

CHAPTER 380  
ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT  
BETWEEN  
THE CITY OF CORPUS CHRISTI, TEXAS  
AND  
CORPUS CHRISTI CAPITAL GROUP, LLC  
AND  
CORPUS CHRISTI PARTY HOTEL, LLC

## **CHAPTER 380**

### **ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT**

This Chapter 380 Economic Development Incentive Agreement ("Agreement") is entered into as of August 1, 2024, by and among the CITY OF CORPUS CHRISTI, TEXAS, a home rule city ("City") and Corpus Christi Capital Group, LLC and Corpus Christi Party Hotel, LLC, both Texas limited liability companies ("Companies").

### **RECITALS**

WHEREAS, the Companies desire to develop two tracts of properties located at 6255 IH-37 and 910 Corn Products Road, as more particularly described in the conceptual plan for the project attached hereto as **EXHIBIT "A"** (the "Project" as more particularly defined below), in Corpus Christi, Texas. Both property tracts have their main entrance facing Corn Products Road and are located on a combined 11.34 acres between IH-37 and Leopard Street; and

WHEREAS, the City has established a program in accordance with Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code ("Chapter 380") under which the City has the authority to make loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City; and

WHEREAS, the Corpus Christi City Council adopted Resolution No. 24-0983 on June 18, 2024, authorizing the City to make certain economic development grants up to \$5,000,000 to Corpus Christi Capital Group, LLC and Corpus Christi Party Hotel, LLC in recognition of, conditioned upon and derived from the positive economic benefits that will accrue to the City through Companies' development of the Project Casa Blanca Village Apartments.

WHEREAS, the payments to Companies under this Agreement are exclusively performance-based, so that no payment will be made to Companies until and unless the Project is constructed and operated. This project development will result in ad valorem tax revenues which then will provide income to the City and the payments to Company, described herein; and

WHEREAS, the City has concluded and hereby finds that this Agreement promotes economic development in the City of Corpus Christi and, as such, meets the requirements under Chapter 380 and the City's established economic development program, and, further, is in the best interest of the City and Companies; and

WHEREAS, the City recognizes the positive economic impact that the Project will bring to the City through development and diversification of the economy, growth of local housing market, reduction of unemployment and underemployment through the production of new jobs, the attraction of new businesses, and the additional tax revenue generated by the Project for the City; and

WHEREAS, in consideration of the development, construction and building of the Casa Blanca Village Apartments, which will assist in stabilizing the existing Property Tax Revenues to the City, the City agrees to use such funds in order to provide the Reimbursement Amount (as defined herein) to the Companies directly in the amount described in Article V of this Agreement

WHEREAS, to ensure that the benefits the City provides under this Agreement are utilized in a manner consistent with Article III, Section 52-a of the Texas Constitution, Chapter 380 of the Texas Local

Government Code and other law, the Companies have agreed to comply with certain conditions to the payment of those benefits;

NOW, THEREFORE, in consideration of the mutual benefits described in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, City and Corpus Christi Capital Group, LLC and Corpus Christi Party Hotel, LLC agree as follows:

## **ARTICLE I**

### **REPRESENTATIONS**

1.1 Representations of the City. The City hereby represents to the Companies that as of the date hereof:

(A) The City is a duly created and existing municipal corporation and home rule municipality of the State of Texas under the laws of the State of Texas, and is duly qualified and authorized to carry on the governmental functions and operations as contemplated by this Agreement.

(B) The City has the power, authority and legal right under the laws of the State of Texas and the City Charter to enter into and perform this Agreement and the execution, delivery and performance hereof (i) will not, to the best of its knowledge, violate any applicable judgment, order, law or regulation, and (ii) do not constitute a default under, or result in the creation of any lien, charge, encumbrance or security interest upon any assets of the City under any agreement or instrument to which the City is a party or by which the City or its assets may be bound or affected.

(C) This Agreement has been duly authorized, executed and delivered by the City and, constitutes a legal, valid and binding obligation of the City, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights and (ii) certain equitable remedies including specific performance may be unavailable.

1.2 Representations of the Companies. The Companies hereby represent to the City that as of the date hereof:

(A) The Companies are duly authorized and existing in good standing as limited liability companies under the laws of the State of Texas, and shall remain in good standing in the State of Texas during the Term of this Agreement.

