

**SLURRY SEAL MATERIALS AND DELIVERY AGREEMENT
BETWEEN CITY OF APACHE JUNCTION
AND CHOLLA PAVEMENT MAINTENANCE, INC**

PROJECT:# SST25-20

THIS AGREEMENT is made as of the ____ day of January 2026 (the "Effective Date") by and between the CITY OF APACHE JUNCTION, an Arizona municipal corporation ("City"), and Cholla Pavement Maintenance Inc, an Arizona corporation ("Contractor"), sometimes collectively referred to as the "Parties", or individually as a "Party".

RECITALS

A. City requires certain construction services in connection with Project No.:SST25-20. Fiscal Year 2026 Slurry Seal (the "Project").

B. Contractor asserts its willingness, ability and qualifications to provide the completed products, goods and services (the "Work") called for in IFB # SST25-20 Pre-Coated Chips for the City Of Apache Junction, and Contractor's Cost Proposal dated December 8, 2025 (the "Contract Documents"), or as more fully described in Exhibit A.

C. For purposes of this Agreement, the "Contract" shall include the general requirements of both this Agreement and the Contract Documents.

D. City and Contractor desire to set forth their respective responsibilities and the manner and terms upon which Contractor shall complete the Work.

E. City has complied with the public bidding requirements under Arizona Revised Statutes ("A.R.S.") Title 34, and Apache Junction City Code, Vol. I, Chapter 3: Administration, Article 3-7: Procurement Procedures, or such work is categorically exempt from such process.

AGREEMENT

NOW, THEREFORE, in consideration of the Recitals noted above, the mutual covenants and conditions below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. PROJECT DESCRIPTION: Contractor shall do and perform or cause to be done and performed in a good workmanlike manner, the Work set forth in this Section 1 and Exhibit A, in accordance with the Contract Documents.

Contractor shall supervise and direct the delivery of the materials using its best skill and attention.

2. **COMPENSATION AND PAYMENTS:** The total amount payable by the City to the Contractor is an amount not to exceed Five Hundred Thousand Dollars and Zero Cents (\$500,000.00) (the "Contract Sum") for the performance of the Work under the Contract Documents, except for changes authorized by properly executed change orders. This Agreement will be operable for its full term at the rates quoted in the initial bid proposal. Upon notice that the Work is ready for final inspection or acceptance, a City representative shall promptly cause an inspection to be made. Once City finds the Work acceptable under the Contract Documents, City shall promptly submit for processing a certificate for payment stating that, to the best of its knowledge, information and belief on the basis of its observation and inspection, the Work has been completed in accordance with the terms and conditions of the Contract Documents and that partial payment or the entire balance due the Contractor is payable. Final payment shall not become due until the Contractor submits to the City all required lien waivers, releases and any other data establishing payment or satisfaction of all Contractor's obligations. If any subcontractor refuses to furnish a release or waiver required by City, Contractor may furnish a bond to indemnify City against any such lien. If any such lien remains unsatisfied after all payments are made, Contractor shall refund to City all monies that the latter may be compelled to pay in discharging such liens, including all costs and reasonable attorney fees.

3. **TERM:** shall commence on February 17, 2026 and end on December 31, 2031. This Agreement may be extended upon mutual written consent of the Parties provided that any amendment shall be executed by an authorized signatory of the Parties and provide in writing the amended term of the Agreement and, if applicable, a specified dollar amount of additional payment to be owed by City to Contractor.

4. **LABOR AND MATERIALS:** Unless otherwise provided in the Contract Documents, Contractor shall provide, pay for and insure under the requisite laws and regulations all labor, materials, equipment, tools and machinery, water, heat, utilities, transportation, other facilities and services necessary for the proper execution and completion of the Work, whether temporary or permanent, and whether or not incorporated or to be incorporated in the Work.

5. **INSPECTIONS AND QUALITY OF WORK:** Contractor understands and agrees that City will inspect the Work. Contractor agrees that City will have the exclusive right to determine, in its sole discretion, whether the Work has been performed in accordance with the Contract Documents. Contractor further agrees to make such corrections to the Work as may be directed by City to conform to the Contract Documents without requirement of a change order or any additional charge or cost to City whatsoever. The Work will be of good quality, free from faults and defects, and in conformance with the Contract Documents.

