence of conflict;
- g. This contract will continue in full force and effect from year to year, without renewal, subject to cancellation for the immediate calendar year by either party not later than December 1 of any year;

- h. This contract shall become effective from and after the date of its execution by the governing bodies of both the County and the Jurisdiction;
 - i. In the event of termination, any real or personal property belonging to either party and furnished pursuant to this Agreement shall be returned to the furnishing party;
 - j. This Agreement may be canceled pursuant to the provisions of ARS §38-511 which are incorporated into this agreement by this reference.
- IV. The parties understand and agree that the Gila County Recorder's office is responsible for voter registration, mailing of ballots, signature rosters, registers, 120-day notices, and signature verification of ballots. The Gila County Department of Elections is responsible for Department of Justice preclearance of elections, election equipment, election staffing and training, ballot layout, ballot printing, ballot processing, and ballot tabulation, and reporting. Services will only be provided as agreed to in the Menu to be completed for each election.
- V. By signing this agreement the Jurisdiction agrees to indemnify and hold harmless the County from any claims resulting from the County participating in the election and agrees to the terms specified in the agreement

Intergovernmental Agreement for Election Services

Signed this ____ day of _____, 2012

GILA COUNTY BOARD OF SUPERVISORS

NORTHERN GILA COUNTY SANITARY DIST.

Tommie C. Martin
Chairman

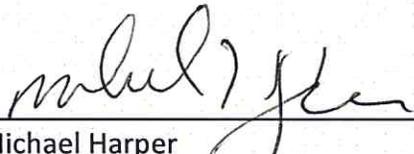


Robert Sanders
Chairman

ATTEST

APPROVED AS TO FORM

Marian Sheppard
Deputy Clerk of the Board



Michael Harper
Attorney for Sanitary District

APPROVED AS TO FORM

Bryan B. Chambers
Chief Deputy County Attorney



GILA COUNTY ATTORNEY
Daisy Flores

Re: County Attorney's Office approval of IGA pursuant to A.R.S. § 11-952(D).

To whom it may concern:

The County Attorney's Office has reviewed the Intergovernmental Agreement attached to this agenda item and has determined that it is in its "proper form" and "is within the powers and authority granted under the laws of this state to such public agency or public procurement unit" pursuant to A.R.S. § A.R.S. § 11-952(D).

Explanation of the Gila County Attorney's Office Intergovernmental Agreement (IGA) Review

A.R.S. § 11-952(D) requires that

every agreement or contract involving any public agency or public procurement unit of this state . . . before its execution, shall be submitted to the attorney for each such public agency or public procurement unit, who shall determine whether the agreement is in proper form and is within the powers and authority granted under the laws of this state to such public agency or public procurement unit.

In performing this review, the County Attorney's Office reviews IGAs to see that they are in "proper form" prior to their execution. "Proper form" means that the contract conforms to fundamental contract law, conforms to specific legislative requirements, and is within the powers and authority granted to the public agency. It does not mean that the County Attorney's Office approves of or supports the policy objectives contained in the IGA. That approval is solely the province of the public agency through its elected body.

Likewise, this approval is not a certification that the IGA has been properly executed. Proper execution can only be determined after all the entities entering into the IGA have taken legal action to approve the IGA. There is no statutory requirement for the County Attorney's Office to certify that IGAs are properly executed.

Nonetheless, it is imperative for each public agency to ensure that each IGA is properly executed because A.R.S. § 11-952(F) requires that "[a]ppropriate action ... applicable to the governing bodies of the participating agencies approving or extending the duration of the ... contract shall be necessary before any such agreement, contract or extension may be filed or become effective." This can be done by ensuring that the governing body gives the public proper notice of the meeting wherein action will be taken to approve the IGA, that the item is adequately described in the agenda accompanying the notice, and that the governing body takes such action. Any questions regarding whether the IGA has been properly executed may be directed to the County Attorney's Office.

Proper execution of IGAs is important because A.R.S. § 11-952(H) provides that "[p]ayment for services under this section shall not be made unless pursuant to a fully approved written contract." Additionally, A.R.S. § 11-952(I) provides that "[a] person who authorizes payment of any monies in violation of this section is liable for the monies paid plus twenty per cent of such amount and legal interest from the date of payment."

The public agency or department submitting the IGA for review has the responsibility to read and understand the IGA in order to completely understand its obligations under the IGA if it is ultimately approved by the public entity's board. This is because while the County Attorney's Office can approve the IGA as to form, the office may not have any idea whether the public agency has the capacity to actually comply with its contractual obligations. Also, the County Attorney's Office does not monitor IGA compliance. Hence the public entity or submitting department will need to be prepared to monitor their own compliance. A thorough knowledge of the provisions of the IGA will be necessary to monitor compliance.

Before determining whether an IGA contract "is in proper form," the County Attorney's Office will answer any questions or concerns the public agency has about the contract. It is the responsibility of the public agency or department submitting the IGA for review to ask any specific questions or address any concerns it has about the IGA to the County Attorney's Office at the same time they submit the IGA for review. Making such an inquiry also helps improve the County Attorney's Office review of the IGA because it will help focus the review on specific issues that are of greatest concern to the public agency. Failing to make such an inquiry when the agency does have issues or concerns will decrease the ability of the County Attorney's Office to meaningfully review the IGA.

Regular BOS Meeting

Meeting Date: 07/03/2012

Submitted For: Bree'na York, Fiscal Services Manager

Submitted By: Cecilia Bejarano, Executive Administrative Assistant, Community Services Division

Department: Community Services Division **Division:** Comm. Action Program/Housing Servs.

Fiscal Year: 2012-2013 **Budgeted?:** Yes

Contract Dates 7/1/2012 - 6/30/2014 **Grant?:** No

Begin & End:

Matching No **Fund?:** Renewal

Requirement?:

Presenter's Name:

Information

Request/Subject

Contract For Bookkeeping/Fee Accounting Services With Quality Accounts, LLC of Columbus, Nebraska

Background Information

The Gila County Section 8 Housing Program a/k/a Housing Choice Voucher Program is funded through the U.S. Department of Housing and Urban Development (HUD.) Gila County Community Services Division , Financial Section, maintains a checking account which is used to deposit HUD funds and write checks to landlords who participate in the Housing Choice Voucher Program. In order to maintain a separation of duties, a third party accounting firm reconciles this checking account monthly with HUD. Quality Accounts was hired to provide this service beginning on July 1, 2010, and has since been reconciling this checking account and providing a monthly balance sheet which gives the Division Financial Section the necessary information to keep this program accurately balanced.

Evaluation

It is important for the Board of Supervisors to approve the Contract for Bookkeeping/Fee Accounting Services as HUD requires all Housing Authorities to have a third party accounting firm reconcile their finances monthly with HUD.

This contract is for a period of 24 months at an annual cost of \$1,500. Supplemental services may also be provided on a fee per service basis of which the fees are outlined in this contract.

Conclusion

By the Board of Supervisors approving the Contract for Bookkeeping/Fee Accounting Services the Gila County Housing Department will be in compliance as required by HUD.

Recommendation

The Fiscal Services Manager recommends the Board of Supervisors approve this Contract.

Suggested Motion

Approval of a Contract for Bookkeeping/Fee Accounting Services between Quality Accounts, LLC of Columbus, Nebraska and the Gila County Housing Authority whereby Quality Accounts will reconcile and provide a balance sheet for a checking account maintained by the Gila County Community Services Division Financial Section as required by the U.S. Department of Housing and Urban Development at a cost of \$1,500 per year for the period July 1, 2012, through June 30, 2014.

Attachments

Quality Accounts, LLC of Columbus, Nebraska
Legal Explanation

CONTRACT FOR BOOKKEEPING/FEE ACCOUNTING SERVICES

STATE OF NEBRASKA

KNOW ALL MEN BY THESE PRESENTS

THIS AGREEMENT, made this 07-01-2012 by and between the Gila County Housing Authority located in Globe, Arizona. (Hereinafter called the "Authority"), and Quality Accounts, LLC of Columbus, Nebraska, (Hereinafter call the "Service Provider") witness that the parties hereto agree as follows:

Section I

The Authority hereby retains said Service Provider to perform bookkeeping and fee accounting services as are required under the Preliminary Loan and Annual Contributions Contracts made between the Authority and the Department of Housing & Urban Development, and in accordance with procedures prescribed by HUD as contracted by the Authority.

