

EXCLUSIVE AUTHORIZATION AND RIGHT TO SELL OR LEASE

IN CONSIDERATION of this Exclusive Authorization and Right to Sell or Lease by and between **A.T. PANCRAZI REAL ESTATE SERVICES, INC., an Arizona corporation** (hereinafter referred to as "Broker") and the **City of San Luis, an Arizona municipal corporation** (hereinafter referred to as "Owner" or "City"), to market for sale or lease the property described below (hereinafter referred to as "Property") and Broker's promise to attempt diligently to sell or lease the Property, the Owner hereby grants to Broker the exclusive right to negotiate a sale or lease of said Property for the period commencing **October _____, 2026** and ending at midnight _____, **2027** (the "Term"). Owner/City and Broker may hereinafter be referred to individually as a "Party" or collectively as the "Parties." The Property is located in the City of **San Luis**, County of **Yuma**, State of **Arizona**, located at **580 N San Luis Plaza Dr, San Luis, AZ, 85336** and more particularly described as **Assessor's Parcel No. 775-45-194 and consisting of approximately 6.78 acres of real property, including all improvements situated thereupon.**

1. The price and terms for sale or lease shall be as follows: The sales price shall be **\$XX** and the lease rate shall be **\$XX** per month, plus all operating expenses ("NNN"), or such other terms and conditions as are acceptable to Owner. All advertised terms are invitations for proposals are subject to Owner approval. Broker shall not change the advertised price, rent, proposed use, or material terms without Owner's prior written approval.
2. In consideration of this Authorization and Broker's agreement to diligently pursue the procurement of a buyer or tenant for the Property, Owner agrees to pay Broker a commission as set forth in the attached SCHEDULE OF COMMISSIONS. This commission(s) shall be earned for services rendered if, during the Term: (a) the Property is leased to tenants and the lease is approved and executed by Owner within the Term or within the Protection Period described below; (b) a sale is procured at a price and on the terms above stated, or on any other terms agreeable to Owner, and actually closes and Owner receives the sales consideration; or; (c) within one hundred twenty (120) days after the Term (the "Protection Period"), the Property is sold or leased to any person or entity with whom Broker specifically introduced to the Property and with whom Broker had documented, substantive transaction discussions during the Term in an effort to effect a transaction, and whose name appears on a list of such persons or entities which Broker shall provide to Owner within ten (10) days following the Term, provided that if Broker has submitted a written offer to purchase or lease, it shall not be necessary to include the offeror's name on the list. General advertising, distribution lists and unsolicited mass submissions do not qualify for the Protection Period.
3. **Services and Reporting.** Within ten days after commencement, Broker shall submit for City approval a written marketing plan describing proposed listing platforms, broker outreach, materials, access and showing procedures, and a timetable. Broker shall diligently implement the approved plan, promptly transmit all offers and material inquiries, assist in documenting prospect qualifications without guaranteeing performance, and provide monthly written activity and prospect reports. Broker shall coordinate with the City's designated representative. Ordinary marketing, signage and administrative costs are included in the commission. No reimbursable expense or extra service is permitted without Owner's prior written agreement, and no retainer or additional minimum fee is payable except as expressly stated in the Schedule or approved in writing.
4. **Extension of Term.** If during the Term of this Agreement an escrow is opened or negotiations involving the sale, transfer, conveyance or leasing the Property have commenced and are continuing, then the term of this Agreement shall be extended for a period through the closing of such escrow, the termination of such negotiations or the consummation of such transaction, provided this Agreement would otherwise have expired during such period. Unless agreed to in writing by Owner, such extension period shall not be greater than ninety (90) days.
5. Owner agrees to cooperate with Broker in effecting a sale or lease of the Property and immediately refer to Broker all inquiries of any party interested in the Property. All negotiations are to be through Broker. Broker is authorized to accept a deposit from any prospective buyer or tenant. Broker is further authorized to advertise the Property and shall have the exclusive right to place a sign or signs on the Property if, in Broker's opinion, such would facilitate the sale or leasing thereof. Owner further agrees that Broker shall be included as a party to any escrow opened for the sale or lease of the Property and the terms of said escrow shall provide that Broker shall

have the right to request the escrow holder to make payment to Broker in the amount of Broker's commission as set forth on the SCHEDULE OF COMMISSIONS attached hereto from any sale proceeds and/or deposits held in escrow. Broker has no authority to execute an offer, letter of intent, sale agreement, lease, option, amendment, waiver or escrow instruction on behalf of Owner or otherwise bind Owner.

