CAUSE NO. 2025DCV-4399-D

NUECES COUNTY, TEXAS, *Plaintiff* V. CORPUS CHRISTI HOUSING AUTHORITY, *Defendant and Cross-Claim Defendant* AND 2921 AIRLINE PE, LLC, ET AL. *Intervenor Defendants and Cross-Claim Plaintiffs* AND CATHY MEHNE, GREG SMITH, RICHARD A. BALLI, SR., JOE MCCOMB, AND JUDITH GONZALEZ-RODRIGUEZ, SOLELY IN THEIR OFFICIAL CAPACITY AS MEMBERS OF THE CORPUS CHRISTI HOUSING AUTHORITY BOARD OF COMMISSIONERS, *Cross-Claim Defendants*	§ §	IN THE DISTRICT COURT 105TH JUDICIAL DISTRICT NUECES COUNTY, TEXAS

INTERVENORS' BRIEF IN SUPPORT OF THEIR APPLICATION FOR TEMPORARY RESTRAINING ORDER

I. INTRODUCTION

Intervenors seek a temporary restraining order to stop Cross-Claim Defendants Corpus Christi Housing Authority (the "Housing Authority") and the members of its Board of Commissioners—Cathy Mehne, Greg Smith, Richard A. Balli, Sr., Joe McComb, and Judith

Gonzalez-Rodriguez (collectively, the "Board Members")—from taking any action to implement a January 6, 2026 resolution that purports to void over fifty agreements related to the affordable housing projects at thirteen apartment complexes in Corpus Christi. These agreements include memoranda of understanding (MOUs), warranty deeds, ground leases, operating agreements, and regulatory agreements for each of the thirteen properties. Through these agreements, Intervenors and the Housing Authority contractually committed to work together to deliver long-term affordable housing at these properties.

These agreements contemplate that the participating apartment complexes would receive a property-tax exemption, making it possible for Intervenors to reserve units at controlled, affordable rents for qualifying families.[1] In reliance on the Housing Authority's contractual commitments, Intervenors executed MOUs and implemented them by (a) conveying land to the Housing Authority; (b) forming companies to own and operate the affordable housing project with a Housing Authority-owned managing member; (c) leasing improvements on the land to said companies under ground leases with 99-year terms; and (d) executing regulatory agreements that imposed binding affordability restrictions on each apartment complex's units.

The Housing Authority and its Board Members now seek to unilaterally terminate these agreements, in effect evaporating Intervenors' substantial investment of time and money to comply with those agreements. On January 6, 2026, the Housing Authority and its Board of Commissioners passed a resolution that declared these agreements void and authorized steps in furtherance of said declaration including, significantly, (1) returning the land deeded to the Housing Authority; and (2) withdrawing the Housing Authority-owned member from any companies formed to lease the land. Notably, the Housing Authority's actual ownership of the land

[1] In the event the exemptions were in any way disputed, the parties' agreements contemplated that the Housing Authority, in good faith, would take all necessary steps to defend or seek reinstatement of the tax exemption.

and its equitable ownership of the improvements on the land through its membership in the lessee company are the prerequisites to any tax exemption applicable to the property.

Here, the Housing Authority's departure from the above-mentioned agreements will invariably lead to the loss of the properties' tax exempt status. However, the harms to Intervenors do not end there. As explained below, if the Housing Authority follows through on its resolution, it will trigger a circuit-breaker effect of irreparable harm to the Intervenors, including potential default and foreclosures under financing agreements, damage to credit and loss of goodwill; reputational damage; and serious business disruption. Because monetary damages cannot fully compensate Intervenors for these cascading series of irreparable harms, Intervenors ask this Court to enjoin the Housing Authority and the Board Members from taking any action to implement the January 6 resolution and to preserve the status quo.

II. BACKGROUND

Starting in March 2024, the Housing Authority began reaching out to various apartment complex owners with its proposal to partner with the Housing Authority to develop affordable housing projects. Intervenors agreed to participate with respect to thirteen apartment complexes.

Between June 2024 and March 2025, the Housing Authority noticed the MOUs related to each of the thirteen apartment complexes for consideration at the Board of Commissioners' meetings. The Board of Commissioners considered these MOUs and approved resolutions authorizing the Housing Authority to enter into MOUs and execute any documents necessary to implement their terms.

Following the Board's authorization, the Housing Authority and Intervenors executed MOUs and related agreements implementing the MOU terms for each participating property: a company or operating agreement, special warranty deed, ground lease, and regulatory agreement. In total, more than fifty agreements are at issue.

A few months ago, these agreements became politically controversial because other government entities did not like that the effect was to remove several apartment complexes from property tax rolls. The property tax exemption arises from the Housing Authority's ownership of the real property for each apartment complex, its equitable ownership rights to the properties' improvements by merit of its membership role in the lessee entity, and the "conversion" of the previously market-rate apartments into affordable housing. These sorts of agreements are common in Texas because they facilitate the State's goal of providing affordable housing. In order to meet State requirements, 50% of units in each apartment complex have been reserved for working residents who make less than 80% of the Area Median Income, with rents controlled to be no more than 30 to 35% of the residents' income. Notably, the properties at issue go beyond the typical affordability requirements, with 10% of each apartment complexes' units being reserved for individuals at 60%—and for at least one apartment complex, 50%—of the Area Median Income.

In order to try to defeat the tax abatement, in October 2025, Nueces County filed this lawsuit against the Housing Authority, resorting to an allegation that the Housing Authority violated the Texas Open Meetings Act (TOMA), which provides that actions in violation of that statute are "voidable." Tex. Gov't Code § 551.141. .

Intervenors joined this lawsuit to defend the adequacy of the notice and protect their rights under the agreements with the Housing Authority. In December, Intervenors filed a traditional motion for partial summary judgment which clearly demonstrates that the Housing Authority's notices were legally adequate, and that this is a pure question of law. That motion for summary judgment is set for hearing on February 19, 2026.

The Housing Authority initially filed a general denial to the County's TOMA lawsuit. But the Housing Authority itself became caught up in the political currents, with the mayor replacing

three of the five commissioners on the Housing Authority's board. On January 6, 2026, the Housing Authority held a special board meeting to consider "action to void any or all" of the agreements. At that meeting, the Board of Commissioners passed a resolution purporting to void the agreements under TOMA.

TOMA is not a "get out of jail free" card for government entities to use to break their contractual commitments. To emphasize the absurdity of the situation, the resolution claiming that the Housing Authority violated TOMA apparently was approved by the same counsel who would have approved the original meeting notices that the Housing Authority is now saying were inadequate. The board chair, who voted for the January 6 resolution, said that she was "investigating" the TOMA violations, which purportedly occurred when she was on the board and voted to approve the workforce housing agreements in the first place.

The Housing Authority's actions are literally unprecedented and insupportable under Texas law. Intervenors will file supplemental briefing in advance of the February 19 hearing to further demonstrate that the Housing Authority's notices, approved by their counsel and all of their board members, were adequate, despite the Housing Authority's recent change of heart.

Here, Intervenors are caught in the cross-fire of a skirmish between local governments. There has never once been a suggestion, by the Housing Authority or anyone else, that Intervenors did not contractually do what they were supposed to do. Intervenors deeded their land to the Housing Authority. Intervenors reserved half of their apartment units for reduced-rate rents. Intervenors paid millions of dollars to CCHA and its lawyers. Intervenors took out huge loans that were larger than they otherwise would have been because the structure of their ownership (now a leasehold) and the ownership of the real property (now belonging to the Housing Authority) is intended to generate a tax exemption. Lenders sized the loans on that expectation and

corresponding reduction in rent revenue for each complex over the 99-year lease terms. And now, the Housing Authority seeks to leave Intervenors in the lurch because, it says, the Housing Authority itself failed to comply with its own legal obligations.