In order to begin this service in an orderly manner, the Authority agrees to furnish to the Service Provider, if the Authority is already operating under the Preliminary Loan Period, Development Period, or Operations Period, an accurate and currently posted set of general and subsidiary ledgers, balanced to the end of the month prior to the beginning of the bookkeeping/fee accounting services under this, and to furnish to the Service Provider the following information during the periods included:

1. Copy of each daily deposit slip and cash rental sheets containing a breakdown of rent, security deposits, and defined miscellaneous income, etc.
2. Voucher copy of each check together with a copy of each invoice paid coded with HUD account definitions.
3. One copy of rental adjustment journal, one copy of rental register summary.
4. One copy of all contracts entered into by the Authority
5. Copy of complete bank statements for all open accounts
6. One copy of approved Development Cost Budget, Operating Budget, Modernization Budgets and revisions thereto.
7. Transcript of insurance register as of the date of the beginning of the bookkeeping/fee accounting service, and one confirmed copy of each subsequent policy and renewals thereof when received from insurer.
8. Fiscal Agent Bank Statement (to be mailed to Service Provider by the Authority at the close of each month).
9. A list of nonexpendable equipment (Depreciation Schedule) which is balanced to the related Development Cost or Property Ledger Account as of the date of the beginning of the accounting services.
10. Copies of all correspondence from HUD to the Service Provider
11. Copies of all correspondence or reports relating to transactions affecting any of the debt amortization fund accounts with Authority
12. A monthly trial balance of tenants accounts receivable and security deposit accounts showing the account number and balance of each account.
13. A certified statement containing a description of each item of nonexpendable equipment disposed of, the method of disposition and the amount of proceeds from disposition.
14. A certified copy of the annual inventory of nonexpendable equipment.
15. A copy of the Report on Audit as received by HUD.
16. All other documents, correspondence or reports needed and requested by the Service Provider to maintain complete and accurate books of account.

Section II

During the continuance of this contract the Service Provider shall provide the following basic services:

1. Devote the time and attention necessary to ensure the performance of the bookkeeping/fee accounting services for the Authority is done in an accurate and timely manner. Timely manner is defined to 20-30 business days turn-around time for monthly financial reports. The exception being the last month of fiscal year for year-end processing and any other month agreed on in advance by both parties.
2. Perform all operations necessary to maintain the general ledgers and subsidiary ledgers for the Authority; and to prepare, maintain or furnish as applicable financial reports and records. Provide consultation and review of financial documentation as needed prior to Board Meetings.
3. The Service Provider shall furnish to the Authority the following records, documents, and Reports:
 - Prepare Reconciliation of Bank Statement(s)
 - Prepare Trial Balance
 - Prepare Financial Statements for Board Review of Operations, which include the following reports: Balance Sheet; Statement of Revenues and Expenditures (monthly & cumulative); Budget Comparison Statement
 - Prepare General Ledger
 - Prepare Transaction Ledger
 - Maintain Non-expendable Property Records/Depreciation Schedule
 - Maintain Insurance Register
 - Prepare ledgers showing the amounts budgeted and the actual amounts for the fiscal year to date as of the end of each month.
 - Financial reports prescribed for transmittal to HUD as outlined in the fee for service schedule.
 - A reconciliation of the balances of tenant accounts, whenever the summary of transactions with tenants does not agree with the Service Provider's control record.
 - Other data as the Authority may reasonably require from time to time.

Section III

The Authority shall pay the Service Provider from the funds provided in the approved and/or qualified development and operating budgets for such purpose, as fee for the bookkeeping/fee accounting services enumerated in Section II above. The contract is for an annual amount of \$1,500.00 per the breakdown outlined below:

* Section 8 Program – Monthly Service	\$75.00
---------------------------------------	---------

Supplemental services will be provided on a fee per service basis. The fee schedule for Supplemental Services included, but are not limited to the services outlined below:

* Year-End Closing & Audit File Preparation	\$150.00
* Unaudited FASPHA REAC Submission	\$150.00
* HUD Qtrly NRA Balance Reconciliations	\$75.00/Qtr
* Section 8 Operating Budget	Bid
* Section 8 Operating Budget Revision	Bid
* Audited FASPHA REAC Submission	Bid
* Onsite Training/Consulting or Board Meeting Attendance	Bid
* Vendor 1099 – Maintain and Print at Year-End	Bid
* Payroll, Related Tax Reports, Employee W-2 Processing	Bid

It is understood and agreed upon that, should the Authority fail to furnish to the Service Provider the information on which the maintenance of the Authority's records is predicted within a reasonable time following the date these materials are due, then the Service Provider shall be released of their responsibility under this contract to perform the services listed under Section II above, until such time as the necessary information is furnished to the Service Provider. Reasonable time frame is defined as sufficient time to allow for turn around time noted in Section II and meet Housing Authority's reporting schedule.

The terms of this contract shall be for a period of 24 months beginning 07-01-2012. This contract is subject compliance with Attachment A as well as the cancellation provisions of ARS 38-511. Any such notice shall be effective by Certified Letter – Return Receipt Requested, mailed to the following address:

ADDRESS OF SERVICE PROVIDER:

Sherry L. Karlin
Quality Accounts, LLC
PO Box 1216
Columbus, NE 68602-1216

ADDRESS OF AUTHORITY:

Gila County Housing Authority
5515 S Apache Ave., Ste. 200
Globe, AZ 85501

All books of account and records maintained for the Authority, together with all supporting documents, shall remain the property of the Authority and shall be returned to the Authority after they have served their purpose with the Service Provider, in any event, upon termination of the contract.

All financial reports prepared by the Service Provider are noted as unaudited financial information and the accuracy of the reports are completed according to the best of the Service Provider's knowledge and belief, based upon the information and data furnished by the Authority or which is readily available to the Service Provider.

Section IV

The Service Provider shall promptly notify the Department of Housing & Urban Development concerning any operational and/or financial irregularities which may surface in the performance of routine bookkeeping/fee accounting services.

Independent contractor: The parties intend that the Service Provider will not be considered an employee of the Authority, but will act as independent contractor for Authority at all times.

IN WITNESS WHEREOF, the parties hereto have executed this contract this 1st day of July 2012.

Attest:

Marian Sheppard,
Chief Deputy Clerk

Approved as to form:

Bryan B. Chambers,
Chief Deputy County Attorney

Gila County Housing Authority

By _____

Title Tommie C. Martin
Chairman, Gila County Board of
Supervisors

SERVICE PROVIDER: Sherry L. Karlin
Quality Accounts, LLC

By Sherry L. Karlin

Owner

ATTACHMENT "A"

(CONTRACT TITLE)

LEGAL ARIZONA WORKERS ACT COMPLIANCE

Firm hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Firm's employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Firm shall further ensure that each subcontractor who performs any work for Firm under this contract likewise complies with the State and Federal Immigration Laws.

County shall have the right at any time to inspect the books and records of Firm and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.

Any breach of Firm's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, shall be deemed to be a material breach of this Contract subjecting Firm to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Firm shall be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor, (subject to County approval if MWBE preferences apply) as soon as possible so as not to delay project completion.

Firm shall advise each subcontractor of County's rights, and the subcontractor's obligations, under this Article by including a provision in each subcontract substantially in the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor will be deemed to be a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Any additional costs attributable directly or indirectly to remedial action under this Article shall be the responsibility of Firm. In the event that remedial action under this Article results in delay to one or more tasks on the critical path of Firm's approved construction or critical milestones schedule, such period of delay shall be deemed excusable delay for which Firm shall be entitled to an extension of time, but not costs.

ANTI-TERRORISM WARRANTY

Pursuant to A.R.S. §35-997 the Firm certifies that it does not have scrutinized business operations in Iran or Sudan and that they are in compliance with the Export Administration Act and not on the Excluded Parties List.

CANCELLATION

This agreement is subject to cancellation pursuant to A.R.S. § 38-511.



GILA COUNTY ATTORNEY Daisy Flores

Re: County Attorney's Office "approval as to form" of contract or agreement.

To whom it may concern:

The County Attorney's Office has reviewed the contract or agreement attached to this agenda item and has determined that it is in its proper form and is within the powers and authority granted under the laws of this state to the public agency requesting the County Attorney's Office review.

Explanation of the Gila County Attorney's Office "Approval as to Form" Review

The Gila County Attorney's Office is often called upon to review contracts and other agreements between public entities represented by the County Attorney and private vendors, contractors, and individuals.

In performing this review, the County Attorney's Office reviews these contracts to see that they are in "proper form" prior to their execution. "Proper form" means that the contract conforms to fundamental contract law, conforms to specific legislative requirements, and is within the powers and authority granted to the public agency. It does not mean that the County Attorney's Office approves of or supports the policy objectives contained in the contract. That approval is solely the province of the public agency through its elected body.

The public agency or department submitting the contract for review has the responsibility to read and understand the contract in order to completely understand its obligations under the contract if it is ultimately approved by the public entity's board. This is because while the County Attorney's Office can approve the contract as to form, the office may not have any idea whether the public agency has the capacity to actually comply with its contractual obligations. Also, the County Attorney's Office does not monitor contract compliance. Hence the public entity or

submitting department will need to be prepared to monitor their own compliance. A thorough knowledge of the provisions of the contract will be necessary to monitor compliance.