6. Termination. Owner may terminate this Agreement for convenience upon one hundred twenty (120) days' written notice, including during the initial Term. In the event Broker shall breach this Agreement, Owner shall notify Broker in writing of such breach, and if Broker has not cured such breach within thirty (30) calendar days after such notice, then Broker shall be in default and Owner may by written notice to Broker terminate this Agreement as of a date specified in the notice of termination (the "Termination Date"). Termination of the Agreement shall not be Owner's exclusive remedy for breach by Broker. Upon termination, Broker shall promptly deliver Owner all outstanding offers and marketing materials, discontinue marketing, and remove its signs.

7. Broker represents Owner concerning the property referenced herein and accordingly, owes Owner all fiduciary and professional duties as provided for under Arizona law and this Agreement. Owner does not provide advance consent to dual agency. Before representing or accepting compensation from a buyer, tenant or other party in a proposed transaction, Broker shall disclose in writing the parties, proposed roles, all compensation and material conflicts, and obtain transaction-specific prior written consent from Owner. Broker shall also disclose any ownership, family, referral or other financial interest in a prospect or transaction and any material conflict involving competing properties. Owner may withhold consent. Broker shall protect information lawfully entitled to confidentiality, including privileged communications and executive-session information, and shall not disclose Owner's negotiating limits without authorization, except as required by law. Broker acknowledges that Owner is a public entity and, as such, is subject to Arizona's public records laws, including, A.R.S. § 39-12, *et. seq.*, and nothing herein limits Owner's public-records obligations.

8. It is understood that it is illegal for either Owner or Broker to refuse to present, lease or sell to any person because of race, color, religion, national origin, sex, marital status or physical disability.

9. Owner warrants that it is the owner of record of the Property and has the legal authority to execute this Agreement. Owner agrees to hold Broker harmless from any liability or damages arising from any incorrect information supplied by Owner or any information which Owner fails to supply after requested by Broker. Owner acknowledges receipt of a copy of this Agreement and the attached SCHEDULE OF COMMISSIONS, which Owner has read and understands.

10. Attorneys' Fees; Governing Law; Venue. If either Party commences any litigation to enforce the terms of the Agreement, the prevailing party shall be entitled to receive a reasonable attorney's fees and costs from the other party hereto. This Agreement shall be governed by the laws of the State of Arizona. Any action to enforce any provision of this Agreement or to obtain any remedy with respect this Agreement shall be brought exclusively in the Superior Court, Yuma County, Arizona (or, as may be appropriate, in the Justice Courts of Yuma County, Arizona or in the United States District Court for the District of Arizona, if, and only if, the Superior Court lacks jurisdiction over such action). The Parties expressly and irrevocably consent to the exclusive jurisdiction and venue of such courts and expressly waive the right to transfer or remove any such action.

11. No amendments or alteration in the terms of this Agreement shall be valid or binding unless made in writing and signed by both Owner and Broker.

12. The heirs, successors and assignees of the Parties hereto are duly bound by the provisions of this Agreement.

13. This Agreement, any addenda thereto and/or all associated documents may be executed in counterparts, each of which, when taken together shall constitute fully executed originals. Documents delivered by telephonic facsimile transmission shall be valid and binding.

14. Any sale of the Property is subject to the San Luis City Code and A.R.S §§ 9-402 and 9-403.

15. Conflict of Interest. The Agreement is subject to the provisions of A.R.S. § 38-511. The Owner may cancel this Agreement without penalty or further obligations by the City of San Luis or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the City or any of its departments or agencies is, at any time while this Agreement or any extension of this Agreement is in effect, an employee or agent of any other party to this Agreement in any capacity or a consultant to any other party of this Agreement with respect to the subject matter of this Agreement.