(B) The Companies have the power, authority and legal right to enter into and perform their obligations set forth in this Agreement, and the execution, delivery and performance hereof, (i) have been duly authorized, and will not, to the best of their knowledge, violate any judgment, order, law or regulation applicable to the Companies or any instrument to which Companies are a party or by which it may be bound, and (ii) do not constitute a default under or result in the creation of, any lien, charge, encumbrance or security interest upon any assets of the Companies under any agreement or instrument to which the Companies are a party or by which the Companies or their assets may be bound or affected.

(C) This Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of the Companies, enforceable in accordance with its terms except to the extent that (i) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights.

## **ARTICLE II**

### **DEFINITIONS**

The recitals to this Agreement are hereby incorporated for all purposes. The terms, “Agreement,” “Chapter 380,” “City,” “Company,” “Project,” and “Casa Blanca Village Apartment” shall have the above meanings, and the following words or phrases shall have the following meanings:

2.1 “Act of Default” or “Default” means failure to timely, fully, and completely comply with one or more requirements, obligations, performance criteria, duties, terms, conditions or warranties, as stated in this Agreement.

2.2 “Assessed Taxable Value” means the taxable assessed ad valorem tax values set annually by the Nueces County Appraisal District with respect to the Property, improvements, and tangible personal property (with a depreciation schedule of seven (7) years or greater) included in the Project, including all improvements now or hereafter.

2.3 “Certificate of Occupancy” shall mean that document entitled "Certificate of Occupancy" (or other similar title) issued by City upon substantial completion of certain portions of the Project in accordance with all applicable codes, regulations, and ordinances of City. A Certificate of Occupancy shall not include a certificate issued in error, mistake or misrepresentation of facts, nor shall it include any temporary certificate of occupancy or other document authorizing temporary or conditional occupancy.

2.4 “Chapter 380 Payment(s)” (for purposes of this agreement) means the amount(s) payable by City to Corpus Christi Capital Group, LLC and Corpus Christi Party Hotel, LLC under Article V of this Agreement, to be paid from Property Tax Revenues and general fund revenues contingent on annual appropriations by City.

2.5 “Commence Construction” means (i) to commence the work of constructing the improvements or features with all approvals thereof required by applicable governmental authorities obtained as necessary; (ii) a notice to proceed has been issued to the contractor; and (iii) onsite construction of the site development components (such as drainage, extensive grading or utilities) is underway and being pursued.

2.6 “Completion” means (i) substantial completion of said particular structure in accordance with the terms of this Agreement and the plans and specifications therefor, (ii) issuance of Certificates of Occupancy for the improvements or features for which Certificates of Occupancy may be issued, and (iii) the improvement is Open for Business.

2.7 “Compliance” means timely, fully and completely performing or meeting each and every term, requirement, obligation, performance criteria, duty, condition or warranty as stated in this Agreement.

2.8 “Continuously Operate” means possession of all personal property and inventory necessary for the operation of the Project in accordance with the standard of operation of comparable facilities and that the improvements included in the Project remain Open for Business.

2.9 “Effective Date” means the first date by which this Agreement has been signed by all of the parties hereto.

2.10 “Federal Bankruptcy Code” means Title 11, United States Code, as amended, and any successor statute.

2.11 “Fiscal Year” shall mean the twelve consecutive month period designated by the City as its fiscal year. As of the date of this Agreement, the City's fiscal year commences on October 1 and ends on the next succeeding September 30.

2.12 “Force Majeure” means any act that (a) materially and adversely affects the affected Party's ability to perform the relevant obligations under this Agreement or delays such affected Party's ability to do so, (b) is beyond the reasonable control of the affected Party, (c) is not due to the affected Party's negligence or willful misconduct and (d) could not be avoided by the Party who suffers it by the exercise of commercially reasonable efforts (provided that such commercially reasonable efforts shall not require such Party to expend a material amount of money to avoid the act giving rise to a Force Majeure). Subject to the satisfaction of the conditions set forth in (a) through (d) above, Force Majeure shall include but not be limited to: (i) natural phenomena, such as storms, floods, lightning and earthquakes; (ii) wars, civil disturbances, revolts, insurrections, terrorism, sabotage and threats of sabotage or terrorism; (iii) transportation disruption, whether by ocean, rail, land or air; (iv) strikes or other labor disputes that are not due to the breach of any labor agreement by the affected Party; (v) fires; (vi) the unavailability of necessary and essential equipment and supplies; (vii) a breach by the City of this Agreement or any other actions, omissions of or delays by a Governmental Authority (including the actions of City in its capacity as a Governmental Authority) that were not voluntarily induced or promoted by the affected Party, or brought about by the breach or noncompliance by the affected Party of its obligations under this Agreement or any applicable law; and (viii) failure of the other Party to perform any of its obligations under this Agreement within the time or by the date required pursuant to the terms of this Agreement for the performance thereof; provided, however, that under no circumstances shall Force Majeure include any of the following events: economic hardship for any reason inclusive of market conditions or changes.