Before signing a contract “approved as to form,” the County Attorney’s Office will answer any questions or concerns the public agency has about the contract. It is the responsibility of the public agency or department submitting the contract for review to ask any specific questions or address any concerns it has about the contract to the County Attorney’s Office at the same time they submit the contract for review. Making such an inquiry also helps improve the County Attorney’s Office review of the contract because it will help focus the review on specific issues that are of greatest concern to the public agency. Failing to make such an inquiry when the agency does have issues or concerns will decrease the ability of the County Attorney’s Office to meaningfully review the agreement.

ARF-1316

4- C

Regular BOS Meeting

Meeting Date: 07/03/2012

Reporting Period: Recorder's May 2012 Monthly Report

Submitted For: Sadie Dalton

Submitted By: Sadie Dalton,
Recorder,
Recorder's
Office

Information

Subject

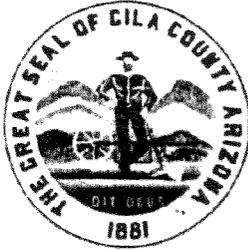
Recorder's May 2012 Monthly Report.

Suggested Motion

Approval of May 2012 monthly activity report submitted by the Recorder's Office.

Attachments

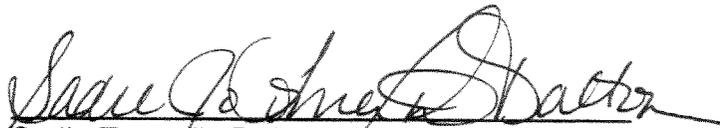
Recorder's May 2012 Monthly Report



GILA COUNTY RECORDER

REPORT FOR THE MONTH OF MAY 2012

I, Sadie Tomerlin Dalton, County Recorder in and for the County of Gila, State of Arizona hereby state and certify that the fees earned for this month are as set forth in the attached report.


Sadie Tomerlin Dalton, Gila County Recorder

Date & Time	Deposit Id	Bank Account	Reference	Amount
May 1, 2012 4:55:41 PM	2430	B	Globe	\$276.00
May 1, 2012 4:55:41 PM	2431	B	Payson05/01/12	\$106.00
May 2, 2012 4:58:15 PM	2432	B	Payson05/02/12	\$13.00
May 2, 2012 4:59:17 PM	2433	B	Globe	\$155.00
May 3, 2012 4:57:07 PM	2434	B	Payson05/03/12	\$51.00
May 4, 2012 8:11:56 AM	2437	B	Globe	\$212.00
May 4, 2012 9:44:42 AM	2435	B	globe 5/3	\$197.00
May 4, 2012 4:55:31 PM	2436	B	Payson05/04/12	\$71.00
May 7, 2012 4:56:01 PM	2438	B	Payson05/07/12	\$80.00
May 7, 2012 4:56:49 PM	2439	B	Globe	\$309.00
May 8, 2012 4:53:42 PM	2440	B	Globe	\$129.00
May 8, 2012 4:55:22 PM	2441	B	Payson05/08/12	\$37.00
May 9, 2012 4:55:30 PM	2442	B	Payson05/09/12	\$43.00
May 9, 2012 4:59:53 PM	2443	B	globe 5/9	\$225.00
May 10, 2012 8:06:31 AM	2445	B	Globe	\$744.00
May 10, 2012 5:03:21 PM	2444	B	Payson05/10/12	\$125.00
May 11, 2012 4:58:15 PM	2446	B	Globe	\$126.00
May 11, 2012 5:00:27 PM	2447	B	Payson05/11/12	\$35.00
May 14, 2012 4:55:59 PM	2448	B	Globe	\$469.00
May 14, 2012 4:57:12 PM	2449	B	Payson05/14/12	\$103.00
May 15, 2012 4:54:45 PM	2450	B	Globe	\$295.00
May 15, 2012 4:57:05 PM	2451	B	Payson05/15/12	\$26.00
May 16, 2012 4:55:12 PM	2452	B	Globe	\$1,148.00
May 16, 2012 4:59:19 PM	2453	B	Payson05/16/12	\$85.00
May 17, 2012 4:53:51 PM	2454	B	Globe	\$734.00
May 17, 2012 5:01:53 PM	2455	B	Payson05/17/12	\$70.00
May 18, 2012 4:52:53 PM	2456	B	Globe	\$616.00
May 18, 2012 4:53:51 PM	2457	B	Payson05/18/12	\$75.00
May 21, 2012 4:56:17 PM	2458	B	Globe	\$344.00
May 21, 2012 4:57:01 PM	2459	B	Payson05/21/12	\$34.00
May 22, 2012 4:54:15 PM	2460	B	Globe	\$121.00
May 22, 2012 4:56:29 PM	2461	B	Payson05/22/12	\$77.00
May 23, 2012 4:54:47 PM	2462	B	Globe	\$12,880.83
May 23, 2012 4:55:59 PM	2463	B	Payson05/23/12	\$25.00
May 24, 2012 4:55:23 PM	2464	B	Globe	\$273.00
May 24, 2012 4:57:51 PM	2465	B	Payson05/24/12	\$25.00
May 25, 2012 4:56:09 PM	2466	B	Globe	\$7,743.00
May 25, 2012 5:18:06 PM	2467	B	Payson05/25/2012	\$69.00
May 29, 2012 4:30:25 PM	2472	B	Globe	\$573.00
May 29, 2012 5:03:01 PM	2469	B	05/29/12 Payson	\$55.00
May 30, 2012 4:55:07 PM	2470	B	Globe	\$227.00
May 30, 2012 4:57:04 PM	2471	B	Payson05/30/12	\$23.00
May 31, 2012 4:54:20 PM	2473	B	Globe	\$151.00
May 31, 2012 4:55:26 PM	2474	B	Payson05/31/12	\$11.00

Total \$29,186.83

MONTHLY ACTIVITY REPORT - May 2012

DATE	AMT PAID	1005	7145	7146	7147	INTO SUSPENSE	OUT OF SUSPENSE	TOTAL FUNDS
5/1/2012	382.00	496.00	208.00	0.00	0.00	83.00	322.00	704.00
05/02/12	168.00	409.00	188.00	0.00	0.00	172.00	444.00	597.00
05/03/12	248.00	517.00	260.00	0.00	0.00	0.00	529.00	777.00
05/04/12	283.00	453.00	180.00	0.00	0.00	0.00	350.00	633.00
05/07/12	389.00	527.00	252.00	0.00	0.00	596.00	390.00	779.00
05/08/12	166.00	750.00	240.00	0.00	0.00	282.00	824.00	990.00
05/09/12	268.00	570.00	264.00	0.00	0.00	155.00	566.00	834.00
05/10/12	869.00	577.60	264.00	0.00	666.00	701.00	1138.60	1507.60
05/11/12	161.00	368.00	160.00	0.00	0.00	171.00	367.00	528.00
05/14/12	572.00	532.00	280.00	0.00	0.00	198.00	240.00	812.00
05/15/12	321.00	507.00	216.00	0.00	0.00	233.00	502.00	723.00
05/16/12	1233.00	1089.00	592.00	0.00	0.00	222.00	448.00	1681.00
05/17/12	804.00	652.00	480.00	0.00	0.00	246.00	328.00	1132.00
05/18/12	691.00	690.00	324.00	0.00	0.00	469.00	573.00	1014.00
05/21/12	378.00	445.00	208.00	0.00	0.00	153.00	275.00	653.00
05/22/12	198.00	504.00	228.00	0.00	0.00	163.00	534.00	732.00
05/23/12	12905.83	467.00	216.00	0.00	12640.83	209.00	418.00	13323.83
05/24/12	298.00	326.00	164.00	0.00	0.00	165.00	192.00	490.00
05/25/12	7,812.00	954.00	416.00	0.00	0.00	7094.00	558.00	1370.00
05/29/12	628.00	727.60	316.00	0.00	300.00	199.00	715.60	1343.60
05/30/12	250.00	470.00	164.00	0.00	0.00	276.00	484.00	634.00
05/31/12	162.00	536.00	212.00	0.00	0.00	202.00	586.00	748.00
TOTAL	29,186.83	12567.20	5,832.00	0.00	13,606.83	11,989.00	10,784.20	32,006.03

7145-120-01-4775-004 Recorder Storage and Retrieval

\$0.00 (\$4.00)

eRecording eRecording

\$12.00 \$0.00

1005-120-01-4612-023 Recording Fee

\$0.00 (\$8.00)

