



*Order*  
No. 2025-06

OFFICE OF THE  
MAYOR  
CITY OF SAN LUIS

**AN ORDER OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, APPROVING AND ADOPTING THE INTERGOVERNMENTAL LEASE AGREEMENT BETWEEN THE CITY OF SAN LUIS AND GREATER YUMA PORT AUTHORITY, INC. FOR THE LEASE OF THE BUILDING AT 788 EAST B STREET, SAN LUIS, ARIZONA.**

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and City Council of the City of San Luis, Arizona:

**Section 1:** That the Intergovernmental Lease Agreement is approved.

**Section 2:** That the appropriate city officials are hereby authorized and directed to enter into said agreement on behalf of the City and take any and all actions as may be necessary to effectuate said agreement.

**PASSED, ADOPTED, and APPROVED** by the Mayor and City Council of the City of San Luis, Yuma County, Arizona, this 30th day of July 2025.

\_\_\_\_\_  
Nieves Riedel, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Sonia Cornelio, City Clerk

\_\_\_\_\_  
Kay Marion Macuil, City Attorney

## **INTERGOVERNMENTAL TENANT LEASE AGREEMENT**

This Intergovernmental Tenant Lease Agreement ("LEASE") is entered into this \_\_\_ day of \_\_\_\_\_, 2025, by and between the City of San Luis, an Arizona municipal corporation, (the "LESSOR" or "CITY"), and Greater Yuma Port Authority, Inc., an Arizona nonprofit corporation, (the "LESSEE" or "GYPA"), referred to individually as "PARTY" and collectively as "PARTIES".

### **RECITALS:**

- A. LESSOR is the owner of real property, and the building(s) located thereon, commonly known as 788 East B Street, San Luis, AZ, 85349, situated in the City of San Luis, County of Yuma, State of Arizona, and more particularly described in Exhibit "A" attached hereto and by this reference made a part hereof.
- B. LESSOR is desirous of leasing and LESSEE desires to lease a portion of the Property for use as its corporate office and other business purposes.

In consideration of the promises and agreements hereinafter contained, the parties hereto do hereby promise, covenant and agree as follows:

### **ARTICLE 1. DESCRIPTION OF PROPERTY TO BE LEASED**

LESSOR hereby leases to LESSEE and LESSEE hereby leases from LESSOR, on the terms and conditions hereinafter set forth, the commercial office building located at 788 East B Street, San Luis, AZ, 85349 (the "PROPERTY" or the "PREMISES"), consisting of approximately sixteen hundred (1,600) square feet, which is the majority of the structure, with approximately eighty-five (85) square feet that is shared with another business, along with the common rooms and surrounding parking lot being shared. This LEASE shall be subject to all zoning, easements, rights-of-way, covenants, conditions, restrictions and matters of record. LESSEE acknowledges and agrees that LESSEE has had an opportunity to inspect the Premises, which are acceptable for LESSEE's intended use. LESSEE accepts the Premises "as is" without any express or implied representation or warranty from LESSOR or any agent or representative of LESSOR.

### **ARTICLE 2. TERM**

The term of this Lease shall commence on the \_\_\_ day of \_\_\_\_\_, 2025, the "Commencement Date", and shall be for a period of five (5) years, terminating on \_\_\_\_\_, 2030. Any renewal of this lease must be negotiated and agreed to within a separate agreement.

### **ARTICLE 3. RENT AND DEPOSIT**

The rent shall be \$0.44 per square foot per month for the first year of tenancy. The

monthly price per square foot shall increase on an annual basis from the Commencement Date as follows:

1 <sup>st</sup> Year:	\$0.44	Per sq. ft. per month
2 <sup>nd</sup> Year:	\$0.575	Per sq. ft. per month
3 <sup>rd</sup> Year:	\$0.79	Per sq. ft. per month
4 <sup>th</sup> Year:	\$0.89	Per sq. ft. per month
5 <sup>th</sup> Year:	\$0.95	Per sq. ft. per month

Rent shall be paid monthly no later than the 1st day of each month, commencing upon the 1st day of \_\_\_\_\_, 2025. In addition to the rent, a one-time deposit of five thousand (\$5,000) dollars is due with the first payment. Lessee may pay monthly rent in advance during the term of this Lease, up to and including the entire Term. The rate for any advance payment will align with the annual rate specified in this article.

**ARTICLE 4. USE**

Lessee shall use the Property as its corporate office and for other related business purposes. Lessee will be provided with access to the Premises 24 hours per day, 7 days a week and 365 days per year for its business operations.

