

EXHIBIT A

ECONOMIC AND HISTORIC DOWNTOWN REDEVELOPMENT AGREEMENT

This Economic and Historic Downtown Redevelopment Agreement (“Agreement”) is made and entered into on this ____ of April, 2025 (“Effective Date”) in accordance with Arizona Revised Statutes (A.R.S.) § 9-500.05 and § 9-500.11, by and between Hotel San Carlos of Yuma, LLC, an Arizona limited liability company (“Company”) and the City of Yuma, an Arizona municipal corporation (“City”) concerning the historic San Carlos Hotel located at 106 East 1st Street, Yuma, Arizona 85364 (“San Carlos”). Company and the City may be referred to in this Agreement individually as a “Party” or collectively as the “Parties.” Hotel San Carlos Limited Partnership (“HSC Partnership”) and Achieve Human Services, Inc. are also signatories to this Agreement, acknowledging HSC Partnership’s and Achieve Human Services, Inc.’s obligation to pay the City of Yuma \$300,000 at the close of escrow in order to complete the sale of the San Carlos, free and clear of the City’s liens and encumbrances as described below.

RECITALS

WHEREAS, in September 1994, the City entered into an agreement with Housing America Corporation (“HAC”) for a loan of federal Community Development Block Grant (CDBG) funds in the amount of \$600,000 for a federal low-income housing project at the San Carlos; and,

WHEREAS, in 1996, HAC then transferred the \$600,000 in City CDBG funds to Hotel San Carlos, Limited Partnership, a partnership between the Excel Group and Achieve Human Services, Inc. (collectively “Achieve” for operations of the low-income housing project at the San Carlos, but the sale of the San Carlos property is completed by Hotel San Carlos, Limited Partnership, known as “HSC Partnership” in this Agreement); and,

WHEREAS, Achieve issued a promissory note and deed of trust to HAC for these CDBG funds which HAC then assigned its interest in the \$600,000 promissory note and deed of trust to the City; and,

WHEREAS, in 1997, the Yuma City Council authorized and approved a subordination and intercreditor agreement to allow Achieve to obtain Low-Income Housing Tax Credit (LIHTC) financing (in addition to the \$600,000 CDBG funds) for the San Carlos; and,

WHEREAS, in exchange for LIHTC funding, Achieve entered into an Affirmative Land Use Restrictive Covenant Agreement (LURA) with the State of Arizona, recorded at Yuma County Recorder Fee #: 1997-24187; and,

WHEREAS, after obtaining LIHTC financing, Achieve and Bank of America held first and second mortgage positions on the San Carlos, both secured by deeds of trust and the City held third mortgage position for the CDBG funds, also secured by a deed of trust, and Achieve eventually satisfied the Bank of America mortgage; and,

WHEREAS, the San Carlos is listed on the National Historic Register; and,

WHEREAS, in 2021, Achieve began to wind down the low-income housing at the San Carlos and in 2022 successfully worked with the State of Arizona to remove the LURA covenant; and,

WHEREAS, beginning in 2024, Achieve began marketing the San Carlos property for private sale and based on the sale-value of the San Carlos, requested that the City compromise some or all of its amount due under the deed of trust for the CDBG funding; and,

WHEREAS, City Council agreed to consider compromises if the buyer provided assurances on the intended project at the San Carlos as well as timeline of construction and the buyer would enter into a development agreement in exchange for the compromise; and,

WHEREAS, HSC Partnership entered into a sale agreement with Company to sell the San Carlos; and,

WHEREAS, in exchange for entering this Agreement, City Council will direct the City Administrator to release the City's second-position mortgage and deed of trust in exchange for Achieve's compromise payment to the City of \$300,000 upon the close of escrow; and,

WHEREAS, the City has determined that the San Carlos redevelopment project pursuant to this Agreement will result in significant planning, economic, historical, social and other public purpose benefits to the City and City residents by, among other things: (i) providing for the redevelopment and reuse of the San Carlos in historic downtown Yuma; (ii) increasing tax revenues to the City arising from or related to building improvements; and (iii) retaining existing jobs and creating new jobs within the City and otherwise enhancing the economic and social welfare of the residents of the City; and,

WHEREAS, redevelopment and occupancy of the San Carlos is vital to the future prosperity of the historic Yuma Downtown, in the best interests of the City, the health, safety, and welfare of City residents, and is being improved in accordance with the public purposes and provisions of all federal, state, and local laws, codes and regulations, the City of Yuma 2022 General Plan as amended, the zoning ordinance of the City of Yuma (collectively "Applicable Laws"), and the terms of this Agreement.