2.13 “Insolvent” means failure to timely pay debts in the ordinary course of business or failure to pay all debts when and as they become due, or insolvent within the meaning of the Federal Bankruptcy Code.

2.14 “Maximum City Commitment” shall mean the largest commitment due by the City to the Company as determined in Article V.

2.15 “Open for Business” means open for full-time business operations with products and/or services that are necessary and during hours that are standard and comparable to other businesses of the type.

2.16 “Property Tax Revenues” means the City ad valorem taxes attributable to the Project for the Term of the Agreement and collected by the City in each Fiscal Year.

2.17 “Reimbursement Amount” shall mean the portion of the Property Tax Revenues that the City agrees to pay to the Companies during the Term of the Agreement, but limited to the maximum City Commitment as stated herein, if the Companies satisfy the conditions thereto stated in this Agreement. The Reimbursement Amount shall not include any: i) sales and use taxes received by the City for crime control and prevention or pursuant to the Development Corporation Act; ii) ad valorem property tax that is collected in accordance with Article VIII, Sec. 1(c) of the City's Charter, or any other provision that dedicates the ad valorem collection for a specific purpose, and iii) utilities revenues and other fees collected by the City from the Project.

2.18 “Workforce Residence Unit” means an apartment unit that shall be income qualified below one hundred percent (100%) of the area median income (AMI), and subject to HUD fair market rent limits.

2.19 “Term” means the period defined in Article III of this Agreement.

### **ARTICLE III**

#### **TERM**

3.1 The term of this Agreement (the “Term”) will begin on the Effective Date it is entered into and shall terminate when payment in full from City to Companies has been met as required below in Article IV, V of agreement or as terminated by City pursuant to Article IV, V, or VII of this agreement.

### **ARTICLE IV**

#### **COMPANIES REQUIREMENTS**

4.1 Development. If the Companies perform the following requirements, City agrees to pay the Chapter 380 Payments as stated in this Agreement:

- (A) If Companies achieve Completion of Phase I of the Project by December 2026 (evidenced by a Certificate of Occupancy), and Phase I will have up to 150 completed units allocated for workforce residences, then Companies shall receive the Chapter 380 Payments for up to 150 completed workforce residence units. Should Companies fail to achieve Completion of the Casa Blanca Village Apartments Project Phase I by December 2026, Companies shall forfeit all Chapter 380 Payments and this Agreement shall terminate.
- (B) If Companies achieve Completion of Phase II of the Project by June 2028 (evidenced by a Certificate of Occupancy), and Phase I and II will have up to 200 completed workforce residences, then, Companies shall receive the Chapter 380 Payments for up to 200 completed workforce residence units. Should Companies fail to achieve Completion of the Casa Blanca Village Apartments Project Phase II by June 2028, Companies shall only be eligible to receive incentives for up to 150 units. The 50 completed units from Phase 2 can be transferred to the building from Phase 1 at the completion of Phase 2.
- (C) Company must Commence Construction of the Project no later than 12 months after the Effective Date of this Agreement and must reach Completion of the Phase I Project no later than December 2026. Upon Completion, the Project must include all features listed in **EXHIBIT “A”**. This Section and the performance requirements of **EXHIBIT “A”** may only be amended or changed with approval of City Council, in its sole discretion, by Resolution or Ordinance.
- (D) The Companies shall pay, or cause third parties to pay, its engineering, planning, accounting, architectural, legal fees and expenses, survey, testing, laboratory costs, license fees, land clearing and grading costs, advertising and other bidding costs, amounts due under construction contracts, costs of labor and material, insurance premiums, interest, carry cost, financing fees and other costs and expenses incurred in connection with the construction of Companies’ Casa Blanca Village Apartments.
- (E) If requested by the City, the Companies must reasonably assist the City in the preparation of any documentation necessary to enable the City to prepare and obtain approval of any of the documents or actions required of the City to perform any of its obligations under this Agreement.
- (F) Upon Completion of the Project and during the term of this Agreement, the Company shall maintain the property, improvements and premises in a commercially reasonable manner, comparable to the maintenance of similar establishments.