6. **WARRANTY:** Contractor shall guarantee the Work against defective labor, workmanship and/or materials for a period of one (1) year from the date of its final acceptance by City (the "Warranty Period"), ordinary wear and tear and unusual abuse or neglect excepted. Any omission on the part of City to condemn defective work or materials at the time of construction shall not be deemed an acceptance and Contractor will be required at its sole cost to correct defective work or materials before final acceptance. If City notifies Contractor of defective labor, workmanship, or materials during the Warranty Period, Contractor shall begin correcting the defect within fourteen (14) calendar days of receipt of written notice from City. Such work shall include the repair or replacement of other work or materials damaged or affected by making the warranty repairs or corrective work all at no additional cost to City. In the case of Work materials or equipment for which warranties are required by the special provisions of the Contract Documents, Contractor shall provide or secure from the appropriate subcontractor or supplier such warranties addressed to and in favor of City and deliver same to City prior to final acceptance of the Work. Delivery of such warranties shall not relieve Contractor from any obligation assumed under any other provision of the Contract. The warranties and guarantees provided in this Section 6 shall be in addition to and not in limitation of any other warranties, guarantees or remedies required by law, and shall survive the expiration of this Agreement for the time period mentioned above.

7. **TAXES:** Contractor shall pay as they become due all license, sales, consumer, transaction privilege, use and other similar taxes for the Work or portions of the Work which are legally enacted at the time bids are received whether or not yet effective or subsequently applicable due to acts of jurisdictions or bodies other than City.

8. **PERMITS AND FEES:** Unless otherwise provided in the Contract Documents, Contractor shall secure and pay for all permits, government fees, licenses and inspections necessary for the proper execution and completion of the Work which are customarily secured after execution of the Contract, and which are legally required. Contractor shall give all notices and comply with all laws, ordinances, rules, regulations and lawful orders of any public authority bearing on the performance of the Work. City permits for this Work will be provided to Contractor at no cost. Contractor understands that the activity described in the Contract constitutes "doing business in the City of Apache Junction" and Contractor agrees to obtain a business license pursuant to Chapter 8 of the Apache Junction City Code, Vol. I, and keep such license current until the Work, including any Work during the Warranty Period, is accepted by the City. Contractor also acknowledges that the tax provision of the Apache Junction Tax Code, Chapter 8A, may also apply and if so, shall obtain a transaction privilege license and/or other licenses as may be required by the city code. Any activity by consultants and subcontractors within the corporate city limits will invoke the same sales tax and business licensing regulations on the consultants and subcontractors, and Contractor shall require and ensure its consultants and

subcontractors obtain and keep all applicable licenses current. Further, Contractor agrees to pay all applicable privilege and use taxes that are applicable to the activities, products and services provided under this Agreement.

9. **INDEPENDENT CONTRACTOR:** City and Contractor agree and understand that the relationship between the Parties is that of an independent contractor. As such, Contractor is not entitled to receive any benefits to which City employees are entitled by virtue of their employment with City. City shall not be responsible for payment to employees of Contractor for salaries, related taxes (including, but not limited to, federal social security tax as well as federal and state unemployment taxes) and all other expenses related to their employment or contractual relationship with Contractor. Contractor shall be responsible to City for the acts and omissions of its employees, subcontractors and their agents and employees and other persons providing any of the materials under any contract document.

10. **SUPERINTENDENT:** Contractor shall employ a competent project superintendent who shall be in attendance at the Project site during the progress of the Work. The superintendent shall represent and be the community agent of Contractor and communications given to the superintendent shall be as binding as if given to Contractor. Important communications shall be confirmed in writing. The designated superintendent shall be designated for each project and communicated to City before work is performed.

11. **PROGRESS SCHEDULE:** Contractor shall, immediately after entering into this Agreement, generate an estimated progress schedule for the Project, which shall be maintained and updated during the construction of the Project. Work may progress during regular City business hours only if it is determined by City not to disturb normal operations.