NOW, THEREFORE for the mutual benefit of the Parties and in consideration of the foregoing recitals and the mutual terms and conditions contained in this Agreement, the sufficiency of which is acknowledged, the Parties agree as follows:

AGREEMENT

1. **Incorporation of Recitals.** The Recitals set forth above are true and accurate and incorporated by reference.

2. **Term.** This Agreement shall commence upon the date of execution by both Parties (“Effective Date”) and shall terminate on the later of: (i) May 31, 2030; or (ii) the completion of all covenants, conditions and obligations of both Parties. In the event that Company does not complete the purchase of the San Carlos by July 31, 2025, for any reason or no reason, then this Agreement shall automatically be terminated.

3. **Payment to the City.** In exchange for the City’s compromise and release of the City’s promissory note and deed of trust against the San Carlos property, Company and HSC Partnership shall ensure that \$300,000 of the purchase price received by HSC Partnership/Achieve shall be paid by HSC Partnership/Achieve to the City of Yuma at the close of escrow in exchange for the City’s release of City claims and the City’s deed of trust. By HSC Partnership’s/Achieve’s signature below, HSC Partnership/Achieve acknowledges and accepts this obligation and agrees to instruct the escrow agent to wire the \$300,000 amount in accordance with City instructions no later than the close of escrow. Company and HSC Partnership/Achieve shall instruct the escrow agent to prepare the necessary release for City Administrator signature for recording at the close of escrow.

4. **San Carlos Project.** Company intends to renovate the San Carlos for operation as residences, including but not limited to, a loft concept, or to renovate to operate as a hotel. City Council expressly supports either of these concepts and agrees to work with Company if another concept becomes viable, and shall amend this Section 4 by motion of the City Council if a different use that is acceptable to City Council becomes necessary.

5. **Parking/Inclusion into Downtown Mall Maintenance and Parking District (MMD).** The San Carlos is located within the MMD and in accordance with the MMD, does not require any further parking. Depending on Company’s ultimate project, additional parking may be desired. City Council expressly agrees to work with Company on additional parking needs if it arises.

6. **Development Fees, Water and Wastewater Credits and Government Property Lease Excise Tax (GPLET) Abatement.** As part of the redevelopment of the San Carlos, City agrees that Company shall be entitled to Development Fee credits, and credits to water and wastewater charges in accordance with Applicable Laws. The redevelopment of the Property may also be eligible for the abatement of the GPLET. The City of Yuma agrees to work with the Company regarding GPLET abatement if the redevelopment meets all criteria established by the State legislature.

7. **Encroachment and Right-of-Way Permits and Licenses Required.** Company acknowledges and agrees that any work performed in the public right-of-way, or the construction, installation or maintenance of any facility or other improvement in the public right-of-way requires a permit, license, franchise, or similar authorization. Company shall meet all permitting requirements and shall obtain all necessary permits prior to commencing such work or improvements in the public right-of-way.

8. **Completion.** The redevelopment and renovation/construction project shall be completed no later than May 31, 2030.

9. **Cooperation in Development Approvals.** Subject to the terms of this Agreement and compliance with Applicable Laws including, without limitation, City's compliance with all required notice and public hearing requirements, City and Company will cooperate reasonably in processing the approval or issuance of any permits, plans, specifications, plats or other redevelopment approvals requested by Company in connection with the renovation project.

10. **Default.** If either Party defaults (the "Defaulting Party") with respect to any of such Party's obligations, then the other Party (the "Non-Defaulting Party") shall give written notice in the manner described below to the Defaulting Party. The notice shall state the nature of the default claimed and make demand that such default be corrected. The Defaulting Party shall then have:

- a. Thirty (30) days from the date of receipt of such notice within which to correct such default if it can be reasonably corrected by the payment of money, or
- b. Sixty (60) days from the date of receipt of such notice to cure such default if action other than payment of money is reasonably required, or
- c. If any such non-monetary default cannot reasonably be cured sixty (60) days for reasons beyond the defaulting Party's control (financial inability, construction delays and market conditions excepted), then such longer period as may be reasonably required, provided and so long as such cure is promptly commenced within such period and diligently prosecuted to completion.