(G) Chapter 380 Payments received are reimbursement amounts for satisfaction of City Commitment as stated in this economic development agreement.

4.2 Operational Requirement. During the Term following Completion of the Project, the Project must be continuously operated, subject to Force Majeure. If any improvements included in the Project once in operation are not Continuously Operated during any calendar year, the City will make no payments related to that improvement that is not operated. Operation of property as an apartment complex and requirements of those operations as stated in this agreement are mandatory for Chapter 380 Payments to be received.

4.3 Utilization of Local Contractors, Suppliers and Materials Purchased in Corpus Christi. Companies agree to exercise reasonable efforts in utilizing local contractors, suppliers, and materials purchased in Corpus Christi for the construction of the Project, except where not reasonably possible to do so in operating efficiency in the normal course of business.

4.4 Utilization of Disadvantaged Business Enterprises (DBE).

(A) Companies agree to exercise reasonable efforts in utilizing contractors and suppliers that are determined to be disadvantaged business enterprises, including minority business enterprises women-owned business enterprises and historically-underutilized business enterprises.

4.5 Compliance with City Standards. Companies acknowledge that, unless specifically otherwise provided in this Agreement, development of the Project must comply with all applicable City codes and ordinances. For any development requirements not covered in this Section or in the remainder of the Agreement, the applicable City code and ordinance provisions shall control.

## **ARTICLE V**

### **PROJECT FINANCING AND FUNDING**

5.1 City Commitment.

(A) Pursuant to its authority under Chapter 380, the City hereby agrees to pay the Reimbursement Amount to the Companies in accordance with this Agreement, provided that the Companies fully comply with all terms and conditions of this Agreement.

(B) The Parties agree that the Companies will be reimbursed annually over a 10-year incentive period from taxes collected for each Phase. **For Phase I, the incentive period will begin one year after a Certificate of Occupancy has been issued. For Phase II, the incentive period will begin one year after a Certificate of Occupancy has been issued.** At the completion of Phase I, the Companies will be eligible to receive an annual incentive payment for up to 150 workforce residence units. At the completion of Phase II, Companies will be eligible to receive annual incentive payments for up to 50 additional workforce residence units, totaling up to 200 workforce residence units. If the Companies do not complete Phase II, they will only be eligible to receive incentives for up to 150 units workforce residence units.

**(C) Payments: City commits to a \$25,000.00 incentive per workforce residence unit that is verified to be income qualified and subject to HUD fair market rent limits. Total incentive is an amount not to exceed \$5,000,000.00 for up to 200 total workforce residence units.**

(D) Property Tax Revenues and Tax Payment by Companies. During the Term of this Agreement, the City shall determine annually the amount of the Property Tax Revenues received by the City and attributable to the completed Project in cooperation with the Companies. Companies are required to pay all

property taxes annually and timely. **Any nonpayment or default of property tax payments by Companies constitutes a breach of this agreement, and City in its sole discretion may terminate the agreement for nonpayment of Companies' property taxes.** Companies shall provide the City an annual paid property tax bill, no later than December 31st of each year, stating Company's figures attributable to the completed Project and the corresponding amount of Property Tax Revenues.

(E) Appropriations: The terms of this agreement are contingent upon sufficient appropriations being made by the City for the performance of this Agreement. If the ad valorem taxes collected from the Casa Blanca Village Apartment properties have been reimbursed to companies and additional incentive payments are still owed, appropriations may be made and approved by City annually. This Agreement shall be automatically extended for successive one-year periods at the end of the fiscal year that the City does not appropriate the incentive as stated in this agreement. Any year the City does not appropriate for the incentive described in this agreement shall not be a default.

## **ARTICLE VI** **COVENANTS, WARRANTIES, OBLIGATIONS AND DUTIES** **OF COMPANIES**

If the Companies shall have made any false or substantially misleading statements herein or failed to timely and fully perform as required in this Agreement, such shall be an Act of Default by Companies, subject to Section 9.1 herein. Failure to comply with any one covenant or warranty shall constitute an Act of Default by Companies, subject to Section 9.1 herein. Companies, as of the Effective Date, make the following covenants and warranties to City, and agree to timely and fully perform the following obligations and duties.

