

SERVICES AGREEMENT

This services agreement (“Agreement”) made this ___ day of August 2025 and is effective as of July 1, 2025, between:

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| Greater Yuma Economic Development Corporation 1351 Redondo Drive Suite 158/159 Yuma, Arizona 85365, an Arizona nonprofit corporation (“GYEDC”) and | City of San Luis 1090 East Union Street (Physical) P.O. Box 1170 (Mailing) San Luis, Arizona 85349 An Arizona municipal corporation (the “City”). |
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GYEDC and the City may be referred to singularly as the “Party” and collectively as the “Parties.”

In consideration of the mutual benefits and obligations set forth in this Agreement, the Parties agree as follows:

SECTION 1. GYEDC SERVICES

1.1 The City’s goals for GYEDC are:

- (a) work jointly with the City’s Economic Development representative to promote and strengthen regional economic development cooperation and coordination;
- (b) support a strong business climate and promote the image of the City of San Luis for relocation of businesses to the City, including qualifying and assisting companies to locate in the City of San Luis;
- (c) build a strong and effective regional economic development organization while promoting increases in private sector financing, support, and participation;
- (d) identify and develop through substantial effort at least ten (10) qualified prospects for location in the City of San Luis;
- (e) maintain a structured business retention and expansion program, making a minimum of ten (10) completed survey calls annually; and
- (f) encourage jobs for the City of San Luis residents within the City of San Luis.

1.2 In furtherance of the foregoing goals, GYEDC agrees to:

- (a) Implement a budget and action plan. GYEDC shall use its best efforts to expend funds and implement the budget and action plan as adopted by the GYEDC Board of Directors. GYEDC shall inform the CITY of changes in the adopted budget and action plan that will materially affect or alter the priorities established in each.

- (b) Create and Implement a Marketing Plan. Work in direct partnership with the CITY's economic development representative on the creation and implementation of a marketing plan. GYEDC shall, from time to time, solicit the input of CITY representatives on the formulation of future marketing strategies and advertisements.
- (c) Promote and strengthen regional economic development cooperation and coordination in Yuma County. GYEDC shall:(i) participate with national, state, and regional economic development organizations involved in national and statewide economic development, (ii) coordinate the Yuma County component of those organizations, and (iii)coordinate and work in conjunction with the CITY's economic development representative(s) to assist with the CITY's participation in state and international economic development initiatives.
- (d) Qualify and assist companies considering locating in the greater Yuma County area. GYEDC shall: (i) use its best efforts to continue to identify and, through substantial efforts, develop at least ten (10) prospects from outside of the City of San Luis for location in the City of San Luis; (ii) continue to provide all qualified prospects with coordinated professional services; (iii)update and maintain the database of available properties; (iv)coordinate and work with the CITY's economic development representative(s); (v) provide the CITY'S GYEDC Board representatives and economic development representative(s) every other month activity reports for the prior two (2) months; and (vi)engage the CITY's economic development representative(s) in all site visits of companies for location within the City of San Luis, including the need for a predevelopment meeting before any proposal is made.
- (e) Develop a strong, effective regional development organization. GYEDC shall: (i) use its best efforts to secure public and private sector funding to achieve its goals successfully, (ii) professionally develop GYEDC staff, (iii)operate GYEDC under GYEDC articles of incorporation and bylaws and all amendments to them, (iv)uphold and support the policies of the City of San Luis with each client of GYEDC and explore economic development solutions that will uphold the goals of the City of San Luis policies,
- (f) Develop and maintain strong private sector support and participation. To achieve the goals set forth in the marketing of the region, GYEDC shall continue to secure private sector contributions.
- (g) Assist the San Luis Business Incubator. As vacancies arise in the San Luis Business Incubator, GYEDC will assist in recruiting companies and build a waiting list for potential tenants.

1.3 Hire or retain, at GYEDC's discretion, a President/CEO and necessary Staff to carry out the tasks described in this Agreement.