The Housing Authority is breaching its contractual obligations, and the contracts do not permit the Housing Authority to unilaterally "void" the agreements. On January 7, Intervenors filed cross-claims against the Housing Authority and the Board Members solely in their official capacity. Intervenors seek injunctive relief, including a temporary restraining order to prevent irreparable harm that will result if Housing Authority and its Board Members proceed as set out in the Resolution.

III. ARGUMENT & AUTHORITY

A. Monetary damages cannot remedy harms that are difficult to quantify.

"An injury is irreparable if it cannot be adequately remedied at law." *Intercontinental Terminals Co., LLC v. Vopak N. Am., Inv.*, 354 S.W.3d 887, 895 (Tex. App.—Houston [1st Dist.] 2011, no pet.). A legal remedy is only adequate if it "is complete, practical, and efficient to the prompt administration of justice as is equitable relief." *Id.* But if "damages are difficult to calculate or their award may come too late," a legal remedy is inadequate *Miller Paper Co. v. Roberts Paper Co.*, 901 S.W.2d 593, 602 (Tex. App.—Amarillo 1995, no writ).

B. Intervenors face default, foreclosure, reputational injury, loss of goodwill, and business disruption.

The Housing Authority's January 6 resolution purporting to void the MOUs and implementing agreements threatens an immediate loss of the leasehold and property tax exemptions that are essential to the affordable housing project's financing structure and day-to-day operations. Those losses would trigger lender defaults, risk foreclosure, damage credit and

borrowing capacity, and disrupt the operations and tenancies. These harms are difficult to calculate and cannot be monetarily compensated.

To create the affordable housing projects, Intervenors had to refinance their properties to address title changes and pay upfront fees to the Housing Authority. Under the loan agreements, the absence of a valid leasehold and tax exemptions may trigger default. The Housing Authority's intended actions would likely allow lenders to call the loans and exercise remedies, including foreclosure.

These defaults and foreclosure would also trigger a cascade of additional injuries. Intervenors would be subject to severe credit impairment, loss of goodwill, and an inability to borrow money and finance other projects. Because any default attributed to the Intervenor would be amplified down to the line to their creditors (and, further, to the creditors of their creditors), ruination of the Intervenors' reputations as real estate developers, owners, and operators and the deterioration of their relationships with financing institutions is likely to occur.

The Housing Authority's actions also affect real people: the tenants who occupy the affordable units presently. Without valid agreements and a property tax exemption, the properties lack a valid governing structure and cannot be economically operated with controlled rents. As a result, tenants face rent increases and likely loss of their homes. This creates significant turnover in the tenant base and imposes significant time and money to refill the units, requiring Intervenors to operate at a significant loss until the tax exemption is recognized. These are all ongoing harms that are not readily measurable.

The ripple effect of any nullification of the agreements at issue will have catastrophic effects on the Intervenors' businesses and their standing in the real estate investment community. More importantly, the Housing Authority's actions effectively shutter over 1500 units that would

otherwise serve economically vulnerable residents who presently rely on the lowered rents afforded by the affected complexes. These effects are described in more detail by the attached declarations of business people who have chosen to invest in Corpus Christi but are now, through no fault of their own, being seriously harmed by local political cross-currents. The Court will have an opportunity at its February 19 hearing to decide whether the Housing Authority violated TOMA; until then, the Housing Authority should not be allowed to injure Intervenors based on its newfound, baseless claim that the Housing Authority itself violated the law.

C. Case law confirms the injuries Intervenors will suffer are irreparable

Texas courts recognize that business disruption, a loss of reputation or loss of goodwill, are irreparable harms. Texas courts have consistently found that these injuries, like Intervenors' injuries, are difficult to calculate. *See e.g.*, *Frequent Flyer Depot, Inc. v. Am. Airlines Inc.*, 281 S.W.3d 215, 228 (Tex. App.—Fort Worth 2009, pet. ref'd) ("Disruption to a business can be irreparable harm. Moreover, assigning a dollar amount to such intangibles as a company's loss of clientele, goodwill, marketing techniques, and office stability, among others, is not easy."); *IAC, Ltd. v. Bell Helicopter Textron, Inc.*, 160 S.w.3D 191, 200 (Tex. App. Fort Worth—2005, no pet) ("Loss of business goodwill or loss that is not easily calculated in pecuniary terms is sufficient to show irreparable injury for purposes of obtaining a temporary injunction."); *RenewData Corp v. Strickler*, 2006 WL504998, at *16 (Tex. App. — Austin Mar. 3, 2006, no pet) ("Because it is difficult to assign a dollar value to loss of customer goodwill and clientele, it constitutes an irreparable injury").

The case law shows that when threatened actions disrupt business, money damages are not an adequate remedy. In those circumstances, courts preserve the status quo to prevent irreparable harm:

- *Lavigne v. Holder, 186 S.W.3d 625* (Tex. App. —Fort Worth 2006, no pet.) (ordering entry of a temporary injunction against foreclosure where the foreclosure would "disrupt" the owner's on-site business from which he "earn[ed] his livelihood");

- *Texas Industrial Gas v. Phoenix Metallurgical Corporation*, 828 S.W.3d 529 (Tex. App. — Houston [1st Dist.] 1992, no writ) (reversing the denial of a temporary injunction where the evidence showed irreparable injury in part because 20% of the business depended on the contract performance, nonpayment risked repossession, and repossession would harm the business's "impeccable 20-year credit it had established with its suppliers");

- *Irving Bank & Trust Co. v. Second Land Corp.*, 554 S.W.2D 684 (Tex. App.—Dallas 1976, writ ref'd n.r.e.) (affirming a temporary injunction against foreclosure that would cause business interruption to a "sand and gravel mining business on the land").

The case law also confirms that the cascading fallout from financing instability, like credit impairment, business interruption, and loss of goodwill, creates irreparable injuries—the same injuries now confronting Intervenors. Three decisions underscore this point.

First, in *Guardian Savings & Loan Association v. Williams*, 731 S.W.2d 107 (Tex. App. – Houston [1st Dist.] 1987, no writ), the court affirmed a temporary injunction prohibiting a loan association from foreclosing on two tracts of land, holding that the developer established irreparable injury. There, the developer testified that "the foreclosure would ruin his reputation, prevent him from borrowing money at any other financial institution in the United States, and would significantly impair his business as a developer." *Id.* at 108. The court concluded that the foreclosure would not only disrupt the development at issue but also jeopardize future developments – seriously undermining the developer's business:

> If the land was sold at a foreclosure sale, Williams would not only lose his equity in the land, but his development business would be interrupted. He would lose other developments because of the damage to his reputation in the industry and because of his inability to borrow funds.

Id. Accordingly, the court held that the developers' injuries were "not monetarily compensable." *Id.* at 109.

Second, in *Liberty Mutual Insurance Company*, the court affirmed a temporary injunction enjoining an insurer from withdrawing its defense of its insured, a company in a pending litigation. 812 S.W.2d 663 (Tex. App.—Houston [14th Dist.] 1991, no writ). There, the company, "a capital intensive business" that "borrow[ed] large sums of money," showed that a loss of the insurer's defense could result in an uninsured loss that would "damage [its] relationship with financial institutional[s];" that lenders could "withdraw their support and call in loans," and that "comparable financing" might be unavailable. *Id.* at 666. The court concluded that these harms, together with the ensuing "business disruptions" are the "very type of harm for which a temporary injunction can issue." *Id.* The court also recognized that the company lacked an adequate remedy at law because any monetary damages would be constrained by the policy limits.