Total \$43,995.03

Journal Activity

Account		Debits	Credits	Net
Asset				
1005SuspensePrePayAccounts	1005 Suspense - Prepay	\$6,610.20	(\$7,465.00)	(\$854.80)
Cash	Cash/Check	\$29,186.83	\$0.00	\$29,186.83
D-1005-120-01-4612-001	Copies(deferred)	\$0.00	(\$2.00)	(\$2.00)
D-1005-120-01-4612-003	Postage(deferred)	\$16.00	(\$12.00)	\$4.00
D-1005-120-01-4612-023	Recording Fee(deferred)	\$48.00	(\$36.00)	\$12.00
D-1005-120-01-4612-027	Fax(deferred)	\$0.00	(\$5.00)	(\$5.00)
D-7145-120-01-4775-004	Recorder Storage and Retrieval(deferred)	\$64.00	(\$48.00)	\$16.00
ETransfer	Electronic Transfers	\$4,024.00	\$0.00	\$4,024.00
	Total	\$39,949.03	(\$7,568.00)	\$32,381.03
Liability				
1005SuspenseChargeAccounts	1005 Suspense - Charge	\$103.00	(\$128.00)	(\$25.00)
	Total	\$103.00	(\$128.00)	(\$25.00)
Expense				
	Total	\$0.00	\$0.00	\$0.00
Revenue				
1005-120-01-4612-001	Copies	\$0.00	(\$563.00)	(\$563.00)
1005-120-01-4612-002	Certified Seal	\$0.00	(\$117.00)	(\$117.00)
1005-120-01-4612-003	Postage	\$0.00	(\$1,109.20)	(\$1,109.20)
1005-120-01-4612-005	Affidavit of Property Value	\$0.00	(\$294.00)	(\$294.00)
1005-120-01-4612-008	Additional Transaction Fee	\$0.00	(\$243.00)	(\$243.00)
1005-120-01-4612-012	Overpayment	\$0.00	(\$201.00)	(\$201.00)
1005-120-01-4612-018	Misc Fees (Notification)	\$0.00	(\$147.00)	(\$147.00)
1005-120-01-4612-023	Recording Fee	\$0.00	(\$9,725.00)	(\$9,725.00)
1005-120-01-4612-026	Refunds	\$0.00	(\$72.00)	(\$72.00)
1005-120-01-4612-027	Fax	\$0.00	(\$90.00)	(\$90.00)
1005-120-01-4612-029	Search	\$0.00	(\$15.00)	(\$15.00)
7145-120-01-4775-004	Recorder Storage and Retrieval	\$0.00	(\$5,848.00)	(\$5,848.00)
7147-120-01-4612	Voter Postage	\$0.00	(\$496.30)	(\$496.30)
7147-120-01-4612-018	Voter	\$0.00	(\$12,144.53)	(\$12,144.53)
7147-120-01-4774-031	Miscellaneous	\$0.00	(\$966.00)	(\$966.00)
eRecording	eRecording	\$4,071.00	(\$4,396.00)	(\$325.00)
	Total	\$4,071.00	(\$36,427.03)	(\$32,356.03)
	Total	\$44,123.03	(\$44,123.03)	\$0.00

Range Summary

Range	Account	Debits	Credits	Net
Cash/Check	Cash/Check	\$29,186.83	\$0.00	\$29,186.83
	Range Total	\$29,186.83	\$0.00	\$29,186.83

Sadie Tomerlin Dalton Gila County Recorder For Month Of:						New Fiscal Year Form	
	FY	2011-2012					
Month	No of Doc.	Recorder Storage & Retrieval 7145	Recording Fees 1005	Computer Svcs 7147	Assessor Storage 7143	Mining fees 7146	Recorder Check to Treasurer
July	1,192	4,236	11,989.38	760.00	3,932	2.00	20,919.38
Aug	1,272	4,796	14,380.90	1,774.56	4,536	23.00	25,510.46
Sept	1,047	3,804	13,139.02	1,030.00	3,496	10.00	21,479.02
Oct	1,134	4,212	13,523.46	1,637.00	3,916	0.00	23,288.46
Nov	1,147	4,312	10,742.49	961.43	3,880	3.00	19,898.92
Dec	1,059	4,028	9,556.58	953.41	3,740	17.00	18,294.99
Jan	1,105	4,120	6,770.90	869.99			11,760.89
Feb	1,089	4,128	12,092.41	2,065.80		1.00	18,287.21
Mar	1,458	5,448	7,396.37	1,644.57			14,488.94
Apr	1,705	6,640	14,808.37	5,060.88		1.00	26,510.25
May	1,506	5,832	13,700.89	13,606.83			33,139.72
June							0.00
Total	13,714	51,556	128,100.77	30,364.47	23,500	57.00	233,578.24
Fiscal Year		233,578.24					
All Monies							

	A	B	C	D	E	F
1		GILA COUNTY RECORDER				
2						
3		REPORT FOR May 2012				
4						
5	SECTION I		CREDIT	DEBIT	TOTAL	EXPLANATION
6	1005 (GENERAL FUND)	PAID INTO SUSPENSE ACCT	\$11,989.00		\$0.00	
7		PAID OUT OF SUSPENSE ACCT		\$10,784.20	\$1,204.80	
8		RECORDING FEES	\$12,567.20	\$0.00	\$0.00	
9		REFUNDS-EXCESS FEES		\$72.00		
10		INTEREST PD TO ACCT	\$0.89	\$0.00		
11				\$0.00		
12	TOTAL 1005 FUNDS		\$24,557.09	\$10,856.20	\$13,700.89	
13						
14	SECTION II					
15		7145 FUND (RECORDER)	\$5,832.00	\$0.00	\$5,832.00	
16		7146 FUND (MINING - 80% STATE TREAS)				
17		7146 FUND (MINING - 20% RECORDER)		\$0.00		
18		7147 FUND (COMPUTER SVCS)	\$13,606.83	\$0.00	\$13,606.83	
19	TOTAL SEC II FUNDS		\$19,438.83	\$0.00	\$19,438.83	
20						
21	COMBINED TOTALS - TOTAL FEES COLLECTED		\$43,995.92	\$10,856.20	\$33,139.72	
22						
23						

House Account Summary

Gila County AZ Recorder

For the Period of 05/01/2012 - 05/31/2012

Immediate and Deferred Accounts

House Account ID	House Account Name	Starting Balance	Charges	Payments	Ending Balance
ACCU	ACCUSEARCH	(\$179.00)	\$0.00	\$0.00	(\$179.00)
ADOR-M	STATE OF ARIZONA - DEPT OF REVENUE	(\$234.17)	\$46.80	\$0.00	(\$187.37)
ADOT	AZ DEPT OF TRANS	(\$295.50)	\$0.00	\$0.00	(\$295.50)
APS	APS/COPIES	(\$185.00)	\$0.00	\$0.00	(\$185.00)
APSR	APS/RECORDINGS	(\$226.00)	\$40.00	(\$15.00)	(\$201.00)
ARARS	AZ RESEARCH & AMP RETRIEVAL SVCS	(\$152.00)	\$73.00	(\$100.00)	(\$179.00)
AWC	ARIZONA WATER COMPANY	(\$250.00)	\$0.00	\$0.00	(\$250.00)
AZDOR	ADOR ACCOUNTS PAYABLE	(\$238.00)	\$16.00	\$0.00	(\$222.00)
AZRE/RECORDING	ARIZONA DEPT OF REALESTATE	(\$2,074.00)	\$12.00	\$0.00	(\$2,062.00)
CARD	Cardon Hiatt / The Vineyrd Group	(\$105.00)	\$0.00	\$0.00	(\$105.00)
EQUIT	EQUITY SERVICES	(\$186.00)	\$46.00	\$0.00	(\$140.00)
ERAY	ERA YOUNG REALTY	(\$25.00)	\$46.80	(\$250.00)	(\$228.20)
EXCEL	EXCEL DOCUMENT SERVICES	(\$172.00)	\$13.00	\$0.00	(\$159.00)
FARES	First American Corelogic Inc.	(\$531.40)	\$190.00	\$0.00	(\$341.40)
FATM	FIRST AMERICAN MICROFICHE	(\$982.60)	\$258.60	\$0.00	(\$724.00)
FB	FLOYD BLEAK / NANCY SHEPPARD	(\$618.00)	\$0.00	\$0.00	(\$618.00)
FCS.INC	Pacific Corportate & Title Service	(\$65.00)	\$7.00	\$0.00	(\$58.00)
FNDS	LPS APPLIED ANALYTICS	(\$858.20)	\$190.00	\$0.00	(\$668.20)
GCCD	GILA COUNTY COMMUNITY DEVELOPMENT	\$73.50	\$0.00	\$0.00	\$73.50
HANSEN-ENGINEERING	HANSEN ENGINEERING & SURVEYING	(\$67.00)	\$0.00	\$0.00	(\$67.00)
IMAPP	IMAPP , INC	(\$53.40)	\$0.00	\$0.00	(\$53.40)
INDEPTH	INDEPTH SOLUTIONS INC	\$0.00	\$36.00	(\$100.00)	(\$64.00)
Ingeo	Ingeo - eRecording	\$0.00	\$220.00	(\$715.00)	(\$495.00)
IRS	INTERNAL REVENUE SERVICE	(\$34.00)	\$80.00	(\$128.00)	(\$82.00)
LA001	First American Title Lenders Advantage	(\$480.50)	\$0.00	\$0.00	(\$480.50)
MHK	MORRIS HALL KINGHORN	(\$266.00)	\$0.00	\$0.00	(\$266.00)
NDTS-TSG	FIRST AMERICAN TITLE INSURANCE COMPANY	(\$931.00)	\$0.00	\$0.00	(\$931.00)
PIONE	PIONEER TITLE AGENCY FICHE	(\$322.00)	\$261.00	\$0.00	(\$61.00)
PTP2	PIONEER TITLE AGENCY RECORDINGS 2	(\$5,422.00)	\$5,375.00	(\$7,000.00)	(\$7,047.00)
RSSI	RECORD SEARCHING SERVICES INC	(\$197.00)	\$22.00	\$0.00	(\$175.00)
simplifile	Simplifile - eRecording	(\$333.00)	\$3,851.00	(\$3,681.00)	(\$163.00)
SOUTHWES DIV	FIRST AMERICAN TITLE	(\$1,186.20)	\$0.00	\$0.00	(\$1,186.20)
Totals		(\$16,595.47)	\$10,784.20	(\$11,989.00)	(\$17,800.27)