**ARTICLE 5. NON-RESPONSIBILITY**

Lessor shall have the right, at any time and from time to time, to post and maintain on the Property such notices as may be necessary to protect the Property and Lessor from mechanic's liens, materialmen's liens or liens of similar nature. Lessee, after taking occupancy of the building, shall give to Lessor thirty (30) days prior written notice of any proposed alterations, improvements, additions, removals and replacement of and to the property or the buildings and improvements located thereon by Lessee involving an expenditure in excess of the sum of five thousand (\$5,000) dollars. Any proposed work described herein is subject to the prior written consent of Lessor.

**ARTICLE 6. LIENS AND CLAIMS**

Lessee shall not suffer or permit any mechanics liens or materialmen's liens or any other claims or demands arising from any construction, repair, restoration or removal as herein provided or any other liens, claims or demands to be enforced against the Premises, the buildings or improvements located thereon, or any part thereof, and Lessee agrees to hold Lessor and said property free and harmless from all liability for any such liens, claims or demands, together with costs and expenses in connection therewith. Notwithstanding anything to the contrary herein contained, if Lessee, in good faith, shall contest the validity of any lien, claim or demand, then Lessee, at Lessee's sole expense shall defend Lessee and Lessor against the same and shall pay and satisfy any final adverse judgment that may be rendered therein before the enforcement thereof against Lessor or said property, and Lessee shall furnish to Lessor a surety bond satisfactory to

Lessor, in an amount equal to such contested lien, claim or demand, indemnifying Lessor against liability for the same and, if necessary, to prevent sale or other proceeding against said property, Lessee shall pay such lien, claim or demand under protest or otherwise as may be required.

## **ARTICLE 7. TAXES AND ASSESSMENTS**

In the event that the City of San Luis passes and adopts real property taxes of any kind during the term of this Agreement, Lessor shall be responsible for the payment of those taxes levied upon the Premises. Lessee shall pay, before delinquent, all property taxes of every kind and nature levied and separately assessed against any personal property maintained or affixed to the Premises by Lessee, including but not limited to, structures, improvements, fixtures and equipment.

### **NOTICE**

Government Property Lease Excise Tax  
(Required Provisions under A.R.S. §42-6206(A))

Notice: This Lease may be subject to Government Property Lease Excise Tax under Arizona Revised Statutes, Title 42 Taxation, Chapter 6 Local Excise Tax, Article 5 Government Property Lease Excise Tax, A.R.S. §§42-6201 and the following statutes in said Article 5.

Failure of the prime lessee (the Tenant under this Lease) to pay the tax after notice and an opportunity to cure is an event of Default that could result in divesting the prime lessee (the Tenant under this Lease) of any interest in or right of occupancy of the government property improvement (the Premises which are the subject of this Lease). The tax is due to the Yuma County Treasurer no later than December 1 of every year under A.R.S. §42-6204(A).

## **ARTICLE 8. UTILITIES**

Lessor shall pay for all utilities Lessee requires for its operations, including water, sewer and trash, which are included in the Rent and shall be the responsibility of Lessor. Further, Lessor shall provide general janitorial and char services one (1) day a week on \_\_\_\_\_s, except on holidays recognized by the City of San Luis. Electricity and internet services will be the responsibility of Lessee and are not included in the Rent.

## **ARTICLE 9. FURNISHINGS**

Lessee shall provide all necessary furnishings for the premises, with exception to any spaces exclusively used by the other business. All furnishings provided by Lessee will remain the property of GYPA unless otherwise deemed abandoned pursuant to this Article. Lessee will maintain all furnishings in good condition and repair throughout the term of the Lease. Lessee shall remove all furnishings from the premises upon the

expiration or termination of this agreement. Any damage to the Premises caused by the furnishings shall be promptly repaired by the Lessee at their own expense.

Any furnishings left on the Premises after the expiration or termination of this Lease shall be deemed abandoned. The Landlord may dispose of such furnishings at Lessee's expense, and Lessee shall have no claim against the Lessor for the value of the abandoned furniture

#### **ARTICLE 10. REPAIRS AND MAINTENANCE**

Lessor shall not be obligated to make any minor repairs, alterations, additions or improvements in or to or upon the Premises, or in or to or upon any buildings or improvements now or hereafter located thereon, except with respect to major repairs, such as the roof, walls, floors, sewers, exterior surfaces, sprinkler system, or HVAC unit replacement which items shall be kept in first class condition and repair. Lessor shall be responsible for maintenance on all HVAC equipment so that each unit is checked twice a year for proper operation; including full gas charge, clean filters, proper thermostat operation and open condensate drains. Any HVAC maintenance or major repairs may be performed by qualified City staff or personnel. Lessor shall complete such repairs and rebuilding within sixty (60) days after the same is commenced; provided, however, that any delay in the completion of the said repairs resulting from fire or other casualty, strikes, shortages or material or labor, governmental laws, rules and regulations, the elements or matters beyond the reasonable control of Lessor shall extend the time within which Lessor may complete said repairs or rebuilding by the period of such delay