12. **INDEMNIFICATION:** To the fullest extent permitted by law, Contractor shall defend, indemnify and hold harmless City, its elected officials and appointed officers, special districts, agents, and employees from and against any and all liability including but not limited to demands, claims, actions, fees, costs and expenses, including reasonable attorney and expert witness fees, arising from, or alleged to have arisen from, relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of Contractor, its agents, employees, or any tier of Contractor's subcontractors in the performance of this Agreement, but only to the extent caused by the negligence, recklessness or intentional wrongful conduct of Contractor or its subcontractors in the performance of the Work under this Agreement or any subcontract. Contractor's duty to defend, hold harmless and indemnify City, its elected officials and appointed officers, special districts, agents, and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused by an Contractor's

acts, errors, mistakes, omissions, work or services in the performance of this Agreement including any employee of Contractor, any tier of Contractor's subcontractor or any other person for whose acts, errors, mistakes, omissions, Work or services Contractor may be legally liable, but only to the extent caused by the negligence, recklessness or intentional wrongful conduct of Contractor or any tier of Contractor's subcontractors or any other person for whose acts, errors, mistakes, omissions, Work or services Contractor may be legally liable in the performance of the Work under this Agreement or any subcontract. The amount and type of insurance coverage requirements set forth in this Agreement will in no way be construed as limiting the scope of the indemnity in this Section 12. The rights and obligations under this Section 12 shall survive the expiration or earlier termination of this Agreement.

13. SUBCONTRACTORS: All subcontractors chosen by Contractor will be subject to City's approval. All subcontractors shall be identified by Contractor prior to award of contract. Contractor shall make no substitutions for any subcontractor, person or entity previously selected without the approval of City.

14. APPLICABLE LAW AND VENUE: The terms and conditions of this Agreement shall be governed by and interpreted in accordance with the laws of the State of Arizona. Any action at law or in equity brought by either Party for the purpose of enforcing a right or rights provided for in this Agreement, shall be tried in a court of competent jurisdiction in Pinal County, State of Arizona. The Parties hereby waive all provisions of law providing for a change of venue in such proceeding to any other county. In the event either Party shall bring suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition in this Agreement, it is mutually agreed that the prevailing Party in such action shall recover all costs including: all litigation and appeal expenses, collection expenses, reasonable attorney fees, necessary witness fees and court costs to be determined by the court in such action.

15. INSURANCE:

15.1 General Provisions. Contractor, at its own expense, shall purchase and maintain during the Term the insurance required by this Agreement with companies duly licensed, possessing a current A.M. Best, Inc. Rating of B++6, or approved unlicensed in the State of Arizona with policies and forms satisfactory to City.

All insurance required by this Agreement shall be maintained in full force and effect until the Services are accepted by the City. Failure to do so may, at the sole discretion of City, constitute a material breach of this Agreement.

Contractor's insurance shall be primary insurance as respects the City, and any insurance or self-insurance maintained by City shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect City.

The insurance policies, except Workers' Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against City, its agents, officers, officials and employees for any claims arising out of Contractor's acts, errors, mistakes, omissions, work or service.

The insurance policies may provide coverage which contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to City under such policies. Contractor shall be solely responsible for the deductible and/or self-retention and City, at its option, may require Contractor to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

The insurance policies required by this Agreement, except Workers' Compensation, shall name City, its elected officials, agents, officers, and employees as Additional Insured Parties.

Contractor shall expressly bind any subcontractors, or any other lower tier subcontractors, used in the performance of any aspect of the Services, to the insurance requirements in this Agreement, making such obligations applicable to the other subcontractor to the same extent as it is applicable to Contractor. The purpose of this provision is to require any lower tier subcontractor, regardless of level, to provide insurance and indemnity required by this Agreement.

15.2 Commercial General Liability. Contractor shall maintain throughout the Term Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement, which coverage will be at least as broad as that on Insurance Service Office, Inc. Policy Form No. CG 00011093, or the equivalent thereof.

Such policies shall contain a severability of interest provision and shall not contain a sunset provision or commutation clause, nor any provision which would serve to limit third party action over claims.

The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form B, CG 20101185, or the equivalent thereof, and shall include coverage for Contractor's operations and products and completed operations.

If Contractor sublets any part of the Services, Contractor shall purchase and maintain, at all times during prosecution of the Services an Owner and Contractor's Protective Liability insurance policy for bodily injury and property damage, including death, which may arise in the prosecution of the Services. Coverage shall be on an occurrence basis with a limit of not less than \$2,000,000 per occurrence, and the policy shall be issued by the same insurance company that issues Contractor's Commercial General Liability insurance.