16. Agreement Subject to Appropriation. The Owner is obligated only to pay its obligations set forth in this Agreement as may lawfully be made from funds appropriated and budgeted for that purpose during the Owner's then current fiscal year. The Owner's obligations under this Agreement are current expenses subject to the "budget law" and the unfettered legislative discretion of the City concerning budgeted purposes and appropriation of funds. Should the City elect not to appropriate and budget funds to pay its Agreement obligations, this Agreement shall be deemed terminated at the end of the then-current fiscal year term for which such funds were appropriated and budgeted for such purpose and the City shall be relieved of any subsequent obligation under this Agreement. The Parties agree that the City has no obligation or duty of good faith to budget or appropriate the payment of the City obligations set forth in this Agreement in any budget in any fiscal year other than the fiscal year in which this Agreement is executed and delivered. The City shall be the sole judge and authority in determining the availability of funds for its obligations under this Agreement. The City shall keep Broker informed as to the availability of funds for this Agreement. The obligation of the City to make any payment pursuant to this Agreement is not a general obligation or indebtedness of the City. Broker hereby waives any and all rights to bring any claim against the City from or relating in any way to the City's termination of this Agreement pursuant to this section. Notwithstanding any other provision, termination under this Section requires no Broker consent and creates no withdrawal fee, accelerated commission, future commission, termination payment or claim for lost profits. This Section controls over Sections 2 and 3 and the entire Schedule of Commissions.

17. Boycott of Israel. To the extent A.R.S. § 35-393 through § 35-393.03 are applicable, the Parties hereby certify that they are not currently engaged in, and agree for the duration of this Agreement to not engage in, a boycott of goods or services from Israel, as that term is defined in A.R.S. § 35-393.

18. Forced Labor Of Ethnic Uyghurs Prohibited. Pursuant to A.R.S. § 35-394, by entering into this Agreement, Contractor certifies and agrees Contractor does not currently use and will not use for the term of this Agreement: (i) the forced labor of ethnic Uyghurs in the People's Republic of China; or (ii) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (iii) any contractors, subcontractors or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China.

19. Independent Contractor. The Parties to this Agreement agree that Broker its employees, agents, and subcontractors shall be independent contractors regarding providing services under this Agreement and that Broker and its employees, agents, and subcontractors shall not be considered employees or agents of Owner, for any purpose, whatsoever, and will not be entitled to any of the benefits Owner provides for its employees. Rights of the Broker as an independent contractor include, but are not limited to, control of the work, manner, and methods of the work, and the right to contract with other employers.

20. E-verify Requirements. To the extent applicable under A.R.S. § 41- 4401, Broker and its subcontractors warrant compliance, and are contractually obligated to comply, with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements under A.R.S. § 23-214(A) ("Immigration Warranty"). Broker's or its subcontractor's failure to comply with Immigration Warranty shall be deemed a material breach of this Agreement and may subject Broker to penalties up to and including termination of this Agreement at the sole discretion of the Owner. The Owner retains the legal right to inspect the papers of all Broker's personnel who provide services under this Agreement to ensure that Broker or its subcontractors are complying with the Immigration Warranty. Broker agrees to assist the Owner in regard to any such inspections. The Owner may, at its sole discretion, conduct random verification of the employment records of Broker and any subcontractor to ensure compliance with the Immigration Warranty. Broker shall assist the Owner in regard to any random verification performed. Neither Broker nor any subcontractor will be deemed to have materially breached

the Immigration Warranty if Broker or subcontractor establishes that it has complied with the employment verification provisions prescribed by Sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214 (A).

21. **Personal Liability.** No member, officer, elected official or employee of the Owner shall be personally liable to Broker, or any successor or assignee, (a) if any default occurs or breach by the Owner, (b) for any amount which may become due to the Broker or its successor or assign, or (c) under any obligation of the Owner under this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the liability of Broker under this Agreement shall be limited solely to the assets of Broker. It 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 Broker; (ii) the shareholders, members or managers or constituent partners of Broker; or (iii) officers of Broker.

22. Indemnification. To the fullest extent permitted by law, ~~the parties~~ Broker shall each indemnify, protect, defend, and hold harmless ~~the other party~~ City, its Mayor, Council Members, and any and all of its officers, directors, officials, employees, agents, insurers, and indemnitors ("Indemnified Parties") for, from and against any and all suits, claims, losses, liabilities, damages, costs, expenses and debt, including reasonable attorneys' fees and costs incurred by the ~~non-indemnifying party~~ Owner which arise out of, attributable to or caused in whole or in part by acts or omissions of ~~the indemnifying party~~ Broker (or its officers, officials, directors, shareholders, agents or employees) including but not limited to injuries to ~~the parties'~~ Broker's employees who may or may not be covered by workers' compensation insurance; except, to the extent such suits, claims, losses, liabilities, damages, costs, expenses and debt result from sole negligence of the ~~non-indemnifying~~ Indemnified Parties. These obligations are not limited by insurance maintained by either Party, the availability of Arizona Municipal Risk Pool coverage, or any deductible or self-insured retention, and survive termination for acts or omissions occurring during the performance of this Agreement. This Section does not limit direct claims against Broker for breach of contract or professional duties.