ARF-1318

4- D

Regular BOS Meeting

Meeting Date: 07/03/2012

Reporting Period: Report for County Manager Approved Contracts Under \$50,000 for Week Ending 6-15-12

Submitted For: Joseph Heatherly

Submitted By: Valrie
Bejarano,
Contracts
Support
Specialist,
Finance
Department

Information

Subject

Report for County Manager Approved Contracts Under \$50,000 for Week Ending 6-15-12

Suggested Motion

Acknowledgment of contracts under \$50,000 which have been approved by the County Manager for the week of June 9, 2012, to June 15, 2012.

Attachments

County Manager Approved Contracts Under \$50K for Week End 6-15-12

R&M Repeater Site Lease Agreement 032912

COUNTY MANAGER APPROVED CONTRACTS UNDER \$50,000

June 9, 2012, to June 15, 2012

Number / Vendor	Title	Amount	Term	Approved	Renewal Option	Summary
- R&M Repeater LLC	Diamond Point Mountain Equipment Space Lease	\$1,800.00	7-1-12 to 6-30-2015	6-13-12	Renewable for 2 more 1 yr terms	Site lease for repeater radio equipment space on Diamond Pt. Mtn. The frequency is used by the Consolidated Roads Dept.

Tommie C. Martin, District I
P.O. Box 2297 Payson, AZ. 85547
(928) 474-2029

Michael A. Pastor, District II
1400 E. Ash St. Globe, AZ. 85501
(928) 425-3231 Ext. 8753

Shirley L. Dawson, District III
1400 E. Ash St. Globe, AZ. 85501
(928) 425-3231 Ext. 8511



Don E. McDaniel Jr., County Manager
Phone (928) 425-3231 Ext.8761

Joseph T. Heatherly, Finance Director
Phone (928) 425-3231 Ext. 8743

GILA COUNTY
www.gilacountyaz.gov

FAX (928) 425-0319
TTY: 7-1-1

SITE LEASE AGREEMENT NO. 032912
DIAMOND POINT MOUNTAIN EQUIPMENT SPACE

This Lease Agreement ("Agreement") is entered into on the 13th day of JUNE, 2012, between R&M Repeater LLC, hereinafter known as Lessor; and the Gila County Public Works Division, hereinafter known as Lessee.

WHEREAS: Lessee wishes to install and operate certain RF transmitting equipment, described in detail in "Exhibit A" attached hereto and made a permanent part hereof, in the premises owned by Lessor; and Lessor covenants that it has legal right to enter into this agreement, and also certifies that said premises is approved by Federal and or State Law for such use. Lessee certifies that it holds valid FCC Licenses for its transmitters, authorizing it to operate from Lessor premises and will operate its stations in accordance with Federal and State Laws.

LOCATION: Lessor premises under this agreement: Diamond Pt. Mtn N34-17-23, W111-11-26, County of Gila, State of Arizona, Township 11 North, Range 11 East, G&S RBM

THEREFORE: The above named parties hereby agree to the following:

- 1. ACCESS:** Lessee personnel shall have access to Lessor's premises 24hrs a day 365 days a year for the express purpose of; inspection or maintenance of Lessee's equipment. Lessor shall supply Lessee with necessary combinations for locks to any road gates or key lock boxes. Lessee understands that Lessor is not responsible for any road maintenance, and subsequently does not guarantee road conditions. Lessee acknowledges that use of the road is at Lessee's own risk. Lessor shall supply and install a lock box to house a single security key for premise's access by Lessee personnel. Lessee shall not at any time or under any circumstance, give any information, including combinations, keys, codes or anything else that would allow access to Lessor premises to any party that is not a subcontractor for, representative of ,or not working under direct supervision of Lessee. Lessor premises is fully alarmed and may have video and audio surveillance operational, Lessee agrees to comply with any and all posted signage located at Lessor's premises.
- 2. INSTALLATION AND MAINTENANCE OF EQUIPMENT:** All Lessee and Lessor equipment contained on or within Lessor premises shall be installed and maintained on behalf of Lessee by C&M Communications Payson AZ, which currently is both a Lessor and Lessee authorized vendor. After initial installation if Lessee equipment has a failure that requires immediate attention, and C&M Communications does not have a representative readily available, within a nominal 2 hour response time, Lessee has the right to hire a third party contractor of its choice to restore Lessee's service as

quickly as possible. A direct representative of Lessee shall control site ingress and egress and remain present with any third party contractor for the duration that contractor needs to be in Lessor's premises. Prior to installation Lessee must provide Lessor with copies of its FCC Licenses for such equipment, also to be attached hereto in Exhibit A. Location and manner in which installation is accomplished must be approved by Lessor, and will also be documented in Exhibit A of this Agreement. Lessor shall have a representative present at the time of initial installation of Lessee equipment, at Lessor's expense. After initial installation has been completed Lessee may not make any additional changes to placement of equipment or antenna locations, install or remove any equipment, other than temporarily for servicing, without obtaining prior approval from Lessor. Lessee must notify Lessor in writing detailing any desired changes, and prior to any permanent removal of any Lessee equipment or antennas. Also see (TERMINATION/VACATING OF PREMISES).

3. **ELECTRICITY:** Unless otherwise stated in "Exhibit A" of this agreement, Lessor shall furnish commercially supplied 110v electrical power and outlet for operation of Lessee's equipment, propane powered backup generated power will be available to Lessee's equipment for a fee of INCLUDED per month, in addition to rent, and shown by separate line item on monthly invoice. Lessor has installed power line surge protection on the main electrical input to the premises however Lessor does not certify that this protection equipment will function adequately under all unforeseen circumstances, and will not be liable for any damage done by power or lightning surges to Lessee equipment.
4. **INTERFERENCE:** Lessor certifies that existing equipment currently installed in premises is operating without any undesirable interference; and is not creating any harmful interference to any other users or facilities at this site. Lessee certifies that its equipment shall not cause any degradation to any users currently operating in the premises or to any other facilities co-located at this site. Lessee agrees to equip all transmitters with ferrite isolators; bandpass cavities, and use only hard shielded cable for all output transmission lines and jumpers. Any Ethernet controlled equipment permanently installed shall be interconnected only by using fully shielded wiring and grounded type metal connectors. Lessee also certifies that if any interference should occur after installation of Lessee equipment; to any user located either in the same premises or at a co-located facility, that Lessee shall expediently (within 24hrs of notification) correct the interference problem or shut down its equipment until it can correct the problem. Lessee shall work directly with the company or agency complaining of the interference, and keep Lessor informed as to the progress and ultimate solution to the problem. Lessor certifies that any future installations done at Lessor premises, either by Lessor or by any other party in the premises, shall not cause Lessee any harmful interference, and if any such interference occurs will be remedied by Lessor within 24hrs of notification from Lessee.
5. **TERM:** The initial term of this lease shall be for a period of three year(s) commencing on July 01, 2012. After the initial term, Lessee shall have the option of extending this Lease for two (2) additional renewal terms of one (1) year each. Any renewal shall be made as an addendum in writing, attached hereto and made a part hereof, signed by both parties in this agreement not less than sixty (60) days prior to the end of the then current term. The maximum term of this Lease, if Lessee exercises both renewal options, is five (5) years, terminating on March 31, 2017. If Lessee wishes to continue occupation in Lessor's premises beyond the conclusion of its second renewal option, Lessee shall have the right to either request extending this lease for future terms, or negotiate a new lease with Lessor. Lessee may cancel this agreement, with or without cause, by sending notice to Lessor via certified mail or courier not more than 30 days prior to the end of a then current lease term. Lessor may cancel this agreement, with or without cause, by sending notice to Lessee via certified mail or courier within 90 days prior to the end of a then current lease term.