- 1.4** Continue the program of identifying, contacting, and attracting capital investors and other outreach services for business, commercial, and industrial development within the City of San Luis. This program is to be accomplished through:
 - (a) visitations and presentations to businesspersons and manufacturers who have indicated an interest in locating in the City of San Luis and
 - (b) aiding all prospects, including local investors and developers, in satisfying the need for information to facilitate the potential expansion and/or location of businesses, commercial and industrial facilities, or projects in the City of San Luis.
- 1.5** Continue to expand the system of collecting demographic statistics and economic indicators needed by manufacturers, distributors, retailers, and developers in deliberations regarding the City of San Luis as a potential site for business, commercial, and industrial development.
- 1.6** Continue printing, publishing, and distributing documented demographics and other information concerning the City of San Luis as are source document and sales tool to attract manufacturers, distributors, retailers, and developers.
- 1.7** Expend its resources to recruit businesses for relocation and expansion that will meet or exceed environmental rules and regulations of local, state, regional, and national governments. GYEDC shall consider any actual or potential environmental impact or threat the business may have to the community. GYEDC shall consult with the City's economic development representative(s) and the San Luis City Manager or designee regarding the hazardous material environmental impacts of prospective businesses.
- 1.8** GYEDC will coordinate with the City information for potential businesses about the San Luis City Code requirements for a hazardous material impact review. Further, GYEDC shall cooperate with the greater San Luis community in efforts and activities to expand economic opportunities within the region, downtown, ports of entry, and industrial parks.
- 1.9** Maintain accurate records of City monies received and disbursed. GYEDC shall maintain an accounting system that complies with generally accepted accounting principles and with the American Institute of Certified Public Accountants (AICPA) Audit Guide for Nonprofit Corporations and which accounts for all funds provided by the City under this Agreement.
- 1.10** Annually provide the CITY with names and addresses of officers or directors and copies of GYEDC's bylaws and articles of incorporation and amendments to them. If any change of officer and/ or director, bylaws, or articles of incorporation, GYEDC shall also provide notice of the said change to CITY within 30 days after that.

1.11 Provide a brief status report to City representatives at GYEDC's Board meeting and make reports at meetings of the San Luis City Council.

1.12 Provide notice of all meetings to the San Luis City Manager and/or designee, who may attend all meetings of the GYEDC Board.

SECTION 2. CITY OBLIGATIONS

2.1 Evaluate GYEDC's performance relative to the performance criteria set forth in this Agreement to assess the impact of the efforts of the GYEDC. Any additional information desired by the City, which is relevant and necessary to the City's evaluation, shall be made available by GYEDC.

2.2 Pay GYEDC for the Fiscal Year 2025-2026, unless terminated as provided in this Agreement, that amount which is stated in this Agreement. Such sum is to be disbursed on a pro-rata, quarterly basis as described within Section 5.

SECTION 3. TERM OF AGREEMENT AND TERMINATION

3.1 This Agreement shall be in effect from July 1, 2025, and continue through June 30, 2026.

3.2 Either Party may terminate this agreement with 30 days of notice without cause. The City shall pay GYEDC for all services rendered to the date of termination at GYEDC's regular rate if the Agreement is terminated before June 30, 2026. GYEDC shall reimburse the City for any payment the City has made above GYEDC's regular rate. This Agreement may be terminated by either Party for a material breach of nonperformance of Agreement requirements upon thirty (30) days' written notice.

3.3 Efforts on the part of either Party to negotiate a resolution of any breach of the Agreement shall not constitute a waiver of the right to terminate the Agreement upon thirty (30) days' notice.

3.4 Funding for this Agreement shall be subject to the San Luis City Council's annual appropriation of funds for this activity under the City's required budget process.

SECTION 4. ACCOUNTABILITY

4.1 GYEDC shall provide the City with quarterly reports concerning This report shall contain analytical memoranda which describe the results of activities, expected achievements, and program effectiveness. Reports shall be sent by e-mail to the City Manager, the Finance Director, and the City Attorney.

SECTION 5. CONSIDERATION

5.1 In consideration for GYEDC's performance of the duties listed herein, the City shall pay GYEDC the total flat rate sum of sixty-four thousand U.S. dollars (\$64,000.00) to

be paid in quarterly installments of \$16,000.00 within fifteen (15) days of receipt of the quarterly report.

5.2 The City may withhold payment, in whole or in part, as may be necessary to protect it from loss on account of GYEDC's failure to render acceptable services, as stated in the performance criteria of Section 1. The San Luis City Manager, or designee, shall investigate and monitor the quality of GYEDC services to determine whether such services are acceptable. Upon determination by the San Luis City Manager that acceptable services are not being rendered, the San Luis City Manager shall notify the GYEDC of the specific deficiencies in performance and provide a reasonable time for the GYEDC to rectify said deficiencies. In no event shall such time to rectify exceed 90 days. Whether or not GYEDC services are acceptable will be the City's exclusive decision. Payment may also be withheld for reasons including but not limited to:

- (a) GYEDC's failure to supply information, records, or reports as required.
- (b) GYEDC's failure to comply with documentation requirements or accounting procedures.
- (c) GYEDC's failure to allocate money received from the CITY for the purposes described in this Agreement.

SECTION 6. INDEMNITY

6.1 GYEDC agrees to indemnify, defend, and hold harmless the City, its officials, employees, and agents from any and all liability, demands, claims, causes of action, suits, or judgments, including costs and expenses incurred in connection with this Agreement, of whatsoever kind or nature, arising out of, in connection with, or incident to, the performance of this Agreement, except those caused by the sole negligence of the City.