11. **Remedies.** If the default is not corrected within the time periods described above, the Non-Defaulting Party shall have all remedies available at law or in equity, subject to the limitations set forth herein. Company or City, or any successor-in-interest or assignee, may institute a legal action to cure, correct or remedy any default, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation, including but not limited to suits for declaratory relief, specific performance, relief in the nature of mandamus and actions for damages, provided that claims for damages shall be limited to actual damages as of the time of entry of judgment. The Parties hereby waive any right to seek consequential, punitive, multiple, exemplary or any damages other than actual damages except as such damages shall be expressly limited by below.

12. **Delays; Waivers.** Except as otherwise expressly provided in this Agreement, any delay by any Party in asserting any right or remedy under this Agreement shall not operate as a waiver of any such rights or limit such rights in any way; and any waiver in fact made by such Party with respect to any default by the other Party shall not be considered as a waiver of rights with respect to any other default or with respect to the particular default except to the extent specifically waived in writing. It is the intent of the Parties that this provision will enable each Party to avoid the risk of being limited in the exercise of any right or remedy provided in this Agreement by waiver, laches or otherwise at a time when the Party may still hope to resolve the problems created by the default involved.

13. **Rights and Remedies Cumulative.** Except as limited by Section 15 below, the rights and remedies of the Parties are cumulative, and the exercise by either Party of any one or more of such rights shall not preclude the exercise, at the same or different times, of any other right or remedy for any other default by the other Party

14. **Company Representations.** Company represents and warrants that:

a. Company (Hotel San Carlos of Yuma, LLC) has the full right, power and authorization to enter into and perform this Agreement, the obligations and undertakings of Company under this Agreement, and the execution, delivery and performance of this Agreement by Company has been duly authorized, agreed to, and is in compliance with any organizational documents of Company.

b. All consents and approvals necessary to the execution, delivery and performance of this Agreement have been obtained, and no further action needs to be taken in connection with such execution, delivery and performance.

c. Company will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement, evidence and enforce this Agreement.

d. As of the date of this Agreement, Company knows of no litigation, proceeding or investigation pending or threatened against or affecting Company, which could have a material adverse effect on Company's performance under this Agreement that has not been disclosed in writing to the City.

e. This Agreement (and each undertaking of Company contained herein) constitutes a valid, binding and enforceable obligation of Company according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

f. The execution, delivery and performance of this Agreement by Company is not prohibited by, and does not conflict with, any other agreements, instruments, judgments or decrees to which Company is a party or to which owner is otherwise subject.

g. Company has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement other than normal costs of conducting business and costs of professional services such as the services of architects.

h. Company has had opportunity for independent legal review of this Agreement by counsel of Company's choosing prior to the execution hereof.

15. **City Representations.** City represents and warrants to Company that:

a. City has the right, power and authorization to enter into and perform this Agreement and each of City's obligations and undertakings under this Agreement, and City's

execution, delivery and performance of this Agreement have been duly authorized and agreed to in compliance with the requirements of the Yuma City Charter and the Yuma City Code.

b. All consents and approvals necessary to the execution, delivery and performance of this Agreement have been obtained, and no further action needs to be taken in connection with such execution, delivery and performance.

c. City will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement, evidence and enforce this Agreement.

d. City knows of no litigation, proceeding, initiative, referendum, investigation or threat of any of the same contesting the powers of City or its officials with respect to this Agreement that has not been disclosed in writing to Company.

e. This Agreement (and each undertaking of City contained herein), constitutes a valid, binding and enforceable obligation of City, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency, referendum, and other laws of general application affecting creditor's rights and by equitable principles, whether considered at law or in equity.

f. The execution, delivery and performance of this Agreement by City is not prohibited by, and does not conflict with, any other agreements, instruments or judgments or decrees to which City is a party or is otherwise subject.

g. City has been assisted by counsel of its own choosing in connection with the preparation and execution of this Agreement.