Third, in *Texas Telephone Association*, the court affirmed a permanent injunction requiring the utility commissioners to comply with obligations to fund a statutory telecommunications program. 653 S.W.3d 227 (Tex. App. – Austin 2022, no pet.). There, rural telecom service providers showed that the loss in funding "threaten[ed] the provider's solvency" and the "continued reliability" of their services. Id. 259. Without adequate funding, the providers "would struggle to meet service obligations," and as a result "damage the goodwill the providers have built up over decades." The court concluded that these harms, the "business disruptions, loss of good will, and loss of customers," constituted irreparable injuries. *Id.* at 261.

The same harms are present here. Because Intervenors' financing agreements depend on a valid leasehold and contemplate a property tax exemption, terminating the agreements would likely trigger defaults; allow lenders to accelerate and call the loans, and prompt foreclosure remedies. These events would be devastating, impairing credit, ruining Intervenors' reputation as property owners and developers, damaging Intervenors' goodwill with lending institutions,

threatening Intervenors' solvency, creating personal-guaranty exposure for principals, and preventing Intervenors from securing financing in other projects—injuries that are all irreparable. These harms disrupt Intervenors' operation of the affordable housing projects and jeopardize Intervenors' other ongoing and future projects. Those are not compensable injuries.

Taken together, these cases confirm that the harms Intervenors will suffer are not compensable by monetary damages. There is no adequate remedy at law where, as here, a public counterpart effectively vetoes its own action after the fact. There is no "appeal right" to the Housing Authority's resolution, and therefore the harms outlined above are imminent, a clear and present danger which will worsen with each passing day where the Housing Authority is allowed to continue its brazen defiance of otherwise binding contractual commitments to its Intervenor counterparts.

IV. CONCLUSION

The Housing Authority's January 6 resolution, if implemented, will irreparably harm Intervenors by destabilizing financing, triggering defaults and foreclosure risk, damaging reputation and goodwill, impairing credit and borrowing capacity, and disrupting Intervenors' business. These are all harms that are difficult to quantify and cannot be remedied by monetary damages. A temporary restraining order is required to maintain the status quo.

Dated: January 7, 2026

Respectfully submitted,

/s/ Johnny W. Carter

JOHNNY W. CARTER
State Bar No. 00796312
jcarter@susmangodfrey.com
MICHAEL BRIGHTMAN
State Bar No. 24106660
mbrightman@susmangodfrey.com
ALEXXA G. LEON
State Bar No. 24132813
aleon@susmangodfrey.com
SUSMAN GODFREY LLP

1000 Louisiana, Suite 5100
Houston, TX 77002-5096
Telephone: (713) 651-9366

/s/ Jorge C. Rangel
JORGE C. RANGEL
State Bar No. 16543500
jorge.c.rangel@rangellaw.com
THE RANGEL LAW FIRM, P.C.
555 N. Carancahua, Ste. 1500
Corpus Christi, Texas 78401
Telephone: (361) 883-8500

/s/ Daniel J. Lecavalier
Blake W. Stribling
Texas Bar No. 24070691
Daniel J. Lecavalier
Texas Bar No. 24129028
CHASNOFF | STRIBLING, LLP
1020 N.E. Loop 410, Suite 150
San Antonio, Texas 78209
Telephone: 210-469-4155
Email: bstribling@chasnoffstribling.com
Email: dlecavalier@chasnoffstribling.com

Attorneys for Intervenor Defendants and Cross-Claim Plaintiffs

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing has been served in compliance with the Texas Rules of Civil Procedure on this 7th day of January, 2026, to the following counsel of record:

GUNNAR P. SEAQUIST
gseaquist@bickerstaff.com
JOSHUA D. KATZ
jkatz@bickerstaff.com
SARA LABASHOSKY
slabashosky@bickerstaff.com
BICKERSTAFF HEATH DELGADO ACOSTA, LLP
Two Barton Skyway
1601 S. MoPac Expy., Suite C400
Austin, Texas 78746

WILLIAM S. HELFAND
bill.helfand@lewisbrisbois.com
ADARSH ANNAMANENI
adarsh.annamaneni@lewisbrisbois.com
LEWIS BRISBOIS BISGAARD & SMITH LLP
24 Greenway Plaza, Suite 1400
Houston, Texas 77046

JEFFREY J. LEHRMAN
E-mail: jlehrman@albmlaw.com
ANDREW W. SCHUSTER
Email: aschuster@albmlaw.com
NATHANIEL J. CLARK

Email: nclark@albmlaw.com
Counsel for Plaintiff Nueces County, Texas ANDERSON, LEHRMAN, BARRE &
MARAIST, L.L.P.
Gaslight Square
1001 Third Street, Suite1
Corpus Christi, Texas 78404

Counsel for Defendant Corpus Christi Housing Authority

/s/ Johnny W. Carter
Johnny W. Carter

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NUECES COUNTY, TEXAS, *Plaintiff* V. CORPUS CHRISTI HOUSING AUTHORITY, *Defendant* AND 2921 AIRLINE PE, LLC, ET AL. *Intervenor Defendants*.	§ § § § § § § § § § § § § § §	IN THE DISTRICT COURT 105TH JUDICIAL DISTRICT NUECES COUNTY, TEXAS

DECLARATION OF CRAIG BOONE IN SUPPORT OF INTERVENORS' REQUEST FOR TEMPORARY RESTRAINING ORDER

1. My name is Craig Boone. I am over the age of 21, and I am competent in all respects to make this declaration. The information contained in this declaration is true and correct and based my personal knowledge.

2. I grew up in El Paso, Texas and attended the University of Texas at Austin where I studied economics, graduating in 2009. From July 2009 until August 2018, I worked at Hunt Companies as an Asset Manager, providing financial management and operational oversight of privatized military housing and conventional single and multi-family properties. Between August 2018 and July 2021, I worked as an Assistant Vice President at Lument, overseeing a national portfolio of mortgage loans and similar investments in commercial income-producing properties. Since July of 2021, I have served an Asset Manager at Brixton Capital where I oversee multifamily properties across the state of TX, CO, AZ, CA and WA.

3. In 2018, Brixton Capital bought the Sawgrass Apartments in Corpus Christi.

4. In 2024, Brixton Capital was approached by a representative of the Corpus Christi Housing Authority (the "Housing Authority" or "CCHA") who informed the company that the Housing Authority was implementing a Workforce Housing Opportunity Program (the "W.H.O. Program" or "Program") for the purpose of expanding access to affordable housing in Corpus Christi. Under the Program, the Housing Authority would commit to offering reduced rents for a 99-year term and would receive a property tax abatement.

5. Brixton Capital agreed to participate in the W.H.O. Program because the Program would allow Brixton Capital to continue to improve and maintain a quality property in the service of affordable housing.

6. The W.H.O Program presented by CCHA required that the land under the Sawgrass Apartments be deeded to CCHA. CCHA's ownership of the land is critical to the availability of a property tax exemption for the properties included in the W.H.O. Program, of which there are presently thirteen in total (the "Properties"). The property tax exemption is necessary to make it economically viable to reserve apartment units for controlled rents. Specifically, rent is controlled by a regulatory agreement under which fifty percent of the units at the Sawgrass Apartments are reserved for individuals earning 80% or less than the Area Median Income. Of those reserved units, twenty percent are reserved for tenants earning 60% or less than the Area Median Income. The rent for all reserved units is capped at 30% of the household's income.

7. The CCHA's workforce housing program required setting up a company to be the tenant to lease the land back from CCHA. I worked with CCHA to set up Brixton Sawgrass Owner, L.P. as the tenant company (the "Tenant").