6.1 **Litigation**. No litigation or governmental proceeding is pending or, to the knowledge of Companies, or its officers, threatened against or affecting Companies or the Property that may result in any material adverse change in Companies' business, properties or operation.

6.2 **Untrue Statements**. To the best of their knowledge, no certificate or statement delivered by Companies to City in connection herewith, or in connection with any transaction contemplated hereby, contains any untrue statement or fails to state any fact necessary to keep the statements contained therein from being misleading except those which have been replaced by subsequent certificates or statements heretofore given to the City in substitution.

6.3 **Bankruptcy**. There are no bankruptcy proceedings or other proceedings currently pending or contemplated, and Companies have not been informed of any potential involuntary bankruptcy proceedings.

6.4 **Licenses and Authority**. To the best of its knowledge, Companies have acquired and maintained all necessary rights, licenses, permits and authority to carry on their respective businesses in Corpus Christi, Texas, and will continue to use commercially reasonable efforts to maintain all necessary rights, licenses, permits and authority.

6.5 **Payment of Taxes**. Companies shall timely pay all taxes due and owing by them to all taxing authorities having jurisdiction. If Companies fail to pay property taxes, any nonpayment or default of property tax payments by Companies constitutes a breach of this agreement, and City in its sole discretion may terminate the agreement for nonpayment of Companies' property taxes. In addition, Companies shall timely pay all employment, income, franchise, and other taxes hereafter to become due and owing by them, respectively, to all local, state, and federal entities subject, however to their right to contest the same in a lawful manner.

6.6 Management Changes. Companies shall notify City in writing of any substantial changes in management of Companies within forty five (45) days after Company's knowledge thereof. Substantial changes mean changes in Chairman of the Board, President, or Chief Executive Officer.

6.7 Ownership Changes. Companies shall notify City in writing of any changes in ownership of any part of the Project or of Companies within forty five (45) days after Companies' knowledge thereof.

6.8 Succession of Ownership. No change of ownership or management of any part of the Project and/or a change of ownership or management of Companies shall abate, waive, terminate or in any way relieve Companies of their obligations herein.

6.9 Non-discrimination. Companies agree that, as to all of the programs and activities arising out of this Agreement, it will not discriminate against any person on the basis of race, color, national origin, sex, or by reason of being disabled.

6.10 Lessee/Owner Lists. Companies shall provide to City in writing lists of all Project tenants or other persons making sales or purchases of taxable items or real property in the Project (the "Lessee/Owner List") to identify and confirm number of workforce residence units. Companies will periodically and timely notify City of changes to the Lessee/Owner List. Companies are responsible as herein provided for supplying to City such identifying information for each workforce residence unit on the Lessee/Owner List.

## **ARTICLE VII** **SUSPENSIONS/TERMINATION**

Subject to the terms of Article V herein, City, under the following circumstances, and at its sole discretion, may temporarily suspend making Chapter 380 Payments under this Agreement and/or terminate this Agreement, without liability to Companies, and all future payment obligations shall automatically cease upon anyone of the following events:

7.1 Receiver. The appointment of a receiver for Company(s), or of all or any substantial part of its property, and the failure of such receiver to be discharged within ninety (90) days thereafter.

7.2 Bankruptcy. The adjudication of Company(s) as a bankrupt.

7.3 Bankruptcy Petition. The filing by Company(s) of a petition or an answer seeking bankruptcy, receivership, reorganization, or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

7.4 Failure to Comply with Audit or Inspection Requirements. The failure of Company(s) to reasonably cooperate with the City in the monitoring process described in Article VIII below and not cure deficiencies within the ninety (90) day Cure Period.

7.5. Failure to Pay Property Taxes as Required. The failure of Company(s) to pay property tax payments constitutes a breach of this agreement, and City in its sole discretion may terminate the agreement or suspend Chapter 380 Payment(s) due to nonpayment of Company(s) property taxes.

## **ARTICLE VIII** **INSPECTING, AUDITING AND CURE PERIOD**

8.1 Inspection for Certification of Workforce Residence Units. The City may inspect Companies' units and records to certify compliance with the number of Workforce Residence Units reported. Such inspections shall be conducted one year from the date of the certificate of occupancy, and every two (2) years thereafter. In the event a Notice of Violation is issued to Companies by City, an inspection to certify compliance with the number of Workforce Residence Units reported shall be conducted six (6) months after the Notice of Violation was issued. In the event Companies are not issued any Notice of Violations within three (3) consecutive years, then inspections shall be performed every three (3) years.