15.3 Automobile Liability. Contractor shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to Contractor's owned, hired, and non-owned vehicles assigned to or used in performance of the Services. Coverage will be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or the equivalent thereof). Such insurance shall include coverage for loading and off-loading hazards. If hazardous substances, materials or wastes are to be transported, federal mandatory motor carrier safety ("MCS") 90 endorsement shall be included and \$5,000,000 per accident limits for bodily injury and property damage shall apply.

15.4 Workers' Compensation. Contractor shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Contractor's employees engaged in the performance of the Services; and Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

By execution of this Agreement, Contractor certifies as follows:

"I am aware and understand the provisions of A.R.S. § 23-901 *et seq.* which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of this chapter, and I will comply with such provisions before commencing the performance of the Services of this Agreement."

If Contractor has no employees for whom Workers' Compensation insurance is required by federal or state statutes, Contractor shall submit a declaration or affidavit to City so stating and covenanting to obtain such insurance if and when Contractor employs any employees subject to coverage.

15.5 Certificates of Insurance. Prior to commencing the Services, Contractor shall furnish City with Certificates of Insurance, or formal endorsements as required by the Agreement, issued by Contractor's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Agreement are in full force and effect. City shall not be obligated, however, to review same or to advise Contractor of any deficiencies in such

policies and endorsements, and such receipt shall not relieve Contractor from, or be deemed a waiver of, City's right to insist on strict fulfillment of Contractor's obligations under this Agreement.

The form of the certificates of insurance and endorsements shall be subject to the approval of the Apache Junction City Attorney's Office, shall comply with the terms of this Agreement. Policies or certificates and completed forms of City's Additional Insured Endorsement (or a substantially equivalent insurance company form acceptable to the City Attorney) evidencing the coverage required by this Agreement shall be delivered to City Attorney, City of Apache Junction, 300 East Superstition Boulevard, Apache Junction, AZ 85119. The policy or policies shall be in the usual form of public liability insurance, but shall also include the following provision:

"Solely as respects work done by or on behalf of the named insured for the City of Apache Junction, it is agreed that the City of Apache Junction and its elected officials, officers, agents and employees are added as additional insured parties under this policy."

In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend for two (2) years past completion and acceptance of Contractor's work or services and as evidenced by annual Certificates of Insurance.

Contractor shall require its insurers to provide City thirty (30) calendar days' prior written notice of any nonrenewal, cancellation, or material change in the coverage under such policy reducing coverage to below the amounts required by this Agreement. If a policy does expire during the life of the Agreement, a renewal certificate must be sent to City thirty (30) calendar days prior to the expiration date.

16. **CHANGE ORDERS:** A change order is a written order from City to Contractor issued after execution of the Contract authorizing a change in the Work and setting forth the amount of the adjustment, if any, in the Contract Sum and the extent of the change, if any, in the Progress Schedule. Change Orders do not invalidate the Contract. Changes in the Work shall be performed under the applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order. A Change Order signed by the Contractor indicates the Contractor's agreement therewith, including the adjustment in the Contract Sum and Progress Schedule or the method for determining them.

17. **BINDING EFFECT, SUCCESSORS, ASSIGNMENT AND DELEGATION:** City and Contractor each bind themselves, their partners, successors, assigns and legal representatives to the other Party and to the partners, successors, assigns and legal representatives of such other Party in respect to all covenants,

agreements and obligations contained in the Contract. Neither Party shall assign this Agreement or sublet it as a whole or delegate the duties under the Agreement, without the written consent of the other Party, nor shall Contractor assign any monies due or to become due to it without the previous written consent of City.

18. **WRITTEN NOTICE:** Written notice shall be deemed to have been duly served if delivered in person to the individual or member of the firm or entity, or to an office of the corporation for whom it was intended or if delivered at or sent registered or certified mail, return receipt requested, and first-class postage prepaid to the last business address known to them who gives the notice. Notices shall be delivered to the following:

If to City: City of Apache Junction
 Shane Kiesow
 300 East Superstition Boulevard
 Apache Junction, AZ 85119

If to Contractor: Cholla Pavement Maintenance Inc
 5452 S. Warner Dr.
 Apache Junction, Az. 85120

19. **DAMAGES:** Contractor shall be responsible for and promptly remedy any damage or loss of property caused in whole or in part by the Contractor, a subcontractor, or anyone directly or indirectly employed by Contractor, or by anyone for whose acts Contractor may be liable and for which Contractor is responsible under the Contract, except where such damage or loss is directly attributable to the negligent acts or omissions of City or by anyone for whose acts City may be liable and not attributable to the fault or negligence of the Contractor. City shall make claims regarding all damage or loss to Contractor within a reasonable time after the first observance of such injury or damages.