8. Brixton Sawgrass Owner, L.P. is owned, in part, by two of Brixton Capital's companies – Brixton Sawgrass Investor, LLC, a Delaware limited liability company (the "Investor

Limited Partner") and Brixton Sawgrass Special Limited Partner, LP, a Delaware limited partnership (the "Special Limited Partner"). Each of these companies (collectively referred to as the "Brixton Capital Companies") is a party to this lawsuit.

9. There is also General Partner of the Tenant, Sawgrass-CCHA, LLC, a Texas limited liability company. The General Partner is itself wholly owned by CCHA. The Partnership Agreement for the Tenant states expressly that "[t]he General Partners acknowledges and agrees that the Investor Limited Partner and its respective principals, successors and assigns will have extensive liabilities and exposure in connection with the financing of the Partnership and the Project ('the Investor Obligations') [and] so long as any Investor Obligations are outstanding, the General Partner shall and does hereby delegate its rights, powers, and responsibilities . . . to the Special Limited Partner."[1] The Investor Obligations are still outstanding.

10. A Memorandum of Understanding between CCHA and Brixton Sawgrass Owner, L.P. (the "MOU") sets out the structure of the workforce housing agreements for the Sawgrass Apartments. The MOU expressly states that it "is a contract and not merely an 'agreement to agree.'"[2] The MOU does not state that it can be unilaterally voided or terminated by CCHA, and the Brixton Capital Companies do not consent to the voiding or termination of the MOU.

11. The MOU was implemented by a warranty deed conveying the land to CCHA, a ground lease in which CCHA leases the land to the tenant company, a partnership agreement setting out the rights and obligations of the Brixton Capital Companies and the CCHA-affiliated General Partner, and a regulatory agreement requiring that at least (a) 40% of apartments be reserved for residents earning less than 80% of the Area Median Income at a monthly rent of no

[1] Sawgrass Apartments Partnership Agreement § 3.1(g).
[2] Sawgrass Apartments MOU § L(1).

more than 30% of the residents' income; and (b) 10% of apartments be reserved for residents earning less than six 60% at a monthly rent of no more than 30% of the residents' income.

12. The ground lease states that the Investor Limited Partner and the Permitted Leasehold Mortgagee "shall be deemed […] third-party beneficiar[ies] of the provisions of this Lease that reference the Investor Limited Partner and/or Permitted Leasehold Mortgagees."[3] The ground lease contains dozens of references to the Permitted Leasehold Mortgagees or the Brixton Capital Companies.

13. The ground leases contain provisions that would prohibit CCHA from unilaterally voiding or terminating the lease, or from conveying the land back to its original owners or others without the consent of my companies.[4] Brixton Capital does not consent to termination of the ground lease or conveyance of the land by CCHA.

14. CCHA, the sole owner of the General Partner, executed the Partnership Agreement.[5] The Partnership Agreement requires that "[t]he General Partner will at all times act in good faith to preserve, maintain, and/or reinstate the Real Estate Tax Exemption."[6]

15. The Partnership Agreement does not give CCHA or its wholly owned General Partner the unilateral right to terminate or void the agreements without the consent of my companies. In fact, the Partnership Agreement contains provisions which are wholly inconsistent with unilateral termination by CCHA.[7] Brixton Capital does not consent to any such termination.

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[3] Sawgrass Apartments Ground Lease § 20.14.

[4] *See id.* §§ 9.1.10 ("Landlord hereby covenants and agrees that its interest in this Lease is and shall be subject to, subordinate and inferior to any and all loans (interim, permanent, "cash flow", "soft" or refinancings thereof) obtained by the Tenant for the purpose of financing the acquisition, construction and/or operation of the Improvements and/or the acquisition, development and/or operation of the Project, and to the lien of any Mortgages evidencing such loans."), 14.1, 14.2, 20.3 ("This Lease may be amended, modified, restated, cancelled, or supplemented by and only by an instrument executed and delivered by each party hereto, and only with the prior written consent of any Permitted Leasehold Mortgagee and the Investor Limited Partner.").

[5] Sawgrass Apartments Partnership Agreement, p. 49.

[6] *Id.* § 9.2(b) (emphasis added).

[7] *Id.* §§ 10.1, 11.10.

16. CCHA has never informed me of any contractual basis for voiding its contracts. With no prior notice of its intent, CCHA, on or around December 23, 2025, issued an Agenda for a Special Meeting of its Board of Directors on January 6, 2025 for "discussion and possible action to void any and all of the following agreements the Corpus Christi Housing Authority entered into to purchase and lease the following housing developments," including the Sawgrass Apartments. CCHA did not provide any information prior to the meeting about the basis on which it would seek to void the agreements. At the meeting, the board passed a resolution that purports to void the agreements under the Texas Open Meetings Act ("TOMA").

17. Brixton Capital had nothing to do with the contents of the agendas that CCHA issued to provide notice of the meetings at which CCHA approved the MOUs. In response to Nueces County's TOMA allegations, the Brixton Capital Companies, along with other similarly situated developer entities involving the W.H.O. Program, have filed a motion for summary judgment in this case showing that the CCHA's notices were adequate under TOMA. But regardless, the agreements nowhere state that CCHA can void or terminate the agreements because CCHA failed to provide adequate notices of meetings.

18. The CCHA's action at the January 6, 2026 board meeting were apparently motivated by a change of heart concerning whether it is worthwhile to take properties off the tax rolls to reserve the properties for affordable housing. The contracts do not contain any provisions stating that they can be voided if CCHA changes its mind. In fact, CCHA and its General Partner subsidiary pledge in both the MOU and Partnership Agreement to preserve, maintain, or reinstate the property tax exemption.[8]

[8] *Id.* § 9.2(b); *see* Sawgrass Apartments MOU § G.

19. In reliance on CCHA's contractual commitments, Brixton Capital deeded land underneath the Sawgrass Apartments to CCHA and granted CCHA a purchase option and right of first refusal to the improvements occupying the deeded land (i.e., the Sawgrass Apartments).

20. On closing of the agreements, pursuant to their terms, the Brixton Capital Companies paid CCHA an "advance rent payment" in the amount of $112,500."[9]

21. In reliance on CCHA's contractual commitments, over the last year, Brixton Capital has reserved (a) 40% of the Sawgrass Apartments' units for residents earning less than 80% of the Area Median Income; and (b) 10% of the Sawgrass Apartments' units for residents earning less than 60% of the Area Median Income. Brixton Capital has charged rents not exceeding 30% of income for the residents who are renting the reserved apartments. In many cases, this has resulted in significant cost savings for tenants. Brixton Capital's staff has engaged in a significant amount of work to implement the W.H.O. Program by, among other things, verifying resident incomes.

22. Brixton Capital has committed to participate in the Housing Authority's W.H.O. Program for the 99-year term of these agreements. To be clear: Brixton Capital deeded a valuable property to the CCHA, committed to workforce housing, and gave up any opportunity to redevelop the property for other uses.

23. Brixton Capital had to refinance the Sawgrass Apartments to enter into the W.H.O. Program with CCHA. Refinancing was necessary principally because, by entering into these agreements, the ownership structure changed to a leasehold and the ownership of the land was transferred to CCHA. The $18,704,000.00 loan was obtained from CBRE Capital Markets, Inc (the "Lender").

[9] Sawgrass Apartments Lease § 4.1.1(a).