6. **RENT:** Lessor shall bill Lessee, in advance on approximately the first day of each month \$150.00 for transmitter located in premises, and one antenna mounted either on the tower or building. Rent is due Lessor upon receipt of bill by Lessee, and will be considered current by Lessor if received prior to the next billing issuance. At each annual anniversary the rent shall automatically increase by four (4) percent. If Lessee fails to pay its rent within 45 days of billing and has not made arrangements with Lessor to expeditiously correct the default, Lessor reserves the right to disconnect Lessee equipment (at Lessee expense) from AC power source and restrict Lessee access to premises until the default is corrected. If Lessor disconnects Lessee equipment due to Lessee default under this agreement, Lessee hereby agrees to hold Lessor completely, fully, and totally harmless from any and all unforeseen impacts that may arise from Lessor's action.
7. **TAXES:** Lessee shall be responsible for paying only appropriate rental use taxes for its use of the premises. Lessor shall show by separate line item on each monthly bill the tax levied against the Lessee. Lessor shall be responsible for any other property or use taxes levied on the premises. Lessor is responsible for collecting these taxes, and forwarding them to the proper Government agency.
8. **UNITED STATES FOREST SERVICE (USFS):** The premise's in this agreement is located on USFS land. Lessor certifies that it currently holds a 20 year special use permit issued by the USFS, that is valid until midnight September 16, 2016. Lessor fully intends to renew the existing permit, or if necessary secure a new special use permit with the USFS prior to expiration of its currently valid permit. This permit allows the Lessor only the right to rent space in its premise's to the Lessee, no external additions or modifications to the premises are allowed to be done by the Lessee directly. If a modification to the premises is needed by the Lessee; the Lessee must submit its request to the Lessor in writing; along with documentation drawings showing the modification to the premises, and a detailed environmental impact study of the proposed modification. Lessor shall forward the request to the USFS for approval, and if granted by the USFS, Lessor's permit amendment. Lessor shall bill Lessee annually for Lessee portion (if any) of the special use permit fee, along with a copy of the USFS bill showing documentation for such fee. Lessee agrees to pay its portion promptly to Lessor, upon receipt of such bill. Lessor agrees to keep all payments to the USFS current and in good standing. If at any time the USFS decides to discontinue or revoke Lessor's special use permit for this site, then both parties agree that this Agreement is immediately terminated with each party holding the other harmless as to future rent due to Lessor, or any space due to Lessee.
9. **FCC REGULATIONS:** Both Lessor and Lessee acknowledge that use of radio frequency spectrum is governed by the Federal Communications Commission (FCC). If at any time during this Agreement either FCC Rules are changed affecting Lessee's legal operation of its transmitter(s), or Lessee's FCC Authorization is officially terminated, this agreement shall then dissolved; with each party relieved of its obligations hereunder.
10. **HAZARDOUS MATERIALS:** Lessor covenants that the premises are free of any environmentally hazardous materials, with the exception of necessary motor oils, coolants, batteries, and fuels for the legal operation of a standby power plant. Lessee agrees not to transport, store, use, or dispose of any form of hazardous material in or around Lessor premises.
11. **INSURANCE:** During the term(s) of this Lease, Lessee agrees to carry at its own expense, a general liability policy having a minimum limit of \$2,000,000. This policy must insure all personnel or subcontractors working for Lessee, against any damages done through negligence by Lessee personnel or subcontractors to Lessor's premises; and must name Lessor as a certificate holder of such policy, a copy of which is attached hereto in Exhibit A. If Lessee is a "self insured" entity,

documentation proving such financial responsibility shall be submitted to Lessor from Lessee's risk management department.

12. **HOLD HARMLESS:** Lessor shall hold Lessee harmless from any damages, expenses, costs, liabilities or suits that may arise due to Lessor's negligence in the operation or management of the premises. Lessee shall hold Lessor harmless from any damages, expenses, costs, liabilities or suits that may arise due to Lessee's negligence in the use of Lessor's premises.
13. **SUBLET:** Lessee is not allowed to sublet or lease any part of its assigned space to any other party under any conditions or circumstances.
14. **SITE MAINTENANCE:** Lessor shall be responsible for all repairs to the premises (except any repair's required due to Lessee's negligence) including the building; tower; antenna mounts; standby generator, air conditioning and landscaping.
15. **DEFAULT:** This agreement may be terminated by either party if the other party has been in default of one or more covenants contained herein for a period of 45 days or longer and has not made a good faith effort to correct the default.
16. **TERMINATION/VACATING OF PREMISES:** At the conclusion of this lease, or default of this agreement, Lessee shall remove its RF equipment and antennas, listed in Exhibit A attached hereto and made a part hereof, and return the premises to the Lessor in as good a condition as when received, excepting ordinary wear and tear. Lessor shall have a representative present during the removal process. Any RF transmission lines, RF connectors, mounting fixtures on the building or tower, Air conditioning or generator modifications or upgrades, additional building space, grounding or lightning suppression apparatus that was added by the Lessee during the term of this lease shall remain for Lessor's use, and become the property of Lessor. Any modifications or upgrades done by Lessee during the term(s) of this Agreement shall be documented in detail, along with any concessions made to Lessee by Lessor for Lessor's ongoing benefit of such modifications or upgrades, attached hereto labeled as Amendment(s); and made a permanent part hereof.
17. **ASSIGNMENT:** Lessee may not assign, or otherwise transfer all or any part of its interest in this Agreement without the prior written consent of the Lessor; provided however, that Lessee may assign or otherwise transfer such interest without the prior written consent to its parent company, subsidiary, or affiliate of it. Lessor may assign or otherwise transfer this Agreement, upon written notice to Lessee, subject to the assignee or transferee assuming all of Lessor's obligations contained in this Agreement.
18. **LEASE MODIFICATIONS:** This lease contains the entire agreements between the parties; any modifications must be made as Amendments by instrument in writing attached hereto and made a permanent part hereof.
19. **LEGAL:** This lease is made in the State of Arizona County of Gila and is governed by the Laws of the State of Arizona. Parties hereby agree that any proceeding's arising from default of this lease, shall be heard in a court in the State of Arizona, County of Gila.
20. **NOTICES/COPIES:** Any notice or demand, from either party in this agreement, must be sent via certified mail to the address of the other party as designated in this agreement. Either party may from time to time designate any other address for this purpose by notice to the other party sent via

certified mail. Each party in this Agreement shall receive one (1) copy of this Agreement for their records.

21. **RIGHTS:** In any case where the approval or consent of one of the parties hereto is required, requested or otherwise to be given under this Agreement to the other party within this Agreement, such approval or consent shall not be unreasonably delayed or withheld.
22. **PRE-LEASE ACKNOWLEDGMENT:** Lessee acknowledges that prior to entering into this Agreement, authorized personnel of Lessee met with Lessor at the premises, for the purpose of determining suitability of the premises itself, and if the geographic location of the premises would suit Lessee's desired use. Lessor allowed supervised access to the premises for Lessee personnel to make physical measurements, drawings, discuss possible antenna mounting areas, power and air conditioning requirements, and to perform any RF testing desired by Lessee. Lessor provided this access to Lessee with no cost to Lessee, and under no obligation from Lessee. Lessee also certifies that it has performed due diligence in regards to any Federal, State, or Local permits, and as to anything else that may be required for Lessee legal occupation in and use of Lessor premises; and acknowledges that any failure on its part to perform such due diligence, prior to entering into this Agreement, in no way relieves Lessee of its obligations under this Agreement.

23. **NOTICES AND CONTACT LIST:** All notices, communications, and reports under this Agreement shall be provided to the following:

R&M Repeater, LLC
Christopher F. Salgot- Managing Partner
P.O. Box 1130
Payson, AZ 85547-1130

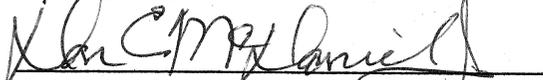
Gila County Flood Management
Darde deRoulhac
714 S. Beeline Hwy
Payson, AZ 85541

24. **CANCELLATION:** This agreement is subject to cancellation pursuant to A.R.S. §38-511.

IN WITNESS WHEREOF, The parties have executed and bound this agreement on the 13th day of June, 2012.

LESSEE:

GILA COUNTY


Don E. McDaniel Jr., County Manager

LESSOR:

R&M REPEATER, LLC


Christopher F. Salgot

EXHIBIT "A"

DIAMOND POINT MOUNTAIN REPEATER EQUIPMENT

- Kenwood TKR-7510PS 25 watt VHF programmable narrowband repeater with built in power supply, tuned to Gila County channels and codes

- EMR 64536/ENCI-1VHF 100 watt Isoplexer tuned to Gila County channels

- Sinclair SD212 5.5 db gain VHF omni directional antenna with 1\2 inch hardline cable and RF connectors

- MTRON-PTI 4133-VBN receiver crystal filter and Advanced Receiver Research P150VDG receiver preamplifier

ARF-1300

4- E

Regular BOS Meeting

Meeting Date: 07/03/2012

Reporting Period: Human Resources reports for the weeks of June 5, 2012, June 12, 2012, June 19, 2012, and June 26, 2012

Submitted For: Berthan DeNero

Submitted By: Candy Bell,
Human
Resources &
Library
Services
Assistant,
Human
Resources

Information

Subject

Human Resources reports for the weeks of June 5, 2012, June 12, 2012, June 19, 2012, and June 26, 2012.