20. **PAYMENT AND PERFORMANCE BONDS:** City shall have the right to require Contractor to furnish bonds covering the faithful performance of the Contract and the payment of all obligations arising under the Contract.

21. **SAFETY:** Contractor shall take, and shall cause its employees, agents, officers, directors, consultants and subcontractors to take all reasonable precautions for the safety of, and shall provide all reasonable protection to all persons and property at the Project site and all persons and property which may be affected by the performance of the Work.

22. **RIGHTS AND REMEDIES:** The duties and obligations and the rights and remedies available under the Contract shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or

available by law. No action or failure to act by City or Contractor shall constitute a waiver of any right or duty afforded to any of them under the Contract, nor shall any action or failure to act constitute an approval of or an acquiescence to any breaches under the Contract except as may be specifically agreed to by the Parties in writing.

23. **FORCE MAJEURE:** Neither City nor Contractor, as the case may be, shall be considered not to have performed its obligations under this Agreement in the event of enforced delay (an "Enforced Delay") due to causes beyond its control and without its fault or negligence or failure to comply with applicable laws, including, but not restricted to, acts of God, fires, floods, epidemics, pandemics and related executive orders, quarantine, restrictions, embargoes, labor disputes, and unusually severe weather or the delays of subcontractors or materialmen due to such causes, acts of a public enemy, war, terrorism or act of terror (including but not limited to bio-terrorism or eco-terrorism), nuclear radiation, blockade, insurrection, riot, labor strike or interruption, extortion, sabotage, or similar occurrence or any exercise of the power of eminent domain of any governmental body on behalf of any public entity, or a declaration of moratorium or similar hiatus (whether permanent or temporary) by any public entity directly affecting the obligations under this Agreement. In no event will Enforced Delay include any delay resulting from unavailability for any reason of labor shortages, or the unavailability for any reason of particular contractors, consultants, subcontractors, vendors or investors desired by Contractor in connection with the obligations under this Agreement. Contractor agrees that Contractor alone will bear all risks of delay which are not Enforced Delay. In the event of the occurrence of any such Enforced Delay, the time or times for performance of the obligations of the Party claiming delay shall be extended for a period of the Enforced Delay; provided, however, that the Party seeking the benefit of the provisions of this Section 23 shall, within thirty (30) calendar days after such Party knows or should know of any such Enforced Delay, first notify the other Party of the specific delay in writing and claim the right to an extension for the period of the Enforced Delay; and provided further that in no event shall a period of Enforced Delay exceed ninety (90) calendar days.

24. **TERMINATION:**

A. **TERMINATION BY CITY:** City may terminate this Agreement in whole or part if the city manager or his or her designee determines Contractor has failed to fulfill its obligations under the Contract through no fault of City. Such termination may be effected by City giving Contractor not less than ten (10) calendar days written notice by certified mail, return receipt requested of City's intent to terminate. Contractor shall have ten (10) calendar days to cure the failure to the satisfaction of City. City may terminate this Agreement or a portion thereof if conditions encountered during the progress of the Work make it impossible or impracticable to proceed with the Work. If City terminates this Agreement for reasons of default by Contractor, the amount of compensation

provided for in this Agreement shall be reduced to reflect the percentage of Work completed and the Contractor shall not be entitled to payment for anticipated profits or unperformed services.

B. TERMINATION BY CONTRACTOR: Contractor may terminate this Agreement if City fails to make payment as agreed upon in this Agreement. Any other termination will be deemed a breach of contract by Contractor. Contractor shall provide Notice of Termination to City by Certified U.S. Mail ten (10) calendar days before such termination takes effect.

25. RECORDS: Records of Contractor's labor, payroll and other costs pertaining to the Contract shall be kept on a generally recognized accounting basis and made available to City for inspection on request. Contractor shall maintain records for a period of at least two (2) years after expiration of this Agreement and shall make such records available during that retention period for examination or audit by City personnel during regular business hours.