24. In connection with the refinancing, CCHA, as lessor, directly provided the Lender with numerous representations that are contrary to the positions that it is now taking, including that its only rights of termination are as set out in the ground lease and that there has been no default under the ground lease.[10]

25. Under the loan agreements, the absence of a valid leasehold or the absence of a property tax exemption can be events of default. If CCHA is allowed to act on its January 6, 2026 resolution and take steps to void the agreements, the consequences for Brixton Capital will be severe and irreparable. The lenders may take the position that the loans are in default, leaving Brixton Capital at risk of losing our rights in the properties and causing significant impacts to our companies' credit. For example, $2.8 million in our investors' equity would be wiped out, resulting in an erosion of investor confidence and impact on our credit rating.

26. Actions by CCHA to undermine the agreements will cause disruption to the business of the Sawgrass Apartments. Brixton Capital has dedicated a significant amount of effort into getting the Sawgrass Apartments into compliance with the applicable regulatory agreement and lease. If the Sawgrass Apartments are removed from the W.H.O. Program, and no tax exemption is available, then the Sawgrass Apartments, as currently structured, could not be economically operated with controlled rents. As a result of CCHA's actions, many tenants will face significant rent hikes with a resulting possible loss of their homes.

27. If, as is possible, the property is foreclosed due to CCHA's actions, there will serious consequences for all tenants in the building – not just those who enjoy controlled rents. It is common, upon foreclosure, for a bank to struggle to properly administer a building, resulting in diminished tenant services and, ultimately, tenant attrition.

[10] Estoppel Certificate §§ 6, 7.

28. Brixton Capital owns properties all over the State of Texas, and I have dedicated a substantial portion of my career to developing quality, stable multi-family housing complexes. If, because of CCHA's actions, we can no longer offer controlled affordable rents in Corpus Christi, Brixton Capital will experience significant reputational harms and loss of goodwill.

My name is Craig Boone, my date of birth is 12/09/1986, and my office address is 2350 Airport Freeway, #220, Bedford, TX 76022 in the United States of America. I declare under penalty of perjury that the foregoing is true and correct.

Executed in Nueces County, State of Texas, on the 6th day of January 2026.

Craig Boone

Craig Boone

CAUSE NO. 2025DCV-4399-D

NUECES COUNTY, TEXAS, *Plaintiff* V. CORPUS CHRISTI HOUSING AUTHORITY, *Defendant and Cross-Claim Defendant* AND 2921 AIRLINE PE, LLC, ET AL. *Intervenor Defendants and Cross-Claim Plaintiffs* AND CATHY MEHNE, GREG SMITH, RICHARD A. BALLI, SR., JOE MCCOMB, AND JUDITH GONZALEZ-RODRIGUEZ, SOLELY IN THEIR OFFICIAL CAPACITY AS MEMBERS OF THE CORPUS CHRISTI HOUSING AUTHORITY BOARD OF COMMISSIONERS, *Cross-Claim Defendants*	§ §	IN THE DISTRICT COURT 105TH JUDICIAL DISTRICT NUECES COUNTY, TEXAS

DECLARATION OF WILLIAM J. BRUGGEMAN IN SUPPORT OF INTERVENORS' REQUEST FOR TEMPORARY RESTRAINING ORDER

1. My name is William J. Bruggeman. I am over the age of 21, and I am competent in all respects to make this declaration. The information contained in this declaration is true and correct and based my personal knowledge.

2. I am a real estate investor and property owner based in Texas. I attended the United States Military Academy at West Point. After graduating, I served as an infantry officer in the United States Army, including tours in Iraq and Afghanistan. I received a Purple Heart because of my wounds sustained in Afghanistan.

3. I began investing in real estate while attending West Point. After completing my service, I dedicated my time and resources to acquiring and improving older apartment complexes, selling them, and reinvesting any proceeds. Over the years, I steadily grew my portfolio and now own and manage several apartment complexes in Texas.

4. In 2021 and 2022, my companies purchased apartment complexes in Corpus Christi. I chose to invest in Corpus Christi with a long-term view.

5. My companies owned five properties that now participate in the Corpus Christi Housing Authority's Workforce Housing Opportunities Program (the "Program"): Tuscana Bay Apartments, The Icon, Southlake Ranch Apartments, Ocean Palms Apartments, and The Villas of Ocean Drive (together, the "Properties").

6. In May 2024, I was contacted by a representative of the Corpus Christi Housing Authority (the "Housing Authority" or "CCHA"). I was informed that increasing access to affordable housing was an important policy objective for the Housing Authority. I was told that my Properties were strong candidates for the Housing Authority's Program because my Properties were well maintained and well located. It was explained to me that properties partnering with the Housing Authority would commit to offering reduced rents for a 99-year term and would receive a property tax abatement.

7. I agreed that my companies should participate in the Program because this structure aligned with my intention for the companies to be long-term investors and operators of affordable

housing in Corpus Christi. The Program would allow me to continue to improve and maintain quality properties in the service of affordable housing.

8. The workforce housing program presented by CCHA required that the land under my properties be deeded to CCHA. CCHA's ownership of the land is critical to the availability of a property tax exemption for the Properties. The property tax exemption is necessary to make it economically viable to reserve apartment units for controlled rents. Specifically, rent is controlled by regulatory agreements under which each Property reserves fifty percent of its units for individuals earning 80% or less than the Area Median Income. Of those reserved units, at four properties, ten percent are reserved for tenants earning 60% or less than the Area Median Income, and at one property, fifteen percent are reserved for tenants earning 60% or less than the Area Median Income. The rent for these units is capped at 30% of the household's income.

9. The CCHA's workforce housing program required designating a company to be the tenant to lease the land back from CCHA. I worked with CCHA to set up five tenant companies – one for each property participating in the workforce housing program. Specifically, working with CCHA, we set up 6901 Saratoga Blvd, LLC to lease land from CCHA for the Icon apartments; 4325 Ocean, LLC to lease land from CCHA for the Ocean Palms apartments; 3310 Rodd Field Rd, LLC to lease land from CCHA for the Southlake apartments; 2921 Airline, LLC to lease land from CCHA for the Tuscana Bay apartments; and 4657 Ocean Dr, LLC to lease land from CCHA for the Villas of Ocean Drive apartments.

10. Each of the tenant companies is 99.99% owned by an LLC which is fully owned by a company with which I am affiliated.

a. 6901 Saratoga Blvd, LLC, the tenant for the Icon apartments, is 99.99% owned by my company, 6901 Saratoga Blvd PE, LLC.

b. 4325 Ocean, LLC, the tenant for the Ocean Palms apartment, is 99.99% owned by my company, 4325 Ocean Partners, LLC.

c. 3310 Rodd Field Rd, LLC, the tenant for the Southlake apartments, is 99.99% owned by my company, Leuven Southlake 1, LLC.

d. 2921 Airline, LLC, the tenant for the Tuscana Bay apartments, is 99.99% owned by my company, 2921 Airline PE, LLC.

e. 4657 Ocean Dr, LLC, the tenant for the Villas of Ocean Drive apartments, is 99.99% owned by my company, Leuven Ocean 1, LLC.

11. Each of these principal owners of the tenants – 6901 Saratoga Blvd PE, LLC; 4325 Ocean Partner, LLC; Leuven Southlake 1, LLC; 2921 Airline PE, LLC; and Leuven Ocean 1, LLC – is a party to this lawsuit.

12. In addition to the companies with which I am affiliated, each of which owns 99.99% of the tenant company, there is a Managing Member for each tenant. The Managing Member is, in each case, a 0.01% owner of the tenant company and is itself wholly owned by CCHA. Although the contracts use the term "Managing Member" to denote the CCHA-affiliated entity, the Operating Agreement or Company Agreement for each tenant company states expressly that "so long as any Investor [or Special Limited Member] Obligations are outstanding, the Managing Member shall and does hereby delegate its rights, powers, and responsibilities . . . to the" 99.99% owner with which I am affiliated, and which is referred to either as a Special Limited Member or Class A Member.[1] For each property, the Investor or Special Limited Member Obligations are still outstanding.