Suggested Motion

Approval of the Human Resources reports for the weeks of June 5, 2012, June 12, 2012, June 19, 2012, and June 26, 2012.

Attachments

June Human Resources Summary Report

06/05/12 Human Resources Agenda

06/12/12 Human Resources Agenda

6/19/12 Human Resources Agenda

6/26/12 Human Resources Agenda

Summary

Human Resources Action Items

	Year To Date	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
DEPARTURES FROM COUNTY SERVICE	70	7	13	14	13	15	15
HIRES TO COUNTY SERVICE	45	7	9	14	3	8	4
TEMPORARY HIRES TO COUNTY SERVICE	19	3	2	1	1	2	10
VOLUNTEERS TO COUNTY SERVICE	87	0	0	0	0	7	80
DEPARTMENTAL TRANSFERS	15	1	3	1	6	3	1
END PROBATIONARY PERIOD	25	3	4	6	5	4	3
POSITION REVIEW	52	11	13	5	7	6	10
REQUEST PERMISSION TO POST	52	6	10	7	2	7	20
Total Transactions		38	54	41	37	52	143

Jul-12 Aug-12 Sep-12 Oct-12 Nov-12 Dec-12

HUMAN RESOURCES ACTION ITEMS
JUNE 5, 2012

DEPARTURES FROM COUNTY SERVICE:

1. Mary Jane Rodgers – Community Services – Temporary Community Services Worker – 05/23/12 – GEST Fund – DOH 12/22/11 – Terminated
2. Judith Michel – Probation – Teen Court Coordinator – 05/31/12 – Diversion Consequences Fund – DOH 08/12/02 – Resigned
3. Tammy Dover – Finance – Account Clerk Specialist – 06/04/12 – General Fund – DOH 02/07/05 - Resigned

TEMPORARY HIRES TO COUNTY SERVICES:

4. Amanda Robles – Community Services – Temporary Community Services Worker – 06/07/12 – GEST Fund
5. Anita Yanora – Community Services – Temporary Community Services Worker – 06-07-12 – GEST Fund

END PROBATIONARY PERIOD:

6. Jessica Alexander – Health and Emergency Services – Community Health Assistant – 05/14/12 – Health Start Program

REQUEST PERMISSION TO POST:

7. Human Resources – Human Resources Assistant Senior – Position vacated by Angelo Cutter
8. Public Fiduciary – Public Fiduciary Assistant – Position vacated by Jo Anna McDaniel
9. County Attorney – Legal Secretary – Position vacated by Kristin Klee Martinez
10. Finance – Accountant Senior – Position vacated by Nicholas Montague
11. Finance – Buyer – Position Vacated by Tammy Dover
12. Finance – Purchasing Administrator

SHERIFF'S PERSONNEL ACTION ITEMS

HIRES TO COUNTY SERVICE:

13. George Carrillo – Sheriff's Office – Deputy Sheriff – 06/11/12 – General Fund – Replacing Richard Corso

HUMAN RESOURCES ACTION ITEMS
JUNE 12, 2012

DEPARTURES FROM COUNTY SERVICE:

1. Ernie Meeske – County Attorney – Chief Detective – 08/03/12 – General Fund – DOH 09/06/00 - Retired

VOLUNTEERS TO COUNTY SERVICE:

2. Julian Guerrero – Board of Supervisors – Volunteer Intern – 05/29/12

POSITION REVIEW:

3. Travis Shields – County Attorney – Law Clerk – 05/18/12 – General Fund – Temporary change in hours

REQUEST PERMISSION TO POST:

4. Public Works Consolidated Roads – Road Maintenance/Equipment Operator – Vacated by Arthur Alvarado
5. Health & Emergency Services – Home Visitation Coordinator

SHERIFF'S PERSONNEL ACTION ITEMS

END PROBATIONARY PERIOD:

6. Lynn Durst – Sheriff's Office – Detention Officer – 05/23/12 – General Fund

POSITION REVIEW:

7. Thomas Sowles – Sheriff's Office – Detention Officer (Part-Time) – 06/18/12 – General Fund – Replaces Clarence Rice/Reinstatement

HUMAN RESOURCES ACTION ITEMS
JUNE 19, 2012

DEPARTURES FROM COUNTY SERVICE:

1. Tonia Busby – Community Services – Temporary Administrative Clerk – 06/22/12 – Workforce Investment Act Fund – DOH 03/01/12 – Transferring to Cochise County
2. Lisa Lane – Community Services – Career and Employment Specialist – 06/22/12 – Workforce Investment Act Fund – DOH 02/23/09 – Transferring to Cochise County
3. Stephanie Chaidez – Health and Emergency Services – Administrative Clerk – 06/07/12 – WIC Fund – DOH 10/01/11 – Unsuccessful completion of probationary period
4. Breelyn Cano – Public Works Facilities and Land Management – Temporary Custodian – 06/07/12 – Facilities Management Fund – DOH 03/29/12 – Temporary services no longer required
5. Julia Vasquez – School Superintendent – Administrative Assistant – 06/29/12 – General Fund – DOH 11/20/1989 - Retirement
6. Bridget Warden – Community Services – Temporary Community Services Worker – 06/18/12 – GEST Fund – DOH 05/23/11 – Resignation
7. Patricia Vogler – Health and Emergency Services – Public Health Nurse 06/15/12 – Immunization Fund – DOH 06/13/11 – Resignation
8. Nicole Barnes – Globe Regional Justice Court – Justice Court Clerk Associate – 06/01/12 – General Fund – DOH 02/27/12 - Resignation

TEMPORARY HIRES TO COUNTY SERVICES:

9. Angela Anthony – Community Services – Temporary Community Services Worker – 06/21/12 – GEST Fund
10. Angel Perez – Board of Supervisors – Temporary Laborer – 06/21/12 – Constituent Services II Fund
11. Tannyn Garcia – Board of Supervisors – Temporary Laborer – 06/21/12 – Constituent Services II Fund
12. Matthew Cruz – Board of Supervisors – Temporary Laborer – 06/21/12 – Constituent Services II Fund

VOLUNTEERS TO COUNTY SERVICES:

13. Tina Benedetto – Health and Emergency Services – Volunteer – 06/18/12
14. Wendy Bolinger – Health and Emergency Services – Volunteer – 06/18/12
15. Karrol Braddock – Health and Emergency Services – Volunteer – 06/18/12
16. Maria Brazil – Health and Emergency Services – Volunteer – 06/18/12
17. Thierry Condit – Health and Emergency Services – Volunteer – 06/18/12
18. Jamie Clark – Health and Emergency Services – Volunteer – 06/18/12
19. Denise Curry – Health and Emergency Services – Volunteer – 06/18/12
20. James Haro – Health and Emergency Services – Volunteer – 06/18/12
21. Julia Madrid – Health and Emergency Services – Volunteer – 06/18/12
22. Russell Mathias – Health and Emergency Services – Volunteer – 06/18/12
23. Cheryal Taylor – Health and Emergency Services – Volunteer – 06/18/12
24. Julia Usry – Health and Emergency Services – Volunteer – 06/18/12
25. Randy Usry – Health and Emergency Services – Volunteer – 06/18/12
26. Kenneth Cormack – Health and Emergency Services – Volunteer – 06/18/12
27. Trena Grantham – Health and Emergency Services – Volunteer – 06/18/12
28. Clifford Horn – Health and Emergency Services – Volunteer – 06/18/12
29. Timothy Howard – Health and Emergency Services – Volunteer – 06/18/12
30. Sue Huggins – Health and Emergency Services – Volunteer – 06/18/12
31. Robert Kelley – Health and Emergency Services – Volunteer – 06/18/12