The Lessee, at all times during the full term of this Lease and at Lessee's sole cost and expense, shall keep and maintain the Premises including adjacent parking lots, on the Property and the adjacent appurtenances in the same order and repair as that received by Lessee as to nonstructural portions, and keep the Property and such buildings and improvements and the whole thereof in a clean and sanitary condition. Lessee shall observe and comply with, any and all public laws, ordinances and regulations at any time applicable to said Premises and the requirements of any fire rating bureau and shall not do or commit any act which will increase insurance rates applicable to the improvements on the Premises or which might adversely affect or cause a cancellation of any insurance policy. Lessee shall indemnify and save harmless the Lessor against all actions, claims and damages by reason of (a) Lessee's failure to keep and maintain the Property and the improvements thereon as herein provided, or (b) Lessee's non-observance or non-performance of any law, ordinance or regulation applicable thereto. Lessee hereby waives all right to make repairs at the expense of Lessor pursuant to any provisions of law.

#### **ARTICLE 11. COMPLIANCE WITH LAW**

Lessee, at Lessee's sole cost and expense, shall comply with all of the requirements of all municipal, state, federal and other authorities now in force or which

hereafter may be in force pertaining to the Premises and improvements now or hereafter located thereon and shall faithfully observe in the use of said Property and said buildings and improvements all municipal ordinances or other local ordinances and state and federal statutes now in force or which hereafter may be in force. Lessor represents and warrants to and covenants with Lessee that the current zoning for the Premises and building will allow Lessee to use the building for the permitted uses set forth in this Lease.

Notwithstanding the foregoing, to the extent that any municipal, state, federal and other, authorities now or hereafter in effect require structural or capital alterations or improvements not required solely due to Lessee's use or occupancy of the Premises such alterations or improvements shall be the obligation of Lessor, at Lessor's sole cost and expense. Lessor represents and warrants to Lessee that the Property is as of the date hereof free from Hazardous Substances and in full compliance with any applicable Environmental Law. As used in this paragraph the term "Environmental Law" shall mean any federal, state or local law, statute, ordinance or regulation pertaining to health, industrial hygiene or environmental conditions and the term "Hazardous Substances" shall mean any material, waste, substance, pollutant or contaminant which may or could pose a risk of injury or threat to health or the environment.

To the best of Lessor's knowledge, any use, storage, treatment, or transportation of Hazardous Substances which may have occurred in or on the Property prior to the date hereof has been in compliance with all applicable Environmental Laws. Lessor agrees to defend and shall indemnify and hold Lessee harmless from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, any and all sums paid for settlement of claims, attorneys' fees, consultant and expert fees) arising during or after the Lease Term (as such may be extended) from or in connection with the presence of Hazardous Substances in or on the Property except to the extent that the Hazardous Substances are present as a result of acts of Lessee, Lessee's agents, employees, contractors or invitees. This indemnification shall survive the expiration or earlier termination of this Lease.

## **ARTICLE 12. INSURANCE**

Lessee. Tenant, at its expense, shall maintain at all times during the Term the following insurance policies; (i) all risk or equivalent special form coverage insuring the full replacement cost (without deduction for depreciation) of all Tenant improvements, Alterations to the Premises, all plate glass, windows, doors and all other property owned or used by Tenant and located in the Premises or in any licensed areas as well as against sprinkler damage, vandalism, and malicious mischief. Any proceeds from such insurance shall be used for the repair or replacement of the property damaged or destroyed, unless this Lease is terminated under an applicable provision of this Lease or unless otherwise required by a mortgagee; (ii) commercial general liability insurance, with limits set by Landlord from time to time but in any event not less than Comprehensive liability Policy of Insurance customarily held by Tenant. The Landlord requires the Tenant to have general liability coverage in the amount of one million dollars (\$1,000,000.00).

Lessee must provide an active copy to the Lessor of the Certificate of General Liability Insurance and Endorsement of Additional Insured that lists the City as additional insured.

Lessor. Landlord shall take out and maintain in force throughout the Term, with a company or companies authorized to do business in the State of Arizona, (i) casualty insurance of the Building in an amount equal to the full replacement cost of the Building (exclusive of foundation), covering all risks of direct physical loss or damage and so-called "extended coverage" risks, and (ii) commercial general liability insurance with respect to the Building in such amounts as Landlord may from time to time deem necessary or desirable. Any insurance required to be maintained by Landlord hereunder may be maintained in the form of a blanket policy covering the building as well as other properties owned by Landlord or affiliates of Landlord so long as the blanket policy does not reduce the limits or diminish the coverage required herein.