8.2 Audit by the City. The City may audit Company's records to determine their compliance with the terms of this Agreement. This audit will be done by the City or a third party chosen at City's discretion and paid for by Companies, up to \$15,000.00 cap per audit. Company(s) shall provide the City an annual report, no later than March 1 of each year, stating Company's occupancy attributable to the Project and the corresponding amount of Property Tax paid to the City by Company. The City at its discretion may also choose to accept an audit performed by Companies chosen third party.

8.3 Access to Records / Right to Audit/Inspect. Companies, during normal business hours shall allow City or third party auditor/inspector designated by City reasonable access to its records and books and all other relevant records related to each of the economic development considerations and incentives and performance requirements, as stated in this Agreement, but the confidentiality of such records and information shall be maintained by City and third party auditor/inspector unless disclosure of such records and information shall be required by a court order, a lawfully issued subpoena, or at the direction of the Office of the Texas Attorney General.

8.4 Cure Period. When an inspection or audit by City or designated third party reveals Companies failed to properly certify the number of Workforce Residence Units, City shall issue a Notice of Violation to Companies. At a minimum, each Notice of Violation must advise the Company owner(s) of the violations and provide a ninety (90) day period ("Cure Period") to correct the deficiencies. If Companies cure the deficiencies and certify the correct number of Workforce Residence Units, the City may withdraw the Notice of Violation. If Companies fail to cure the deficiencies during the ninety (90) day Cure Period, City may terminate or suspend as stated in Article VII above.

## **ARTICLE IX**

### **DEFAULT**

9.1 Default. Subject to Force Majeure and any consent given under Section 9.2, should Companies fail to timely, fully and completely keep or perform any one or more of the covenants or warranties made by Companies in this Agreement, such failure to perform shall be an Act of Default by Companies and, if not cured and corrected within ninety (90) days after written notice to do so or by express waiver by the Corpus Christi City Council, City may terminate this Agreement and cease making any further Chapter 380 Payments. Companies shall be liable to City for any actual damages sustained by the City as a result of said Act of Default by Companies under this Agreement, subject to the provisions of Section 11.13.

9.2 Consent and Excuse. In the event of unforeseeable third party delays which are not Force Majeure and upon a reasonable showing by Companies that it has immediately and in good faith commenced and is diligently and continuously pursuing the correction, removal or abatement of such delays by using commercially reasonable efforts, the Corpus Christi City Council may consent to and excuse any such delays.

9.3 City Delay. Any delay for any amount of time by City in providing notice of Default to Companies hereunder, shall in no event be deemed or constitute a waiver of such Default by City of any of its rights and remedies available in law or in equity.

9.4 City Waiver. Any waiver granted by City to Companies of an Act of Default shall not be deemed or constitute a waiver of any other existing or future Act of Default by Companies or of a subsequent Act of Default of the same act or event by Companies.

## **ARTICLE X**

### **CITY'S LIABILITY LIMITATIONS**

10.1 Should City fail to timely, fully and completely comply with any one or more of the requirements, obligations, duties, terms, conditions or warranties of this Agreement, such failure shall be an Act of Default by City and City shall have ninety (90) days to cure and remove the Default after receipt of written notice to do so from Companies. Companies specifically agree that City shall only be liable to Companies for the actual amount of the money grants to be conveyed to Companies, and shall not be liable to Companies for any actual or consequential damages, direct or indirect, or interest for any act of default by City under the terms of this Agreement.

## **ARTICLE XI**

### **MISCELLANEOUS PROVISIONS**

11.1 Attorneys' Fees. If any legal action or proceeding is commenced between City and Companies based on this Agreement, the prevailing party in the legal action will be entitled to recover its reasonable attorneys' fees and expenses incurred by reason of such action, to the extent allowed by law.

11.2 Binding Effect. This Agreement will be binding on and inure to the benefit of the parties and their respective successors and assigns.

11.3 Assignment. Except as provided below, Companies may not assign all or part of its rights and obligations under this Agreement to a third party without prior written approval of the City Manager, or designee. If the City Manager does not approve, the Companies may take the assignment to the City Council for approval. The City Council or City Manager must approve the assignment within 30 days.