16. **Indemnification and Hold Harmless.** To the extent the City is named in any lawsuit, claim, demand, or action arising out of Company's actions in this Agreement, Company shall indemnify, defend, and hold harmless the City and any City employees, officials, or officers and against any losses, costs, or damages of every kind and description, including reasonable attorneys' fees and/or litigation expenses. In the event a Court of competent jurisdiction holds any part or portion of this Agreement void or unenforceable as a matter of law, Company shall automatically release the City of Yuma from any obligation contained in such void or unenforceable terms, conditions, part or portions of this Agreement without recourse against the City of Yuma, or any claim or lawsuit against the City for breach of contract. To the extent Company is named in any lawsuit, claim, demand, or action arising out of City's actions in this Agreement, City shall indemnify, defend, and hold harmless Company and Company's employees, officials, or officers and against any losses, costs, or damages of every kind and description, including reasonable attorneys' fees and/or litigation expenses.

17. **Notice.** All notices, demands or other communications must be in writing and are deemed duly delivered upon personal delivery, or as of the second business day after mailing by United States mail, postage prepaid, registered or certified, return receipt requested, addressed as follows:

TO CITY:

City of Yuma
Attn: City Administrator
One City Plaza
Yuma, Arizona 85364-1436

TO Company:

Hotel San Carlos of Yuma, LLC
Attn: Alexander Jessen Deckey, Manager
370 S. Main Street
Yuma, Arizona 85364

With a Mandatory Copy to:

Brandon S. Kinsey, Esq.
Garcia, Kinsey & Villarreal, P.L.C.
2620 W. 24th Street
Yuma, Arizona 85364

If either Party changes address, the Party changing address must give written notice to the other Party. Notice of change of address is deemed effective five (5) days after mailing.

18. **Assignment/Binding Effect.** This Agreement is not assignable unless both Parties mutually consent in writing. This Agreement shall inure to and benefit the successors and permitted assigns of both Parties.

19. **Time is of the Essence.** Time is of the essence in implementing the terms of this Agreement.

20. **Recordation.** The City shall record a copy of this Agreement no later than ten (10) days from date of entering into this Agreement pursuant to A.R.S. § 9-500.05.

21. **No Partnership; Third Parties.** This Agreement is not intended to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between the Parties. No term or provision of this Agreement is intended to, or shall be for the benefit of any person or entity not a Party hereto, and no such other person or entity shall have any right or cause of action hereunder, except for permitted successors in interest to the extent that they assume or succeed to the rights and/or obligations under this Agreement.

22. **Good Standing; Authority.** Hotel San Carlos of Yuma, LLC represents and warrants to the City that Hotel San Carlos of Yuma, LLC is duly formed and validly existing under the laws of Arizona or registered with the Arizona Corporation Commission as a limited liability company. Each Party represents and warrants that the individual(s) executing this Agreement on behalf of their respective Party is authorized and empowered to bind the Party on whose behalf each such individual is signing.

23. **Governing Law; Venue.** This Agreement shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the internal, substantive laws of the State of Arizona (without reference to conflict of law principles). Any action brought to interpret,

enforce, or construe any provision of this Agreement shall be commenced and maintained in the Superior Court of the State of Arizona in and for the County of Yuma (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, John M. Roll Courthouse, if, but only if, the Superior Court lacks or declines jurisdiction over such action). The Parties irrevocably consent to jurisdiction and venue in such courts for such purposes and agree not to seek transfer or removal of any action commenced in accordance with the terms of this Section.

24. **Attorney's Fees, Costs and Expenses.** If either Party brings an action or proceeding for failure to observe any of the terms or provisions of this Agreement, the prevailing Party shall recover, as part of such action or proceeding, all reasonable costs, expenses, and attorney fees as determined by the Court and not by a jury.

25. **Entire Agreement/Integration.** This Agreement with its Exhibits contains the entire agreement between the Parties, and no oral or written statement, promises or inducements made by either Party or its agents not contained or specifically referred to in this Agreement is valid or binding. All modifications to this Agreement must be in writing, signed and agreed to by the Parties.

26. **A.R.S. § 38-511 and A.R.S. § 35-393.01 (Boycott of Israel).** Notice is hereby given of the applicability of A.R.S. § 38-511. Additionally, pursuant to A.R.S. § 35-393.01, Company certifies it is not engaged in a boycott of Israel as of the Effective Date of this Agreement and agrees for the duration of this Agreement to not engage in a boycott of Israel.