Further, Lessor shall have no obligation to provide casualty or other insurance for the personal property of Lessee or its participants.

### **ARTICLE 13. INDEMNIFICATION**

Lessor shall not be liable for any loss, damage or injury, of any kind or character, to any person or property arising from the use of or condition of the Premises or any part thereof for which Lessee is responsible under this Lease, or caused by any equipment or other facility in the building or on the Premises for which Lessee is responsible under this Lease, or caused by, or arising from any act or equipment or other facility therein or thereon, or caused by, or arising from any act or omission of, Lessee or any agents, employees, sublessees, licensees, invitees or others, or by or from any accident on or about the Premises, or the buildings and improvements thereon or any fire or any other casualty thereon, or occasioned by the failure of Lessee to maintain said Property and buildings and improvements or to cause the same to be maintained in a safe condition in accordance with Lessee's responsibilities under this Lease, unless due to the negligence of Lessor or failure of Lessor to fulfill Lessor's obligations hereunder.

Lessee, as a material part of the consideration of this Lease, hereby waives, on Lessee's behalf, all claims and demands against Lessor for, and hereby agrees to indemnify and hold Lessor entirely free and harmless from, all liability for claims of other persons for any such loss, damage or injury, together with all costs, attorneys' fees and expenses arising therefrom, including any attorney's fees Lessor may become obligated for in enforcing this indemnity, Lessee, at Lessee's sole expense, shall defend Lessor against any such loss, damage or injury, excepting claims related to Lessor's obligations herein. Lessee shall not be liable for any loss, damage or injury of any kind or character, to any person or property arising from the condition of the Property or any part thereof for which Lessor is responsible under the Lease or caused by any equipment or other facility in the building or on the Property for which Lessor is responsible under this Lease or caused by, or arising from any act, omission of Lessor or any agents, employees,

licensees or invitees of Lessor occasioned by the failure of Lessor to maintain the Property's improvements or cause the same to be maintained in a safe condition in accordance with Lessor's responsibilities under this Lease unless due to the negligence of Lessee or failure of Lessee to fulfill Lessee's obligation hereunder.

Lessor as a material part of the consideration of this Lease hereby waives, on Lessor's behalf, all claims and demands against Lessee, and hereby agrees to indemnify and hold Lessee entirely free and harmless from, all liability for claims of other persons for any such loss, damage or injury, together with all costs, attorneys' fees and expenses arising therefrom, including any attorneys' fees Lessee may be obligated for, and enforcing this indemnity, at Lessor's sole expense, shall defend Lessee against any such loss, damage or injury for which Lessor has agreed to indemnify Lessee hereunder, together with all costs, attorneys' fees and expenses arising therefrom, including any attorneys' fees Lessee may be obligated for in enforcing this indemnity, Lessor at Lessor's sole expense shall indemnify Lessee against any such loss, damage or injury, except claims relating to Lessee's obligations herein.

#### **ARTICLE 14. INSPECTION**

Lessor reserves the right to permit Lessor and its agents, at all reasonable times, including regular business hours, and upon twenty-four (24) hours prior notice, except in the case of emergencies, to enter upon the Premises to view the condition of the Premises and the buildings and improvements located thereon and to cure any defaults by Lessee, all without any reduction in Rent or otherwise; provided that (i) Lessor's activities hereunder will not unreasonably interfere with or adversely affect Lessee's use of the Premises, and (ii) nothing will be done hereunder that would permanently alter the aesthetics or the utility of the Property for Lessee's permitted use without Lessee's prior written consent.

In entering the Property, Lessor shall use all efforts to minimize any interference with or disruption of Lessee's operations. Notwithstanding anything in this Lease to the contrary, if Lessor's entry onto the Property or other exercise of its rights under this Lease interferes with Lessee and such interference causes a material adverse impact on Lessee's operations at, use or enjoyment of the Premises and such impact continues beyond forty-eight (48) hours, Lessee shall be entitled to an equitable abatement of Rent for such period of time as the interference continues. If such interference continues beyond a period of thirty (30) consecutive days or more than 30 days in any consecutive sixty (60) day period, Lessee shall be entitled to terminate this Lease upon 60 days written notice to Lessor.

#### **ARTICLE 15. ASSIGNMENT AND SUBLETTING**

Lessee shall not, voluntarily, by operation of law, or otherwise, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest therein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto,

or permit any other person (the employees, agents, servants, and invitees of Lessee excepted) to occupy or use the Premises, or any portion thereof (any such assignment, transfer, mortgage, pledge, hypothecation, encumbrance, sublet or permission to use being hereinafter collectively referred to as a "Transfer") without the prior written consent of Lessor, which consent shall not be unreasonably withheld. Lessee shall reimburse Lessor for all of Lessor's reasonable attorney fees and other direct costs incurred on account of any Transfer by Lessee that was not consented to by Lessor.