23. San Luis Business License. Broker shall obtain and maintain a San Luis Business License throughout the term of this Agreement.

24. Photography and Drawings. All photography, media, time lapse images and other work product (collectively referred to as the "Work Product") in connection with the marketing of the Property, shall be the property of the Owner.

25.[23.] Severability. If any term or provision of this Agreement is held to be void or unenforceable, such term or provision will be ineffective and separable from the remaining terms and provisions of this Agreement without invalidating the remaining terms or provisions of this Agreement.

26.[24.] Miscellaneous. This Agreement contains the entire agreement between the Parties and supersedes any and all discussions or agreements, representations or statements, oral or written, made prior to or contemporaneously with the execution hereof. This Agreement may be executed in one or more counterparts, each of which counterpart a) shall be deemed an original, b) shall be binding upon and inure to the benefit of the Parties hereto and their heirs, successors and assigns, and c) shall be effective and valid under applicable state law. The Parties agree that an electronic signature will be considered an original signature. The individual(s) executing this Agreement on behalf of Owner, warrant and represent that, with respect to the agreements contained herein, he or she has the authority to bind Owner, persons owning an interest in Owner. Each of Owner and Broker agrees to offer the Property in compliance with all applicable anti-discrimination laws, statutes, and ordinances. Owner agrees to comply with all applicable federal, state, and local, laws, regulations, codes, ordinances, and administrative orders which pertain to and have jurisdiction over the Property and Owner, including without limitation, the 1964 Civil Rights Act, the Foreign Investment in Real Property Tax Act (FIRPTA), the Comprehensive Environmental Response Compensation Act, the Americans with Disabilities Act, and all amendments thereto as may apply.

ACCEPTED AND AGREED TO BY BROKER AND OWNER AS OF THE DATE INDICATED HEREINBELOW.

BROKER

A.T. PANCRAZI REAL ESTATE SERVICES, INC.

Thomas J. Pancrazi
President

| ATTEST **MAYOR'S SIGNATURE**

Sonia Cornelio
City Clerk

OWNER

THE CITY OF SAN LUIS

Nieves Riedel
Mayor

APPROVED AS TO FORM

Joseph Estes
City Attorney

Dated: _____

SCHEDULE OF COMMISSIONS

A. SALES.

- 1. Improved and Unimproved Property:** Six percent (6.0%) of the full sales price actually paid to and received by the Owner at closing but not the settlement amount actually received by Owner. This is the maximum aggregate commission payable by the Owner for the sale, inclusive of all listing, cooperating, buyer, referral and other brokerage compensation paid by Owner. Broker shall pay any approved cooperating-broker share from this amount; no additional Owner payment is authorized. No commission is earned except as provided in the Agreement.
- 2. Joint Venture:** No joint venture, equity contribution, exchange, option, right of first refusal, business opportunity or other alternative transaction is authorized by this Schedule. Any proposed alternative requires Owner approval and a specific written compensation agreement. No sales commission arises automatically from such an alternative.

B. LEASES. The rates below apply only to Commissionable Base Rent for the corresponding years of the initial, noncancelable lease term. "Commissionable Base Rent" means the fixed base rent the tenant is unconditionally obligated to pay for that term, net of free rent, abatements, credits and concessions. It excludes taxes (including any applicable GPLET or transaction privilege tax), insurance, common-area and operating expenses, utilities, security deposits, tenant-improvement reimbursements, other pass-through charges, percentage rent, unexercised options and periods beyond a tenant's unilateral termination right. These rates are the maximum aggregate Owner-paid leasing compensation, including any cooperating or tenant broker fees, Broker pays the approved cooperating share from that amount. The Owner will not pay more than one commission on the same rent.

YEARS	NET LEASE
1 through 5	6% Commissionable Base Rent
6 through 10	4% Commissionable Base Rent
11 through 20	1% Commissionable Base Rent

1. Term of More Than 20 Years: If the initial noncancelable lease term is in excess of 20 years, then the commission shall be calculated only upon the rental to be paid during the first 20 years of the term of the lease.