11.4 Termination. If Companies elect not to proceed with the development of the Project as contemplated by this Agreement, Companies will notify City in writing, and this Agreement and the obligations of both parties will be deemed terminated and of no further force or effect as of the date of such notice. .

11.5 Notice. Any notice or other communication ("Notice") given under this Agreement must be in writing, and may be given: (i) by depositing the Notice in the United States Mail, postage paid, certified, and addressed to the party to be notified with return receipt requested; (ii) by personal delivery of the Notice to the party, or an agent of the party; or (iii) by confirmed facsimile, provided that a copy of the Notice is also given in one of the manners specified in (i) or (ii). Notice deposited in the mail in the manner specified will be effective two (2) days after deposit. Notice given in any other manner will be effective only if and when received by the party to be notified. For the purposes of Notice, the addresses of the parties will, until changed as provided below, be as follows:

Corpus Christi Capital Group LLC  
Al Rajabi, Principal and CEO  
128 Westcourt Lane

San Antonio, TX 78257

Corpus Christi Party Hotel LLC  
Al Rajabi, Principal and CEO  
128 Westcourt Lane  
San Antonio, TX 78257

City: City of Corpus Christi  
Attn.: City Manager  
P.O. Box 9277  
Corpus Christi, Texas 78469-9277  
Ph: (361) 826-3220  
Facsimile: (361) 826-3839

with a copy to:  
City Attorney  
P.O. Box 9277  
Corpus Christi, Texas 78469-9277

Any party may designate a different address at any time by giving Notice to the other party.

11.6 Interpretation. Each of the parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. In the event of any dispute regarding the interpretation of this Agreement, this Agreement will be interpreted fairly and reasonably and neither more strongly for nor against any party based on draftsmanship.

11.7 Relationship of the Parties. This Agreement will not be construed as establishing a partnership or joint venture, joint enterprise, express or implied agency, or employer-employee relationship between the parties. Neither City, nor its past, present or future officers, elected officials, employees or agents, assume any responsibility or liability to any third party in connection with the development of the Project or the design, construction or operation of any portion of the Project.

11.8 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected and it is also the intention of the parties that, in lieu of each provision that is found to be illegal, invalid or unenforceable, a provision be added to this Agreement which is legal, valid or enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

11.9 Paragraph Headings, Etc. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the paragraphs.

11.10 No Third Party Beneficiaries. This Agreement is not intended to confer any rights, privileges or causes of action upon any third party.

11.11 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument. A facsimile signature will be deemed to be an original signature for all purposes.

11.12 Damages not included. Damages awarded in an adjudication brought against City or Companies arising under the Agreement, including any amendments thereto, may not include: (i) consequential damages; (ii) exemplary damages; or (iii) damages for unabsorbed home office overhead.

11.13 Statutory Verifications. The Companies, each individually, make the following representations and verifications to enable the City to comply with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Chapter 380 Agreement. Liability for breach of any such verification prior to the expiration or earlier termination of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement.

11.14 Disclosure of Interested Parties. Pursuant to Section 2252.908(c)(4), Texas Government Code, as amended, Companies certify they are not required to file a Certificate of Interested Parties Form 1295 related to this Chapter 380 Agreement. Submitted herewith is a completed Form 1295 in connection with the Companies’ participation in the execution of this Chapter 380 Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The Companies hereby confirm receipt of the Form 1295, and the Companies agree to acknowledge such form with the TEC through its electronic filing application not later than the thirtieth (30th) day after the receipt of such form.

11.15 Not a Sanctioned Company. The Companies, each individually, represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Companies and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

11.16 No Discrimination Against Firearm Entities. The Companies, each individually, hereby verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Chapter 380 Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

11.17 No Boycott of Energy Companies. The Companies, each individually, hereby verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Chapter 380 Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

## **ARTICLE XII** **GENERAL TERMS**

12.1 Entire Agreement. This Agreement and accompanying exhibits embodies the complete Agreement of the parties hereto, superseding all oral or written, previous and contemporary, agreements between the parties relating to matters in this agreement; and, except as otherwise provided herein, this Agreement cannot be modified or amended without a written agreement of the parties.

12.2 Sovereign Immunity. The Companies and City agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the City's sovereign or governmental immunities regarding liability or suit.