The termination of Lessee's leasehold estate and this Lease shall operate as an assignment to Lessor of such subleases as are in existence at the time of termination. As used herein, "sublease" includes (but is not limited to) any lease of a portion of the Property which existed at the commencement date of this Lease, whether or not such lease was in fact subordinate to this Lease.

#### **ARTICLE 16. SURRENDER AT END OF TERM**

Upon the expiration of the term of this Lease, or sooner termination, as herein provided, Lessee shall surrender to Lessor all and singular the Premises, together with all buildings and improvements as hereinabove provided, including all permanent fixtures and without any obligation or liability of Lessor to pay money or other consideration for any buildings and improvements on the Premises, title to which buildings and improvements shall remain vested in Lessor.

#### **ARTICLE 17. QUIET ENJOYMENT**

Provided Lessee performs all its covenants and agreements and obligations hereunder, Lessor covenants that Lessee shall have the peaceful and quiet enjoyment of the Premises without hindrance on the part of Lessor or any successor in interest of Lessor and that Lessor will warrant and defend Lessee in the quiet enjoyment of the Property against the lawful claims of all persons claiming through or under Lessor except condemning and similar authorities.

#### **ARTICLE 18. FORCE MAJEURE**

Lessor shall not be in default hereunder and Lessee shall not be excused from performing any of its obligations hereunder due to acts of God, imminent occurrences of acts of God, strikes, sabotage, accidents, acts of war or terror, fire and casualty, Legal Requirements (to the extent they are not customary or require a longer than usual time period in which to comply), government restrictions or controls on construction (to the extent such restrictions or controls are not customary or require a longer than usual time period in which to comply), insurance reimbursement problems or delays, emergencies, shortages or inability to obtain labor, materials or equipment, energy shortage, the failure of the applicable governmental authority to timely issue building permits and approval for any improvements to be made by Lessor or Lessee to the Property or Premise to conduct inspections required in connection with the Lessor Improvements or Lessee

Improvements, or to issue a certificate of occupancy for the Lessor Improvements and the Lessee Improvements, or any other causes beyond the reasonable control of Lessor.

### **ARTICLE 19. HOLDING OVER**

Lessee may not remain in possession of the Premises after the termination or expiration of this Lease. If Lessee remains in possession of the Premises after the termination or expiration of this Lease, Lessee shall be deemed to be occupying the Premises as a tenant-at-sufferance, subject to all of the covenants and obligations of this Lease, except that the monthly Rent during the hold over period shall be increased to one hundred ten percent (110%) of the Rent in effect immediately prior to the termination or expiration of this Lease. In addition, Lessee shall be liable for and shall pay to Lessor any and all claims or damages (consequential or otherwise) arising out of, or as a result of the holding over by Lessee. Lessee's holding over shall not extend or renew the Term.

### **ARTICLE 20. DEFAULT**

1. Events of Default. The occurrence of any of the following shall constitute an event of default (a "default") by Lessee under this Lease:
  - (a) Failure of Lessee to pay rent or any other charge under this Lease within five calendar days after it is due;
  - (b) The leasehold interest of Lessee is levied upon or attached under process of law;
  - (c) Lessee abandons or vacates the Premises;
  - (d) Lessee fails to perform or observe any other covenant or obligation of Lessee set forth in this Lease and such failure is not cured within sixty (60) days (or immediately if the failure involves a hazardous condition) after written notice from Lessor.
  - (e) Lessee fails to pay Government Property Lease Excise Tax under A.R.S. §§42-6201 et seq. after notice and an opportunity to cure. The tax is due to the Yuma County Treasurer no later than December 1 of every year under A.R.S. §42-6204(A).

Notwithstanding any of the foregoing provisions of this Section, to the contrary, no notice or opportunity to cure a failure to perform or observe any covenant or obligation of Lessee set forth in this Lease need be given, and no cure period whatsoever with respect thereto shall be allowed to Lessee, if the failure to perform or observe is incurable.