2. Sublease or Assignment: No additional commission is payable by the Owner on an assignment or sublease, or any bonus or lump sum paid by a successor tenant, unless the Owner separately engages Broker for that transaction in a written agreement. No commission shall be paid twice on the same rent or consideration.

3. Month-To-Month Tenancy: The commission shall be 100% of the first month's rent but in no event less than \$500. In the event a month-to-month Tenant subsequently executes a lease, either direct with Owner or through Broker, within 24 months from the date of occupancy of the month-to-month tenancy, then Broker shall receive a leasing commission in accordance with the provisions of this Schedule, with any month-to-month commission paid credited against it.

4. Exclusions: None.

5. Extension of Lease or Additional Space Taken: No additional commission is payable for an extension,

renewal, option exercise, holdover or additional space unless the Owner separately engages Broker by a written agreement. The initial listing does not create a continuing commission entitlement on future rent.

6. Purchase of Property by Tenant: Should Tenant, his successors, or assignees, purchase the subject property during the term of the lease, for a maximum period of five (5) years from the commencement of such lease, then a sales commission shall be paid when the purchase is effected. Said sales commission shall be computed in accordance with the provisions of this Schedule, less the amount of paid lease commissions earned to the portion of the lease term extending beyond the effective date of said purchase.

7. Percentage Rental: If Owner approves a lease with a percentage clause the commission rate applicable to the corresponding lease year shall apply only to the percentage of rent actually received by Owner, subject to the lease being a commissionable transaction under the Agreement. This commission shall be due and payable within thirty days after the Tenant's final payment and accounting of percentage rental for the preceding lease year. This obligation applies only to the original noncancelable term, capped at twenty (20) years, and does not extend to renewals or other later transactions without a separate written agreement.

C. PAYMENT OF EARNED COMMISSIONS.

1. Sales commissions are earned and payable only upon actual closing and shall be paid through escrow upon the closing of sales and exchange transactions, pursuant to approved escrow instructions. If no escrow is involved, commissions shall be paid upon receipt by Owner of the purchase price and recordation of a deed or upon delivery of such deed or other conveyance if recordation is deferred more than one month thereafter. In the event of a contract or agreement of sale, joint venture agreement, business opportunity or other transaction not involving the delivery of a deed, commission shall be paid upon execution and delivery of the instrument of conveyance or establishment of the entitlement of ownership. No commission is earned upon execution of an unclosed purchase agreement, establishment of an ownership entitlement, or execution of an alternative transaction not separately authorized under the Agreement.

2. Leasing and subleasing commissions are earned and payable in two installments and shall be paid as follows: (a) one-half upon execution and delivery of a noncancelable lease by Owner and Tenant, and (b) one-half after rent commencement and the Owner's receipt of the first full installment of base rent due after any agreed free-rent period. If the lease terminates before rent commencement other than because of the Owner's breach of the executed lease, Broker shall refund the first installment within thirty days. No commission accrues on optional or unexercised future lease periods. Month-to-month and percentage-rent payments are governed by Schedule above.

D. MISCELLANEOUS.

1. If Owner fails to make any payment at the time required herein, the delinquent sum(s) shall bear interest at the maximum rate permitted by law.

2. This Schedule is part of and subordinate to the Agreement and is binding upon the Parties only when executed by both Parties. No amendments or alteration in the terms hereof or withdrawal of this Agreement shall be valid or binding unless made in writing and signed by both Owner and Broker.

3. This Schedule applies only to the transactions authorized under the Agreement and shall be used only for transaction in which A.T. PANCRAZI REAL ESTATE SERVICES, INC. is involved and shall not be distributed to any other party, except as required by Arizona public record laws.

The undersigned hereby acknowledges receipt of a copy of this Schedule and agrees to pay a commission(s) as provided herein.

ACCEPTED AND AGREED TO BY BROKER AND OWNER AS OF THE DATE INDICATED HEREINBELOW.

BROKER

A.T. PANCRAZI REAL ESTATE SERVICES, INC.

OWNER

THE CITY OF SAN LUIS

Thomas J. Pancrazi
President

Nieves Riedel
Mayor

ATTEST ~~MAYOR'S SIGNATURE~~

APPROVED AS TO FORM

Sonia Cornelio
City Clerk

Joseph Estes
City Attorney

Dated: _____