6.2 This indemnity agreement shall include any claim made against the City by an employee of GYEDC or subcontractor or agent of GYEDC, even if GYEDC is otherwise immune from liability pursuant to the applicable workers' compensation statute.

6.3 In the event of litigation between the Parties to enforce rights under this section, reasonable attorney's fees and costs shall be allowed to the prevailing Party.

SECTION 7. INSURANCE

7.1 Additional Insured. The policy shall be endorsed to include the following additional insured language: "The City of San Luis, its elected officials, officers, employees, and agents shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor."

7.2 Waiver of Subrogation. The policy shall contain a waiver of subrogation against the City of San Luis for losses arising from work performed by or on behalf of GYEDC.

7.3 Primary and non-contributory. Each policy, including primary, umbrella, and excess policies, shall state that the insurance provided to the additional Insureds is primary and non-contributory to any other insurance (primary, umbrella, excess, self-insurance, or any other basis) available to the additional insured.

7.4 Minimum Coverage. GYEDC must, at their own expense, purchase and maintain the above minimum insurance with companies duly licensed to do business in the state of Arizona. All policies and forms must be satisfactory to the City. The City requires its prior approval to use alternative insurers. GYEDC acknowledges that the insurance coverage and policy limits set forth below constitute the minimum amount of coverage required. Any insurance proceeds in excess of the limits and coverage required in this Agreement and which is applicable to a given loss will be available to the City. Prior to the beginning and throughout the duration of this Agreement, GYEDC will maintain insurance in conformance with the requirements set forth below:

| Type | Coverages | Limits |
|--|---|-------------|
| Commercial General Liability – Occurrence Form | General Aggregate | \$2,000,000 |
| | Products-Completed Operations Aggregate | \$1,000,000 |
| | Personal and Advertising Injury | \$1,000,000 |
| | Each Occurrence | \$1,000,000 |
| Business Automobile Liability | Combined Single Limit (CSL) | \$1,000,000 |
| Worker’s Compensation and Employer’s Liability | Workers’ Compensation | Statutory |
| | Each Accident | \$1,000,000 |
| | Disease – each employee | \$1,000,000 |
| | Disease - policy limit | \$1,000,000 |

7.5 Without in any way limiting GYEDC’s obligations and liability pursuant to the indemnification described above, GYEDC shall maintain, during the term of this Agreement, the above types and amounts of insurance. GYEDC will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth in the indemnity section of this Agreement, then such coverage shall be amended to do so.

SECTION 8. COMPLIANCE WITH THE LAW

8.1 GYEDC agrees it will comply with all federal, state, and local statutes, laws, ordinances, rules, and regulations, including, but not limited to, obtaining a San Luis Business License with the City of San Luis. With proof of IRS § 501(c)(3) tax-exempt status, the business license is free under San Luis City Code §110.03.

SECTION 9. PROVISIONS REQUIRED BY ARIZONA LAW

9.1 Conflicts of Interest. This Agreement is subject to the cancelation provisions of A.R.S. § 38-511.

9.2 Employment Eligibility. GYEDC hereby warrants that it is in compliance with all federal immigration laws and regulations that relate to its employees and with A.R.S. §§ 23-214 and 41-4401 relating to verification of employment eligibility. A breach of this warranty shall be deemed a material breach of this Agreement. City retains the legal right to inspect documentation of GYEDC to ensure that GYEDC complies with this warranty.

9.3 Contractor Certifications. The Parties shall certify that they and all contractors comply with the applicable requirements of A.R.S. §§ 35-393.01 and 35-394.

9.4 GYEDC certifies that if GYEDC becomes aware during the term of the Agreement that GYEDC is not in compliance with the written certification, GYEDC shall notify the City within five (5) business days after becoming aware of the noncompliance. If GYEDC does not provide the City with a written certification that GYEDC has remedied the noncompliance within one hundred eighty days after notifying the City of the noncompliance, the Agreement terminates, except that if the Agreement termination date occurs before the end of the remedy period, the Agreement terminates on the Agreement termination date.

SECTION 10. MISCELLANEOUS PROVISIONS

10.1 Notices. All notices to be given under this Agreement, or which may be given by either Party to the other, shall be considered validly given and fully received when made in writing and delivered or refused delivery by means of prepaid service by: (i) deposit in the United States Postal Service by certified mail, return receipt requested, and postage prepaid, (ii) personal delivery by process server or (iii) sent by a nationally recognized courier (e.g., Federal Express, UPS) and addressed to the respective Parties as follows:

If to the City

City Manager
City of San Luis

If to GYEDC

President and CEO
Greater Yuma Economic and

P.O. Box 1170 (Mailing)
1090 East Union Street (In Person)
San Luis, Arizona 85349

Development Corporation
1351 Redondo Drive
Suite 158/159
Yuma, Arizona 85365

Copy to:

San Luis City Attorney
City of San Luis
P.O. Box 1170
San Luis, Arizona 85349

or such other addresses as either Party may from time to time designate in writing and deliver in a like manner. Any such change of address notice shall be given at least ten (10) days before the date on which the change is to become effective.