2. Remedies for Default.

- (a) Entry/Termination. Upon the occurrence of a Default, Lessor may elect to terminate this Lease, or without terminating this Lease, terminate Lessee's right to possession of the Premises and in either case without the requirement of written notice thereof to Lessee. Upon any such termination, Lessee shall immediately surrender and vacate the Premises within twenty (20) days and deliver possession thereof to Lessor. Should Lessee fail to comply as herein provided, Lessor may proceed against Lessee under the unlawful detainer statutes of the State of Arizona. Lessor shall have all rights and remedies as may be provided by Article 4 of Chapter 3 of Title 33 of the Arizona Revised Statutes.
- (b) Releasing. If Lessor terminates Lessee's right to possession of the Premises without terminating this Lease, Lessor may relet the Premises or any part thereof. In such case, Lessor shall use reasonable efforts to relet the Premises on such terms as Lessor shall reasonably deem appropriate; provided, however, Lessor may first lease Lessor's other available space and shall not be required to accept any Lessee offered by Lessee or to observe any instructions given by Lessee about such reletting. Lessee shall reimburse Lessor for the costs and expenses of reletting the Premises including, but not limited to, all brokerage, advertising, legal, alteration and other expense incurred for a new Lessee for the Premises.
- (c) Lessor Right to Cure. Lessor may, but shall not be obligated, to perform any obligation of Lessee under this Lease; and, if Lessor so elects, all costs and expenses paid by Lessor in performing such obligation, together with interest at twelve per cent (12%) per annum, shall be reimbursed by Lessee to Lessor on demand.
- (d) Cumulative Remedies. Any and all remedies set forth in this Lease: (i) shall be in addition to any and all other remedies Lessor may have at law and/or in equity, (ii) shall be cumulative, and (iii) may be pursued successively or concurrently as Lessor may elect. The exercise of any remedy by Lessor shall not be deemed an election of remedies or preclude Lessor from exercising any other remedies in the future.
- (e) No Waiver. No Waiver of any Default of Lessee shall be implied from any omission by to take any action on account of such Default if such Default persists or is repeated and no express waiver shall affect any Default other than the Default specified in the express waiver and then only for the time

and to the extent therein stated.

3. Lessor Default. Lessor shall in no event be in default in the performance of any of Lessor's obligations in this Lease unless and until Lessor shall have failed to perform such obligations within thirty (30) days or such additional time as is reasonably required, and acceptable to Lessee, to correct any such default after notice in writing by Lessee to Lessor properly specifying wherein Lessor has failed to so perform. In the event Lessor fails to cure a default as provided in this Article, Lessor shall be responsible to Lessee for any and all actual damages sustained by Lessee as a result of Lessor's default.
4. Lessee's Remedies. Provided Lessee is not in breach hereunder, should the Premises at any time during the Term of this Lease, or the Option Term, be subject to the lien of any trust deed, mortgage, judgment, assessment, tax or other obligation, whether incurred before or after the execution of this Lease, which Lessee is not bound hereunder to pay or discharge, and (a) should Lessor fail to pay or discharge any obligation which Lessor is obligated under this Lease to pay or discharge which failure shall continue for thirty (30) days after written notice of such failure is delivered by Lessee to Lessor (or if more than thirty (30) days shall be required because of the nature of the default, if Lessor shall fail to commence the curing of its default within the thirty (30) day period and proceed diligently thereafter), and (b) because of such failure, the holder of such lien is proceeding to foreclose the lien, and (c) such foreclosure would result in the termination of Lessee's leasehold interest under this Lease, then Lessee shall have the right to pay or discharge any such obligation, but Lessee shall not be obligated to do so. Should Lessee elect to pay or discharge any such obligation, Lessor shall, within ten (10) days after demand, reimburse Lessee in the full amount thereof, together with six percent (6%) interest on the sums paid from the date of payment. Lessee shall have no right to terminate this Lease as a result of a default by Lessor hereunder, except as expressly provided elsewhere in this Lease.

## ARTICLE 21. PAYMENTS AND NOTICES

All Rent and other sums payable by Lessee to Lessor hereunder shall be paid to Lessor at the address hereinafter set forth or such other place as Lessor hereafter may designate in writing. Any notice to be given or other document to be delivered by either party to the other hereunder may be delivered in person to either party or may be deposited in the United States mail, duly registered or certified, with postage prepaid, return receipt requested, and addressed to the party for whom intended, as follows:

**TO LESSOR:**

The City of San Luis  
1090 East Union Street  
PO Box 1170  
San, Luis, AZ 85349

**TO LESSEE:**

Buna George  
Executive Director, GYPA  
PO Box 4601  
Yuma, AZ 85366

**With a copy to:**

Firm: \_\_\_\_\_  
Attorney: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

Either party hereto may from time to time, by written notice to the other party, designate a different address which may be substituted for the one specified above. If any notice or other document is sent by registered or certified mail as aforesaid, the same shall be deemed served or delivered unless otherwise specified herein within seventy-two (72) hours after the mailing thereof as provided or, if not, so sent, the same shall be deemed served and delivered within five (5) days after mailing thereof.

**ARTICLE 22. NO RELATIONSHIP IMPLIED**

Nothing contained in this Lease shall be determined or construed by the parties hereto or by any third persons to create the relationship of principal or agent or of partnership or of joint venture or of any association between Lessor and Lessee and neither the method of computation of rent or any other provisions contained in this Lease nor any acts of the parties hereto shall be deemed to create any relationship between Lessor and Lessee other than the relationship of Lessor and Lessee.