[1] Icon Company Agreement § 6.02(f); Ocean Palms Operating Agreement § 3.1(g); Southlake Operating Agreement § 3.1(g); Tuscana Bay Operating Agreement § 6.02(f); Villas of Ocean Drive Operating Agreement § 3.1(g).

13. For each property, a Memorandum of Understanding (MOU) sets out the structure of the workforce housing agreements. Each MOU states that it "is a contract and not merely an 'agreement to agree.'"[2] For three of the properties – Ocean Palms, Southlake, and Villas of Ocean Drive – the MOU is entered into directly between CCHA and one of my companies which is named as a party to this lawsuit. For the other two properties – Icon and Tuscana Bay – the MOU is entered into directly between CCHA and the tenant company in which my companies have significant decisionmaking rights. None of the MOU's state that they can be unilaterally voided or terminated by CCHA, and my companies do not consent to the voiding or termination of the MOU's.

14. Each MOU was implemented by a warranty deed conveying the land to CCHA, a ground lease in which CCHA leases the land to the tenant company, an operating or company agreement setting out the rights and obligations of my companies and the CCHA-affiliated Managing Member, and a regulatory agreement requiring that 50% of apartments be reserved for residents earning less than 80% of the Area Median Income at a monthly rent of no more than 30% of the residents' income.

15. Each of the ground leases states that my company "shall be deemed a third-party beneficiary of the provisions of this Lease that reference the Permitted Leasehold Mortgagees or the Investor Member."[3] Each ground lease contains numerous references to the Permitted Leasehold Mortgagees or the Investor Member.

16. Each of the ground leases contain provisions that would prohibit CCHA from unilaterally voiding or terminating the lease, or from conveying the land back to its original owners

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[2] *E.g.*, Southlake MOU § L(1).

[3] Icon Ground Lease § 20.14; Ocean Palms Ground Lease § 20.14; Southlake Ground Lease § 20.14; Tuscana Bay Ground Lease § 20.14; Villas of Ocean Drive Ground Lease § 20.14.

or others without the consent of my companies.[4] My companies do not consent to termination of the ground leases or conveyance of the land by CCHA.

17. CCHA, the sole owner of the Managing Member, executed each of the tenant company or operating agreements. My companies, each of which are parties to this lawsuit, are parties to these agreements. Each agreement imposes significant obligations on CCHA. For example, each agreement states that "CCHA and the Managing Member will at all times act in good faith to preserve, maintain, and/or reinstate the Real Estate Tax Exemption."[5]

18. None of the operating or company agreements give CCHA or the wholly-owned Managing Member the unilateral right to terminate or void the agreements without the consent of my companies. In fact, each of the agreements contain provisions which are wholly inconsistent with unilateral termination by CCHA.[6] My companies do not consent to any such termination.

19. CCHA has never informed me of any contractual basis for voiding its contracts. With no prior notice of its intent, CCHA around December 23, 2025 issued an Agenda for a Special Meeting of its Board of Directors on January 6, 2025 for "discussion and possible action to void any and all of the following agreements the Corpus Christi Housing Authority entered into to purchase and lease the following housing developments," including Icon, Ocean Palm, Tuscana Bay, Southlake, and Villas of Ocean Drive. CCHA did not provide any information prior to the meeting about the basis on which it would seek to void the agreements. At the meeting, the board passed a resolution that purports to void the agreements under the Texas Open Meetings Act (TOMA).

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[4] *E.g.*, Tuscana Bay Ground Lease §§ 3.1, 14.1, 14.2, 20.3.
[5] Icon Operating Lease § 13.02(b); Ocean Palms Operating Agreement § 9.2(b); Southlake Operating Agreement § 9.2(b); Villas of Ocean Drive Operating Agreement § 9.2(b).
[6] *E.g.*, Tuscana Bay Operating Agreement §§ 8.01, 8.01(c), 8.01(e), 9.01, 14.01(a).

20. My companies had nothing to do with the contents of the agendas that CCHA issued to provide notice of the meetings at which CCHA approved the MOU's. In response to Nueces County's TOMA allegations, my companies have filed a motion for summary judgment in this case showing that the CCHA's notices were adequate under TOMA. But regardless, the agreements nowhere state that CCHA can void or terminate the agreements because CCHA failed to provide adequate notices of meetings.

21. The CCHA's action at the January 6, 2026 board meeting apparently was motivated by a change of heart concerning whether it is worthwhile to take properties off the tax rolls in order to reserve the properties for affordable housing. The contracts do not contain any provisions stating that they can be voided if CCHA changes its mind. In fact, CCHA pledges in both the MOU's and Operating Agreements to preserve, maintain, or reinstate the property tax exemption.[7]

22. In reliance on CCHA's contractual commitments, my companies deeded five valuable apartment complexes to CCHA.

23. On closing of the agreements, pursuant to their terms, my companies arranged for the payment of $839,500 to CCHA for advance rent.

24. In reliance on CCHA's contractual commitments, over the last year, we have reserved 50% of apartments for residents earning less than 80% of the Area Median Income, and we have charged rents of no more than 30% of income for the residents who are renting the reserved apartments. In some cases, this has resulted in significant cost savings for tenants. Our staff has engaged in a tremendous amount of work to implement the workforce housing program by, among other things, verifying resident incomes.

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[7] *E.g.*, Ocean Palms Operating Agreement § 9.2(b); Tuscana Bay MOU § G.

25. We have committed to participate in workforce housing in Corpus Christi for the 99-year term of these agreements. To be clear: my companies deeded five valuable properties to the CCHA, committed to workforce housing, and gave up any opportunity to redevelop these properties for other uses.

26. My companies had to refinance each property in order to enter into these workforce housing agreements with CCHA. Financing was necessary to pay the substantial upfront fees demanded by CCHA; moreover, the Properties, all of which had prior non-recourse loans, had to re-finance because of the change from lending on our company's fee simple title to lending to our company as lessee, with the title to the real property now in CCHA.

27. Hundreds of millions of dollars of loans were taken out in connection with refinancing associated with the workforce housing agreements on these Properties. In connection with this refinancing, my companies had to pay millions of dollars of prepayment penalties and refinance fees to prior and new lenders. Moreover, I had to personally guaranty the portion of the debt that was due to an anticipated tax abatement, in the amount of tens of millions of dollars.

28. In connection with the refinancing, CCHA agreed with the lenders that its rights under the Regulatory Agreements were subordinate to the lenders' rights, and CCHA, as lessor, directly provided the lenders with numerous representations that are contrary to the positions that it is now taking, including that "Lessor has not received written notice that it is in violation of any governmental law or regulation applicable to its interest in the Property and has no reason to believe that there are grounds for any claim of any such violation."[8]

29. Under the loan agreements, the absence of a valid leasehold or the absence of a property tax exemption can be events of default. If CCHA is allowed to act on its January 6, 2026

[8] Estppel Certificate.

resolution and take steps to void the agreements, the consequences for my companies will be catastrophic and irreparable. The lenders likely will take the position that the loans are in default, leaving us at the risk of losing our rights in the properties and causing devastating impacts to our companies' credit. Due to my loan guarantees, I may be subject to crippling personal liability, severe impacts on my personal credit, and personal bankruptcy.

30. Actions by CCHA to undermine the agreements will cause extreme disruption to the business of the apartment complexes. We have dedicated a significant amount of effort into getting the Properties into compliance with the Regulatory Agreements. If the Properties are not part of a workforce housing program, and no tax exemption is available, then the Properties could not be economically operated with controlled rents. As a result of CCHA's actions, many tenants will face significant rent hikes with a resulting possible loss of their homes.