26. ENTIRE AGREEMENT: This Agreement and any attachments and the Contract Documents represent the entire agreement between City and Contractor and supersede all prior negotiations, representations or agreements, either express or implied, written or oral. It is mutually understood and agreed that no alteration or variation of the terms and conditions of this Agreement shall be valid unless made in writing and signed by the Parties. Written and signed amendments shall automatically become part of the Contract, and shall supersede any inconsistent provision therein; provided, however, that any apparent inconsistency shall be resolved, if possible, by construing the provisions as mutually complementary and supplementary.

27. SEVERABILITY: City and Contractor each believe that the execution, delivery and performance of this Agreement are in compliance with all applicable laws. However, in the unlikely event that any provision of this Agreement is declared void or unenforceable (or is construed as requiring City to do any act in violation of any applicable laws, including any constitutional provision, law, regulation, or city code), such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect; provided that this Agreement shall retroactively be deemed reformed to the extent reasonably possible in such a manner so that the reformed agreement (and any related agreements effective as of the same date) provide essentially the same rights and benefits (economic and otherwise) to the Parties as if such severance and reformation were not required. Unless prohibited by applicable laws, the Parties further shall perform all acts and execute, acknowledge and/or deliver all amendments, instruments and consents necessary to accomplish and to give effect to the purposes of this Agreement, as reformed.

28. **TIME IS OF THE ESSENCE:** Time is of the essence with respect to all provisions in this Agreement. Any delay in performance by either Party shall constitute a material breach of this Agreement.

29. **CONFLICT OF INTEREST:** The Contract is subject to, and may be terminated by City in accordance with, the provisions of A.R.S. § 38-511.

30. **PROHIBITION TO CONTRACT WITH CONTRACTORS WHO ENGAGE IN BOYCOTT OF THE STATE OF ISRAEL:** The Parties acknowledge A.R.S. §§ 35-393 through 35-393.03, as amended, which forbids public entities from contracting with Contractors who engage in boycotts of the State of Israel. Should Contractor engage in any such boycott against the State of Israel, this Agreement shall be deemed automatically terminated by operation of law. Any such boycott is a material breach of this Agreement.

31. **PROHIBITED USE OF FORCED LABOR:** In accordance with A.R.S. § 35-394, Contractor hereby certifies and agrees that Contractor does not currently and shall not for the duration of this Agreement use: 1) the forced labor of ethnic Uyghurs in the People's Republic of China; 2) any services or goods produced by the forced labor of ethnic Uyghurs in the People's Republic of China; and/or 3) any suppliers, contractors or subcontractors that use the forced labor or any services or goods produced by the forced labor of ethnic Uyghurs in the People's Republic of China. If Contractor becomes aware during the Term that Contractor is not in compliance with this Section 31, then Contractor shall notify the City within five (5) business days after becoming aware of such noncompliance. If Contractor does not provide the City with written certification that Contractor has remedied such noncompliance within ninety (90) calendar days after notifying the City of such noncompliance, this Agreement shall terminate, except that if the Agreement termination date occurs before the end of such ninety (90) day remedy period, this Agreement shall terminate automatically.

32. **COMPLIANCE WITH FEDERAL AND STATE LAWS:** Contractor understands and acknowledges the applicability of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989 to the services performed under this Agreement.

As required by A.R.S. § 41-4401, Contractor hereby warrants its compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A). Contractor further warrants that after hiring an employee, Contractor will verify the employment eligibility of the employee through the E-Verify program. If Contractor uses any subcontractors in performance of services, subcontractors shall warrant their compliance with all federal immigration laws and regulations that relate to its employees and A.R.S. § 23-214(A), and subcontractors shall further warrant that after hiring an employee, such subcontractor verifies the employment eligibility of the employee through the E-Verify program. A breach of this warranty shall be deemed a material

breach of the Agreement that is subject to penalties up to and including termination of this Agreement. Contractor is subject to a penalty of \$100 per day for the first violation, \$500 per day for the second violation, and \$1,000 per day for the third violation. City at its option may terminate this Agreement after the third violation. Contractor shall not be deemed in material breach of this Agreement if the Contractor and/or subcontractors establish compliance with the employment verification provisions of Sections 274A and 274B of the federal Immigration and Nationality Act and the E-Verify requirements contained in A.R.S. § 23-214(A). City retains the legal right to inspect the papers of any contractor, consultant or subcontractor employee who works under this Agreement to ensure that the Contractor or subcontractor is complying with the warranty. Any inspection will be conducted after reasonable notice and at reasonable times. If state law is amended, the Parties may modify this paragraph consistent with state law without effectuating an official amendment to this Agreement. Email notification of the modification would be sufficient notice.