HUMAN RESOURCES ACTION ITEMS

JUNE 19, 2012

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32. Jim Schleiger – Health and Emergency Services – Volunteer – 06/18/12
33. Joseph Skamel – Health and Emergency Services – Volunteer – 06/18/12
34. Ann Stone – Health and Emergency Services – Volunteer – 06/18/12
35. Nicole Sullivan– Health and Emergency Services – Volunteer – 06/18/12
36. Tracy Quick – Health and Emergency Services – Volunteer – 06/18/12
37. Robert Taylor – Health and Emergency Services – Volunteer – 06/18/12
38. Sabra VanOrsdol – Health and Emergency Services – Volunteer – 06/18/12
39. Cheri Williams – Health and Emergency Services – Volunteer – 06/18/12
40. Michael Blaes – Health and Emergency Services – Volunteer – 06/18/12
41. Michael Clark – Health and Emergency Services – Volunteer – 06/18/12
42. Donald Smith – Health and Emergency Services – Volunteer – 06/18/12
43. Diane Baran – Health and Emergency Services – Volunteer – 06/18/12
44. Trinity Branch – Health and Emergency Services – Volunteer – 06/18/12
45. Michelle Buzan – Health and Emergency Services – Volunteer – 06/18/12
46. Marie Fasano – Health and Emergency Services – Volunteer – 06/18/12
47. Lori Heron – Health and Emergency Services – Volunteer – 06/18/12
48. Linda Lemon – Health and Emergency Services – Volunteer – 06/18/12
49. Amanda Hollowell – Health and Emergency Services – Volunteer – 06/18/12
50. Roni Kerns– Health and Emergency Services – Volunteer – 06/18/12
51. Krystal McRae – Health and Emergency Services – Volunteer – 06/18/12
52. Erica Overton – Health and Emergency Services – Volunteer – 06/18/12
53. Ana Palestino – Health and Emergency Services – Volunteer – 06/18/12
54. Gina Parkerson – Health and Emergency Services – Volunteer – 06/18/12
55. Lyndsey Phipps – Health and Emergency Services – Volunteer – 06/18/12
56. Sara Rittenhouse – Health and Emergency Services – Volunteer – 06/18/12
57. Belinda Stevens – Health and Emergency Services – Volunteer – 06/18/12
58. Michael Ward – Health and Emergency Services – Volunteer – 06/18/12
59. Kori Wells – Health and Emergency Services – Volunteer – 06/18/12
60. Irene Welsh – Health and Emergency Services – Volunteer – 06/18/12
61. Susan Brzovskis – Health and Emergency Services – Volunteer – 06/18/12
62. Susan Gill – Health and Emergency Services – Volunteer – 06/18/12
63. Michael Leigh – Health and Emergency Services – Volunteer – 06/18/12
64. Fred Pulve – Health and Emergency Services – Volunteer – 06/18/12
65. Grant Smith – Health and Emergency Services – Volunteer – 06/18/12
66. Judith Morrison – Health and Emergency Services – Volunteer – 06/18/12
67. Carolyn Northcutt– Health and Emergency Services – Volunteer – 06/18/12
68. David Richards – Health and Emergency Services – Volunteer – 06/18/12
69. Linda Richards – Health and Emergency Services – Volunteer – 06/18/12
70. Earl SchoolCraft – Health and Emergency Services – Volunteer – 06/18/12
71. Gail Starkey – Health and Emergency Services – Volunteer – 06/18/12
72. Ron Starkey – Health and Emergency Services – Volunteer – 06/18/12
73. Melanie Stephens – Health and Emergency Services – Volunteer – 06/18/12
74. Diane Swanson – Health and Emergency Services – Volunteer – 06/18/12
75. Glen Swanson – Health and Emergency Services – Volunteer – 06/18/12
76. Pat Taylor– Health and Emergency Services – Volunteer – 06/18/12
77. Frieda Thozeski – Health and Emergency Services – Volunteer – 06/18/12
78. Gina Thozeski – Health and Emergency Services – Volunteer – 06/18/12
79. DaNeil Urick – Health and Emergency Services – Volunteer – 06/18/12

HUMAN RESOURCES ACTION ITEMS

JUNE 19, 2012

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80. John Urick – Health and Emergency Services – Volunteer – 06/18/12
81. Dan Cheek – Health and Emergency Services – Volunteer – 06/18/12
82. Jeannine Cheek – Health and Emergency Services – Volunteer – 06/18/12
83. Brandy Cline – Health and Emergency Services – Volunteer – 06/18/12
84. Jarrett Cline– Health and Emergency Services – Volunteer – 06/18/12
85. Barbara Collie – Health and Emergency Services – Volunteer – 06/18/12
86. Arlene Deering – Health and Emergency Services – Volunteer – 06/18/12
87. Marc Deering – Health and Emergency Services – Volunteer – 06/18/12
88. Pat Eberhart – Health and Emergency Services – Volunteer – 06/18/12
89. Barbara Godbold – Health and Emergency Services – Volunteer – 06/18/12
90. Keith Godbold – Health and Emergency Services – Volunteer – 06/18/12
91. Dale Kessler – Health and Emergency Services – Volunteer – 06/18/12

END PROBATIONARY PERIOD:

92. Barbara Quiroz-Garcia – Health and Emergency Services – Community Health Assistant – 05/17/12 – WIC Fund

POSITION REVIEW:

93. Ramona Scales – Health and Emergency Services – Public Health Nurse – 07/01/12 – Change in fund codes
94. Lucinda Campbell – Health and Emergency Services – Public Health Nurse – 07/01/12 – Change in fund codes
95. Kevin Kenney – Rural Addressing – Rural Addressing Analyst – 07/01/12 – Change in fund codes
96. Rita Lewis – Globe Regional Justice Court – Justice Court Clerk Associate – 06/29/12 – From full time status to part time status

REQUEST PERMISSION TO POST:

97. Public Works Recycling and Landfill Management – Solid Waste Operations Supervisor – Position vacated by Pete Ortega
98. Public Works Facilities and Land Management – Temporary Custodian – Position vacated by Breelyn Cano
99. Community Services– GEST Community Services Worker
100. Globe Regional Justice Court – Justice Court Lead – Position vacated by Delia Benavidez

SHERIFF'S PERSONNEL ACTION ITEMS

DEPARTURES FROM COUNTY SERVICE:

101. Jonathan Desteas – Sheriff's Office – Detention Officer – 06/14/12 – General Fund – DOH 08/22/05 – Resignation

HIRES TO COUNTY SERVICE:

102. Christian Young – Sheriff's Office – Deputy Sheriff – 06/25/12 – General Fund – Replacing Rory Vaughn

HUMAN RESOURCES ACTION ITEMS

JUNE 19, 2012

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103. Karl Schubert – Sheriff’s Office – Deputy Sheriff – 06/25/12 – General Fund – Replacing Ray Van Buskirk

TEMPORARY HIRES TO COUNTY SERVICES:

104. Troy Sessions – Sheriff’s Office – Emergency Response – 05/17/12 – General Fund

105. Jerry Bryant – Sheriff’s Office – Emergency Response – 05/14/12 – General Fund

106. Don Mahr – Sheriff’s Office – Emergency Response – 05/14/12 – General Fund

POSITION REVIEW:

107. Richard Stockwell – Sheriff’s Office – Detention Officer – 06/04/12 – General Fund –Change in position control number

HUMAN RESOURCES ACTION ITEMS

JUNE 26, 2012

DEPARTURES FROM COUNTY SERVICE:

1. Andrew Gatewood – Probation – Juvenile Detention Officer – 06/11/12 – General Fund – DOH
07/06/09 – Resignation
2. Sherri Miller – Health and Emergency Services – Staff Nutritionist – 04/17/12 – WIC Fund – DOH
03/08/10 - Resignation

HIRES TO COUNTY SERVICE:

3. Douglas Rutherford – Probation – Juvenile Detention Officer – 06/28/12 – General Fund – Replacing
Patricia Balderree

TEMPORARY HIRES TO COUNTY SERVICES:

4. Adrian Villegas – Board of Supervisors – Temporary Laborer – 07/02/12 – Constituent Services II Fund

DEPARTMENTAL TRANSFERS:

5. Erica Raymond – Human Resources – From Human Resources Assistant – To Human Resources
Assistant Senior – 06/28/12 – General Fund – Replacing Angelo Cutter

POSITION REVIEW:

6. William Murphy – County Attorney – Detective – 07/02/12 – From General Fund – To Diversion
Program CA Fund – Change in fund codes

REQUEST PERMISSION TO POST:

7. Health and Emergency Services – Administrative Clerk Senior – Position vacated by Denise Hansen
8. County Attorney – Legal Secretary – Position vacated by Debra Overholt
9. Human Resources – Human Resources Assistant – Position vacated by Erica Raymond
10. Library District – Young Community Liaison
11. Library District – Tonto Basin/Roosevelt Community Liaison
12. Library District – Pine/Strawberry Community Liaison
13. Library District – Payson Community Liaison
14. Library District – Hayden/Winkelman Community Liaison
15. Library District – Globe/Miami Community Liaison
16. Public Works Consolidated Roads – Road Maintenance/Equipment Operator – Position vacated by John
Geer
17. Globe Regional Justice Court – Justice Court Clerk Associate – Position vacated by Rita Lewis

SHERIFF'S PERSONNEL ACTION ITEMS

HIRES TO COUNTY SERVICE:

18. Kayla Porter – Sheriff's Office – 911 Dispatcher Relief – 07/02/12 – General Fund

HUMAN RESOURCES ACTION ITEMS

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POSITION REVIEW:

19. Justin Solberg – Sheriff’s Office – Detention Officer (Lt.) – 07/02/12 – Change in position control numbers
20. William Carlson – Sheriff’s Office – Detention Officer (Lt.) – 07/02/12 – Change in position control numbers