12.3 Law. This Agreement is subject to all legal requirements in City Charter and Code of Ordinances of City of Corpus Christi, Texas and all other applicable County, State and Federal laws, and Companies agree that it will promptly comply with all such applicable laws, regulations, orders and rules of the State, City and other applicable governmental agencies. This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas without regard, however, to the conflicts of laws provisions of Texas law.

12.4 Venue. Venue for any legal action related to this Agreement is in Nueces County, Texas.

12.5 Confidential. City, its officers and employees, and its agents or contractors retained to perform economic development services for City, shall treat as confidential the financial statements and information together with any proprietary information delivered by Companies or its representatives to City and its representatives and shall not release such information to the public, unless required by law or court order. City shall immediately notify Company of requests or court orders to release such information.

EXECUTED to be effective as of this 1st day of August, 2024.

**Corpus Christi Capital Group LLC, a Texas limited liability company**

Signed on this 2nd day of August, 2024.

By:  \_\_\_\_\_  
5396A93B889E48F...  
Ali Rajabi, Manager and CEO  
By: \_\_\_\_\_  
NAME, TITLE

**Corpus Christi Party Hotel LLC, a Texas limited liability company**

Signed on this 2nd day of August, 2024.

By:  \_\_\_\_\_  
5396A93B889E48F...  
Ali Rajabi, Manager and CEO  
By: \_\_\_\_\_  
NAME, TITLE

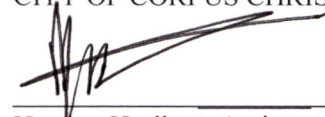
**CITY OF CORPUS CHRISTI, TEXAS, a home-rule municipal corporation**

Signed on this 14<sup>th</sup> day of August, 2024.

ATTEST:


  
Rebecca Huerta, City Secretary

CITY OF CORPUS CHRISTI:

  
Heather Hurlbert, Assistant City Manager

**APPROVED AS TO LEGAL FORM:**

Res. 033387 AUTHORIZED  
BY COUNCIL 6-18-24  
RH/B  
SECRETARY

  
Jacqueline Bazan  
Assistant City Attorney  
For City of Corpus Christi

### Exhibit A – Project Description

Corpus Christi Capital Group, LLC and Corpus Christi Party Hotel, LLC will make a total capital investment project in Corpus Christi for the development of the Casa Blanca Village Apartments. The project will redevelop two former hotel sites into an estimated 400-unit multi-family complex. Up to 200 apartment units will be focused on workforce residences. These units will be income qualified and subject to HUD fair market rent limits. Total incentive is an amount of up to \$5,000,000 over a 10-year period based on \$25,000 incentive per workforce residence. When Companies achieve completion of the proposed multi-family complex and other conditions precedent have been met pursuant to this agreement, Companies shall receive the Chapter 380 Payments for the lesser of up to 200 workforce residence units or fifty percent (50%) of total apartment units.

This project is intended to create housing for the region’s workforce population and is strategically located within a 10-minute drive of 40% of the region’s workforce. HUD defines workforce as an individual or a family whose income is between 80 – 120% of AMI. This project will restrict the income limit to 120% AMI or below and will set rents for the workforce units based on HUD’s annual fair market rents. An example of 80% AMI to 100% AMI using 2024 AMI and HUD’s 2024 fair market rent limits are below:

<b>Family Size</b>	<b>Corpus Christi 80% AMI (2024)</b>	<b>Corpus Christi 100% AMI (2024)</b>
1 Person	\$44,240	\$55,300
2 Person	\$50,560	\$63,200
3 Person	\$56,880	\$71,100
4 Person	\$62,440	\$78,000

<b>Housing Unit</b>	<b>HUD Fair Market Rent Limit (2024)</b>
Studio	\$1,030
One-Bedroom	\$1,104

**Exhibit B – Property Description**

**“PHASE 1”:**

Owner: Corpus Christi Capital Group LLC

Address: 6255 IH-37, Corpus Christi, TX 78408

Property ID: 246397

Legal Description: INTERSTATE IND COMPLEX LT2 BK 5

**“PHASE 2”:**

Owner: Corpus Christi Party Hotel LLC

Address: 910 Corn Products Rd, Corpus Christi, TX 78409

Property ID: 246400

Legal Description: INTERSTATE INDUSTRIAL COMPLEX BLK 5 LOT 4