- 10.2 Waiver.** No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the Parties of the breach of any provision of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other provision of this Agreement.
- 10.3 Headings.** The descriptive headings of the paragraphs of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of the provisions of this Agreement.
- 10.4 Authority.** The undersigned represent to each other that they have full power and authority to enter into this Agreement and that all necessary actions have been taken to give full force and effect to this Agreement.
- 10.5 Amendment of the Agreement.** This Agreement may be amended, in whole or in part, only with the mutual written consent of the Parties to this Agreement or by their successor in interest or assigns.
- 10.6 Severability.** If any other provision of the Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect.
- 10.7 Reformation.** Should any term, provision, covenant, or condition of the Agreement be held to be void or invalid, the Parties shall reform this Agreement to conform as closely as possible to its original intent.
- 10.8 Governing Law.** The laws of the State of Arizona shall govern the interpretation and enforcement of this Agreement.
- 10.9 Venue.** The Parties agree that the venue for any action commenced in connection with this Agreement shall be proper only in a court of competent jurisdiction in Yuma County, Arizona, or in the United States District Court for the

District of Arizona at the election of the plaintiff in such legal action. The Parties waive any right to object to such venue. Nothing in this paragraph will be deemed to have authorized the bringing of any legal action in a court that does not otherwise have jurisdiction to adjudicate the legal action.

- 10.10 No Third-Party Beneficiaries.** There are no third-party beneficiaries to this Agreement, and no person or entity not a Party shall have any right or cause of action under this Agreement.
- 10.11 No Agency Created.** It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any agency, partnership, joint venture, or other similar arrangement between the Parties.
- 10.12 No Assignment nor Assumption.** GYEDC shall not assign the benefits of or delegate the obligations arising under this Agreement to any person or entity
- 10.13 No Personal Liability.** No officer, elected official, employee, or agent of the City shall be personally liable to GYEDC, or any successor or assignee, (a) if any default occurs or breach by the City, (b) for any amount which may become due to GYEDC or its successor or assign, or (c) under any obligation of the City under this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the liability of GYEDC under this Agreement shall be limited solely to the assets of GYEDC and shall not extend to or be enforceable against (i) the individual assets of the individuals or entities who are shareholders, members, managers constituent partners, officers or directors of the general partners or members of GYEDC; (ii) the shareholders, members or managers or constituent partners of GYEDC; or (iii) officers of GYEDC.
- 10.14 Survival.** All representations and warranties of GYEDC, GYEDC's indemnity, hold harmless, and defense obligations shall survive the expiration or earlier termination of this Agreement.
- 10.15 Time is of the essence.** Time is of the essence in this Agreement.
- 10.16 Further Acts.** Each of the Parties shall execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.
- 10.17 Force Majeure.** If GYEDC or the City are prevented or materially restricted from performing any of their obligations under this Agreement by an event of *force majeure*, then the obligations of each Party shall be suspended or reduced to the extent made necessary by the event. As used in this section, "*force majeure*" means any act or cause not reasonably within the control of the Party whose ability to perform is impaired and which that Party could not have prevented by the exercise of reasonable diligence. This includes but is not limited to, acts of God, fire, flood, explosions, strikes or labor disputes over which the affected Party has no control,

sabotage, riots, civil commotion, acts of civil or military authority, wars, material changes in applicable business laws or regulations, or public health emergencies.

10.18 Entire Agreement. This Agreement, including its Exhibits, which are incorporated herein by this reference, constitutes the entire Agreement between the Parties.

10.19 Counterparts. This Agreement may be executed in counterparts, any of which shall be deemed to be an original. Electronically scanned signatures are the same as the original. However, GYEDC shall provide the City with the original signature to record the contract.

10.20 Ratification. Acts taken pursuant to this Agreement but prior to its execution are hereby ratified and confirmed.

EXECUTED in Yuma County, Arizona, on the date in the first paragraph of this Agreement, which is the date the last Party signed.

City of San Luis, Arizona

Nieves Riedel
Mayor

Date

Attest:

Approve As to Form:

Sonia Cornelio, City Clerk

Kay Marion Macuil, City Attorney

Date

**Greater Yumna Economic
Development Corporation.**

Greg LaVann
President and CEO

Date