31. In addition, if the properties are foreclosed on, which is a possible result of CCHA actions to impair the leasehold or defeat the property tax exemption, then the business of the apartment complexes will be signficantly disrupted as the lender tries to step into the role of administering the complexes. Historically, foreclosure has resulted in significantly increased vacancies.

32. My companies own properties all over the State of Texas, and I have dedicated a substantial portion of my career to the cause of affordable housing. If, because of CCHA's actions, I can no longer offer controlled affordable rents in Corpus Christi, my companies and I will experience significant reputational harms, loss of goodwill, inability to borrow money, and my personal bankruptcy.

33. CCHA's January 6, 2026 resolution makes an offer to return the Properties and payments. That offer will not avert any harms; in fact, it exacerbates the problem because the loans

are written based on the current ownership structure with CCHA as the owner. If CCHA somehow "returned" the property and money, that itself would be an event of default which would cause all of the harms I have described above.

My name is William J. Bruggeman, my date of birth is December 15, 1979, and my office address is 115 Kohlers Crossing, Suite 210, Kyle, Texas 78640 in the United States of America. I declare under penalty of perjury that the foregoing is true and correct.

Executed in Nueces County, State of Texas, on the 6th day of January 2026.

William J. Bruggeman

CAUSE NO. 2025DCV-4399-D

NUECES COUNTY, TEXAS, *Plaintiff* V. CORPUS CHRISTI HOUSING AUTHORITY, *Defendant and Cross-Claim Defendant* AND 2921 AIRLINE PE, LLC, ET AL *Intervenor Defendants and Cross-Claim Plaintiffs* AND CATHY MEHNE, GREG SMITH, RICHARD A. BALLI, SR., JOE MCCOMB, AND JUDITH GONZALEZ-RODRIGUEZ, SOLELY IN THEIR OFFICIAL CAPACITY AS MEMBERS OF THE CORPUS CHRISTI HOUSING AUTHORITY BOARD OF COMMISSIONERS, *Cross-Claim Defendants*	§ §	IN THE DISTRICT COURT 105TH JUDICIAL DISTRICT NUECES COUNTY, TEXAS

DECLARATION OF ROBERT MARTINEZ IN SUPPORT OF INTERVENORS' REQUEST FOR TEMPORARY RESTRAINING ORDER

1. My name is Robert Martinez. I am over the age of 21, and I am competent in all respects to make this declaration. The information contained in this declaration is true and correct and based my personal knowledge.

2. I grew up in McAllen, Texas and went to Texas A&M where I studied engineering, graduating in 1996. I worked for more than a decade as a sales engineer, and then began investing in real estate.

3. Since 2008, I have invested in multi-family real estate throughout Texas. In 2011, I founded Rockstar Capital Management, LLC. Since then, I have directed the underwriting, acquisition, and management of 30 apartment communities consisting of more than 5,243 rental units. I am the only person to have twice won the award for National Apartment Association Independent Rental Owner of the Year.

4. In July 2021, as part of an expansion into south Texas, Rockstar Capital bought the Churchill Square apartments in Corpus Christi.

5. In September 2024, my company was contacted by a representative of the Corpus Christi Housing Authority (the "Housing Authority" or "CCHA"). We were told that the Housing Authority was implementing a workforce housing program in order to expand access to affordable housing in Corpus Christi, and that properties partnering with the Housing Authority would commit to offering reduced rents for a 99-year term and would receive a property tax abatement.

6. Rockstar Capital agreed to participate in the workforce housing program because the Program would allow Rockstar Capital to continue to improve and maintain a quality property in the service of affordable housing.

7. The workforce housing program presented by CCHA required that the land under Churchill Square be deeded to CCHA. CCHA's ownership of the land is critical to the availability of a property tax exemption. The property tax exemption is necessary to make it economically viable to reserve apartment units for controlled rents. Specifically, rent is controlled by a Regulatory Agreements under which fifty percent of the units at Churchill Square are reserved for

individuals earning 80% or less than the Area Median Income. Of those reserved units, twenty percent are reserved for tenants earning 50% or less than the Area Median Income. The rent for these units is capped at 30% of the household's income.

8. The CCHA's workforce housing program required designating a tenant to lease the land back from CCHA. We designated Rockstar Churchill Square Leasehold, LLC as the tenant company.

9. The tenant, Rockstar Churchill Square Leasehold, LLC, is 99.99% by two of Rockstar Capital's companies – Rockstar Churchill Square Partners, LLC (the "Investor Member") and Rockstar Churchill Square Special Member, LLC ("the "Special Limited Member"). Each of these companies is a party to this lawsuit.

10. There is also a Managing Member of the tenant, Churchill Square-CCHA, LLC. The Managing Member is a 0.01% owner of the tenant company and is itself wholly owned by CCHA. Although the contracts use the term "Managing Member" to denote the CCHA-affiliated entity, the Operating Agreement for the tenant company states expressly that "so long as any Investor Obligations are outstanding, the Managing Member shall and does hereby delegate its rights, powers, and responsibilities . . . to the Special Limited Member."[1] The Investor Obligations are still outstanding.

11. A Memorandum of Understanding (MOU) sets out the structure of the workforce housing agreements for Churchill Square. Each MOU states that it "is a contract and not merely an 'agreement to agree.'"[2] The MOU was unanimously approved by a vote of the CCHA board. The MOU does not state that it can be unilaterally voided or terminated by CCHA, and Rockstar Capital does not consent to the voiding or termination of the MOU.

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[1] Churchill Square Operating Agreement § 3.1(g).
[2] Churchill Square MOU § L(1).

12. The MOU was implemented by a warranty deed conveying the land to CCHA, a ground lease in which CCHA leases the land to the tenant company, an operating agreement setting out the rights and obligations of the Rockstar Capital companies and the CCHA-affiliated Managing Member, and a regulatory agreement requiring that 50% of apartments be reserved for residents earning less than 80% of the Area Median Income at a monthly rent of no more than 30% of the residents' income. All of the key terms of these agreements were included in the publicly noticed and voted-on MOU.

13. The ground lease states that the Investor Member "shall be deemed a third-party beneficiary of the provisions of this Lease that reference the Permitted Leasehold Mortgagees or the Investor Member."[3] The ground lease contains numerous references to the Permitted Leasehold Mortgagees or the Investor Member.

14. The ground leases contain provisions that would prohibit CCHA from unilaterally voiding or terminating the lease, or from conveying the land back to its original owners or others without the consent of my companies.[4] Rockstar Capital does not consent to termination of the ground lease or conveyance of the land by CCHA.

15. CCHA, the sole owner of the Managing Member, executed the Operating Agreement.[5] The Operating Agreement requires that "Managing Member will at all times act in good faith to preserve, maintain, and/or reinstate the Real Estate Tax Exemption."[6]

16. The Operating Agreement does not give CCHA or its wholly-owned Managing Member the unilateral right to terminate or void the agreements without the consent of my

[3] Churchill Square Ground Lease § 20.14.
[4] Churchill Square Ground Lease §§ 3.1.1, 14.1, 14.2, 20.3.
[5] Churchill Square Operating Agreement at 49.
[6] Churchill Square Operating Agreement § 9.2(b).

companies. In fact, the Operating Agreement contains provisions which are wholly inconsistent with unilateral termination by CCHA.[7] Rockstar Capital does not consent to any such termination.