**ARTICLE 23. REPRESENTATION BY COUNSEL**

All the parties to this Lease have been represented in their negotiation in connection with this Lease by legal counsel of their own choosing, to the extent deemed by them to be necessary, and have read each and every part of this Lease and have had such parts fully explained by their respective counsel to the extent deemed necessary, and are fully aware of the contents and legal effect of this Lease.

**ARTICLE 24. AUTHORITY**

Lessor hereby warrants and represents to Lessee that Lessor is a municipal corporation and is authorized to execute and deliver this Lease. Lessee hereby warrants and represents to Lessor that Lessee is a corporation and that this Lease and the execution and delivery thereof by the persons designated below has been specifically authorized by a duly adopted resolution of the Board of Directors thereof.

**ARTICLE 25. GOVERNING LAW AND VENUE**

This Lease and all transactions contemplated hereby shall be governed by, construed and enforced in accordance with the laws of the State of Arizona. The parties

waive trial by jury and agree to submit to the exclusive personal jurisdiction and venue of the Superior Court of the State of Arizona in Yuma County, Arizona. In the event that litigation results from or arises out of this Lease or the performance thereof, the court or arbitrator, as the case may be, shall award the prevailing party its reasonable attorney fees, costs, and all other expenses, whether or not usually taxable by the court as a cost, in addition to any other relief to which the prevailing party may be entitled.

## **ARTICLE 26. MISCELLANIOUS PROVISIONS**

**Amendment.** This Contract may be amended or modified only by written agreement of all PARTIES.

**Certifications:** Parties certify that they are compliant with the applicable requirements of A.R.S. §§ 35-393.01 and 35-394.

**Conflicts of Interest:** This Lease may be cancelled in accordance with A.R.S. § 38-511.

**Counterparts:** This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signature of all Parties may be physically attached to a single document.

**Entire Agreement:** This Lease contains the entire agreement of the parties hereto with respect to the matters covered hereby, and no other agreement, statement or promise made by any party hereto, or to any employee, officer or agent of any party hereto, which is not contained herein, shall be binding or valid.

**E-Verify:** The Parties shall comply with the applicable requirements of A.R.S. §§ 23-214 and 41-4401.

**Further Acts:** Each of the Parties hereto 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 Lease.

**Heading and Titles:** The marginal headings or titles to the paragraphs of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part of this lease.

**Lease Binding on Successors:** Subject to the limitations on assignment, each of the terms, covenants and conditions of this Lease shall extend to and be binding on and inure to the benefit of not only Lessor and Lessee, but each of their respective successors and assigns.

**No Brokers:** Parties represent and warrant to the other that neither has dealt with any real estate broker or agent in connection with this Lease or its negotiation.

**Signage:** Lessee's signage shall be consistent with the standards and criteria currently in use for the Premises. Lessor shall oversee the installation of any sign and shall be responsible for obtaining any signage permit or license required. Lessee shall pay the cost of such signage and installation, subject to Lessee's advance approval of same.

**Survival:** All representations and warranties of Tenant, Tenant's indemnities, hold harmless and defense obligations and Tenant's obligations to pay Rent shall survive the expiration or earlier termination of this Lease.

**Time:** Time is of the Essence in this Agreement.

**Waiver:** No waiver of any breach of any of the terms, covenants, agreements, restrictions or conditions of this Lease shall be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions hereof.

*[Remainder of page intentionally left blank; signature page to follow.]*

**IN WITNESS WHEREOF**, we have hereunto set our hands on the date and year stated below.

CITY OF SAN LUIS,  
an Arizona municipal corporation.

\_\_\_\_\_  
Nieves Riedel  
Mayor

\_\_\_\_\_  
Date

**Attest:**

\_\_\_\_\_  
Sonia Cornelio  
City Clerk

\_\_\_\_\_  
Date

I have reviewed the above referenced Intergovernmental Lease Agreement between Greater Yuma Port Authority, Inc and the City of San Luis, an agreement among public agencies which, has been reviewed pursuant to A.R.S. §§ 11-951 through 11-954 and A.R.S. § 48-572 and declare this Agreement to be in proper form and within the powers and authority granted to the City under the laws of the State of Arizona.

**Approved as to Form by:**

\_\_\_\_\_  
Kay Marion Macuil  
City Attorney

\_\_\_\_\_  
Date

GREATER YUMA PORT AUTHORITY,  
INC.