33. ORDER OF PRECEDENCE. Should there be any discrepancy or inconsistency between the terms and conditions of this Agreement and any terms and conditions in any exhibit to this Agreement, the terms and conditions of this Agreement shall control and prevail.

[Signatures on following page]

IN WITNESS WHEREOF, Contractor and City have executed this Agreement
as of the date first set forth above.

CONTRACTOR:

**CHOLLA PAVEMENT MAINTENANCE INC.,
an Arizona corporation**

By: Gudy Bruggo
Its: President

CITY:

**CITY OF APACHE JUNCTION, ARIZONA,
an Arizona municipal corporation**

By: Walter "Chip" Wilson
Its: Mayor

ATTEST:

**Evie McKinney
City Clerk**

APPROVED AS TO FORM:

 2.3.26
**Richard J. Stern
City Attorney**

STATE OF Arizona)
COUNTY OF Pinal) ss.

The foregoing was subscribed and sworn to before me this 3rd day
of February, 2026, by July 30, 1989 as President of Cholla
Pavement Maintenance Inc, an Arizona corporation.

[Signature]

Notary Public

My Commission Expires:

May 26, 2027



STATE OF ARIZONA)
COUNTY OF PINAL) ss.

The foregoing was subscribed and sworn to before me this ____ day
of _____, 20____, by Walter "Chip" Wilson as Mayor of the City of
Apache Junction, an Arizona municipal corporation.

Notary Public

My Commission Expires:

EXHIBIT A

CONTRACTORS COST PROPOSAL

SCOPE OF WORK FOR EQUIPMENT AND LABOR TO SUPPLY AND DELIVER PRE-COATED CHIP FOR THE CITY OF APACHE JUNCTION

IFB PROJECT NO. SST25-20

SECTION 1. Scope of Work

All work under this contract (the "Work") shall be done in accordance with these Bid Documents including the Bid Specifications & Special Provisions herein, the most current *Uniform Standard Specifications and Details for Public Works Construction* by the Maricopa Association of Governments ("MAG").

Work to be completed under the Bid consists of:

1. The supply of Pre-Coated Low Volume 3/8" Chip for the City's use in chip seal street maintenance operations as per MAG Specification 716.
2. The Contractor will deliver all chips to the Apache Junction Rodeo Grounds located at 1590 E. Lost Dutchman Blvd. and/or the Apache Junction Public Works yard located at 575 E. Baseline Ave., both in Apache Junction, 85119, for staging within one month of chip-seal operations as requested by the City Representative. Majority of the chips will be requested to be staged at the Apache Junction Rodeo Grounds.
3. The Contractor via 10-wheeler chip truck will deliver from the staged stockpiles located at the Apache Junction Rodeo Grounds and/or Public Works' yard to a single city operated chip spreader located within the Apache Junction city limits within a two week period between April and June each year.
4. This Bid for chips will include the chip material and Contractor's cost for staging chip at the two designated locations and the delivering of chips from these staging stockpile locations to the spreading operation.

Quantities

This bid is for approximately 2,000 tons of coated chip for low volume roads per the contracted term of one year (with another possible successive 4 years not to exceed 5 years total) stocked and delivered as described above.

COST PROPOSAL

PROJECT NO. SST25-20

COMPANY: Cholla Pavement Maintenance, Inc.
 ADDRESS: 5452 S. Warner Dr., Apache Junction, Az 85120
 TELEPHONE: 480-893-1044

ITEM	DESCRIPTION	UNIT PRICE (Not including tax)
1	Approx. 2,000 tons of 3/8" Low Volume Pre-Coated Chip (stocked and delivered as specified) *	\$ <u>124.⁰⁰</u> /TON

*Describe any exceptions in Exceptions Additions Corrections (Exhibit D)

Judy Briggs Date 12/10/95
 Signature
Judy Briggs Title President
 Printed Name