27. **Individual Nonliability.** No City Council member, official, representative, agent, attorney or employee of either Party shall be personally liable to any of the other Parties hereto, or to any successor in interest to such Parties, in the event of any default or breach for any amount which may become due to a Party or its successor, or with respect to any obligation under the terms of this Agreement.

28. **Headings and Counterparts.** The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, and when each Party has executed a copy thereof, such copies, taken together, shall be deemed to be a full and complete original contract between the parties. An electronic transmission or other facsimile of this Agreement shall be effective and binding upon the Parties as if such signatures were originals, and shall be admissible as evidence of the document and the signer's execution thereof; provided that such Party shall upon request of any other Party, immediately provide an original signature to such other Party.

29. **Construction.** This Agreement and the documents to be executed pursuant to this Agreement are the result of negotiations between the Parties. Accordingly, neither Party shall be deemed to be the author of this Agreement nor the resulting documents, and there shall be no presumption that this Agreement or any of such documents are to be construed for or against any such Party on the basis of the authorship of the documents. Words importing the singular number

only shall include the plural and vice-versa, and words importing gender shall include all genders. Use of the word “including” shall mean “including without limitation.”

30. **Severability.** If any term, covenant, condition or provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. Subject to the limitations in Section 15, if any applicable law or court of competent jurisdiction prohibits or excuses City or Company from undertaking any contractual commitment to perform under any provision hereunder, the remaining portions of this Agreement shall remain in full force and effect, and the Parties will negotiate diligently in good faith for such amendments of this Agreement as may be necessary to achieve the original intent of this Agreement, notwithstanding such invalidity or unenforceability.

31. **Successor Laws.** Each reference in this Agreement to a particular City Ordinance, Arizona statute or other Applicable Laws shall include any successor City ordinance, successor Arizona statute or successor Applicable Law.

32. **Amendment.** No change or addition is to be made to this Agreement except by written amendment executed by City and Company. Within ten (10) days after any amendment to this Agreement. Yuma City Council may amend this Agreement via motion. Any amended Agreement shall be recorded in the Official Records of Yuma County, Arizona.

33. **Further Acts.** Each Party agrees to perform such other and further acts and to execute and deliver such additional agreements, documents, affidavits, certifications, acknowledgments and instruments as any other Party may reasonably require to consummate, evidence, confirm or carry out the matters contemplated by this Agreement.

34. **Business Days.** If the last day of any time period stated in this Agreement or the date on which any obligation to be performed under this Agreement shall fall on a Saturday, Sunday or legal holiday, then the duration of such time period or the date of performance, as applicable, shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday.

IN WITNESS WHEREOF, the Parties have authorized the execution of this Agreement through their authorized representatives named below as of the Effective Date written above.

CITY OF YUMA

HOTEL SAN CARLOS OF YUMA, LLC

John D. Simonton
Acting City Administrator

By: _____
Alexander Jessen Deckey
Manager

ATTEST:

Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

Richard W. Files
City Attorney

APPROVED AS TO FORM:

Brandon S. Kinsey, Esq.
Attorney for Hotel San Carlos of Yuma, LLC

Acknowledged and accepted as to the obligations described in Section 3 above:

Achieve Human Services, Inc.

By: _____
Carol Carr, President/CEO

Hotel San Carlos Limited Partnership

By: Yuma Enterprise Services, Inc. FKA
Achieve Enterprises Services, Inc.
Its General Partner

By: _____
Carol Carr, President and CEO

ACKNOWLEDGEMENTS

State of Arizona)
) ss
County of Yuma)

The foregoing instrument was acknowledged before me this _____ day of _____
2025, by Alexander Jessen Deckey, as Manager on behalf of Hotel San Carlos of Yuma, LLC, an
Arizona limited liability company.

My commission expires:

By: _____
Notary Public

State of Arizona)
) ss
County of Yuma)

The foregoing instrument was acknowledged before me this _____ of _____ 2025,
by City Administrator John D. Simonton on behalf of the City of Yuma, an Arizona municipal
corporation.

My commission expires:

By: _____
Notary Public