\_\_\_\_\_  
Russ Jones  
GYPA Chairman

\_\_\_\_\_  
Date

I have reviewed the above referenced Intergovernmental Lease Agreement between Greater Yuma Port Authority, Inc. and the City of San Luis, an agreement among public agencies which, has been reviewed pursuant to A.R.S. §§ 11-951 through 11-954 and A.R.S. § 48-572 and declare this Agreement to be in proper form and within the powers and authority granted to their clients under the laws of the State of Arizona.

**Approved as to Form by:**

\_\_\_\_\_  
Name:  
GYPA Attorney

\_\_\_\_\_  
Date

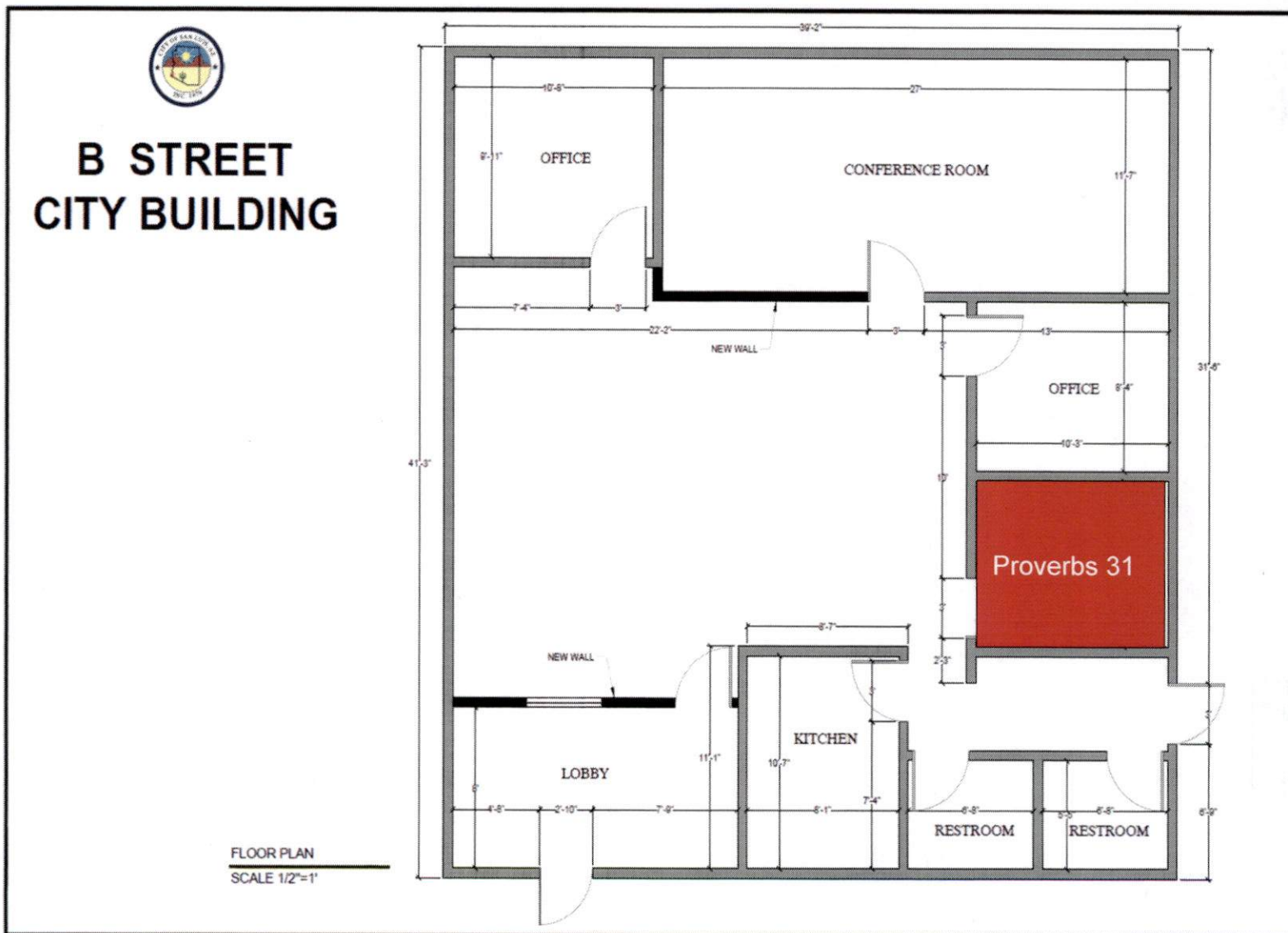
## Exhibit A

### Legal Description

WELL SITE NO. 1:

The East half of Lot 6, Block 6, SAN LUIS TOWNSITE, according to Book 3 of Plats, page 54, records of Yuma County, Arizona.

### Floor Plan



- Area in RED is to be utilized exclusively by the other business as specified in Article 1.