17. CCHA has never informed me of any contractual basis for voiding its contracts. With no prior notice of its intent, CCHA around December 23, 2025 issued an Agenda for a Special Meeting of its Board of Directors on January 6, 2025 for "discussion and possible action to void any and all of the following agreements the Corpus Christi Housing Authority entered into to purchase and lease the following housing developments," including Churchill Square. CCHA did not provide any information prior to the meeting about the basis on which it would seek to void the agreements. At the meeting, the board passed a resolution that purports to void the agreements under the Texas Open Meetings Act (TOMA).

18. Rockstar Capital had nothing to do with the contents of the agendas that CCHA issued to provide notice of the meetings at which CCHA approved the MOU's. In response to Nueces County's TOMA allegations, Rockstar Churchill Square Partners, LLC and Rockstar Churchill Square Special Member, LLC have filed a motion for summary judgment in this case showing that the CCHA's notices were adequate under TOMA. But regardless, the agreements nowhere state that CCHA can void or terminate the agreements because CCHA failed to provide adequate notices of meetings.

19. The CCHA's action at the January 6, 2026 board meeting apparently was motivated by a change of heart concerning whether it is worthwhile to take properties off the tax rolls in order to reserve the properties for affordable housing. The contracts do not contain any provisions stating that they can be voided if CCHA changes its mind. In fact, CCHA and its affiliate pledge in both the MOU and Operating Agreement to preserve, maintain, or reinstate the property tax exemption.[8]

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[7]Churchill Square Operating Agreement § 10.1, 11.10.
[8]Churchill Square Operating Agreement § 9.2(b); Churchill Square MOU § G.

20. In reliance on CCHA's contractual commitments, Rockstar Capital deeded a valuable apartment complex to CCHA.

21. On closing of the agreements, pursuant to their terms, Rockstar Capital arranged for the payment of $50,000 to CCHA for advance rent.[9]

22. In reliance on CCHA's contractual commitments, over the last year, Churchill Square has reserved 30% of its apartments for residents earning at or below 80% of the Area Median Income and 20% of our apartments for residents earning at or below 50% of the Area Median Income. We have charged rents of no more than 30% of income for the residents who are renting the reserved apartments. In many cases, this has resulted in significant cost savings for tenants. Our staff has engaged in a significant amount of work to implement the workforce housing program by, among other things, verifying resident incomes.

23. Rockstar Capital has committed to participate in workforce housing in Corpus Christi for the 99-year term of these agreements. To be clear: Rockstar Capital deeded a valuable property to the CCHA, committed to workforce housing, and gave up any opportunity to redevelop the properties for other uses.

24. Rockstar Capital had to refinance Churchill Square in order to enter into the workforce housing agreements with CCHA. Refinancing was necessary principally because, by entering into these agreements, the ownership structure changed to a leasehold and the ownership of the land was transferred to CCHA. The $7.4 million loan was obtained through FNMA – the Federal National Mortgage Association, a federal government-sponsored enterprise that guarantees mortgage-backed securities against credit loss.

[9] Churchill Square Ground Lease § 4.1.1.

25. In connection with the refinancing, CCHA, as lessor, directly provided the lenders with numerous representations that are contrary to the positions that it is now taking, including that its only rights of termination are as set out in the ground lease and that there has been no default under the ground lease.[10]

26. Under the loan agreements, the absence of a valid leasehold or the absence of a property tax exemption can be events of default. If CCHA is allowed to act on its January 6, 2026 resolution and take steps to void the agreements, the consequences for Rockstar Capital will be severe and irreparable. The lenders may take the position that the loans are in default, leaving us at risk of losing our rights in the properties and causing significant impacts to our companies' credit. For example, $2.8 million in our investors' equity would be wiped out, with a corresponding loss of investor confidence and impact on our credit rating.

27. Actions by CCHA to undermine the agreements will cause disruption to the business of Churchill Square. We have dedicated a significant amount of effort into getting Churchill Square into compliance with the Regulatory Agreements. If Churchill Square is not part of a workforce housing program, and no tax exemption is available, then the Property could not be economically operated with controlled rents. As a result of CCHA's actions, many tenants will face significant rent hikes with a resulting possible loss of their homes.

28. If, as is possible, the property is foreclosed due to CCHA's actions, there will serious consequences for all tenants in the building – not just those who enjoy controlled rents. It is common, upon foreclosure, for a bank to struggle to properly administer a building, resulting in diminished tenant services and, ultimately, tenant attrition.

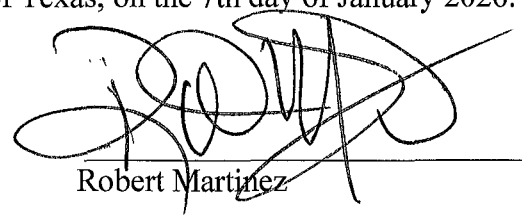
[10] Estoppel Certificate §§ 6, 7.

29. Rockstar Capital owns properties all over the State of Texas, and I have dedicated a substantial portion of my career to developing quality, stable multi-family housing complexes. If, because of CCHA's actions, we can no longer offer controlled affordable rents in Corpus Christi, Rockstar Capital will experience significant reputational harms and loss of goodwill.

30. CCHA's January 6, 2026 resolution makes an offer to return the property and payments to Rockstar. That offer will not avert any harms; in fact, it exacerbates the problem because the loans are written based on the current ownership structure with CCHA as the owner. If CCHA somehow "returned" the property and money, that itself would be an event of default which would cause all of the harms that I have described above.

My name is Robert Martinez, my date of birth is August 6, 1974, and my office address is 4265 San Felipe Street, Houston, TX 77027 in the United States of America. I declare under penalty of perjury that the foregoing is true and correct.

Executed in Harris County, State of Texas, on the 7th day of January 2026.



Robert Martinez

CAUSE NO. 2025DCV-4399-D

NUECES COUNTY, TEXAS, *Plaintiff* V. CORPUS CHRISTI HOUSING AUTHORITY, *Defendant* AND 2921 AIRLINE PE, LLC, ET AL. *Intervenor Defendants*.	§ § § § § § § § § § § § § § §	IN THE DISTRICT COURT 105TH JUDICIAL DISTRICT NUECES COUNTY, TEXAS

DECLARATION OF JEFFREY FRIEDMAN IN SUPPORT OF INTERVENORS' REQUEST FOR TEMPORARY RESTRAINING ORDER

1. My name is Jeffrey Friedman. I am over the age of 21, and I am competent in all respects to make this declaration. The information contained in this declaration is true and correct and based my personal knowledge.

2. I grew up in Brooklyn, New York and attended the New York University Schack Institute of Real Estate where I studied real estate finance and investment, graduating in 2014. From 2014 until December 2020, I was the Managing Director of Acquisition and Asset Management at Goldmont Realty in Brooklyn, New York. Since then, I have served as the Chief Executive Officer for Tower Five Real Estate Group ("Tower Five"), based in New Jersey.

3. On March 31, 2025, Tower Five bought the Stoneleigh Apartments in Corpus Christi.

4. Tower Five agreed to participate in the W.H.O. Program because the Program would allow Tower Five to continue to improve and maintain a quality property in the service of affordable housing.

5. The W.H.O Program presented by CCHA required that the land under the Stoneleigh Apartments be deeded to CCHA. CCHA's ownership of the land is critical to the availability of a property tax exemption for the properties included in the W.H.O. Program, of which there are presently thirteen in total (the "Properties"). The property tax exemption is necessary to make it economically viable to reserve apartment units for controlled rents. Specifically, rent is controlled by a regulatory agreement under which fifty percent of the units at the Stoneleigh Apartments are reserved for individuals earning 80% or less than the Area Median Income. Of those reserved units, twenty percent are reserved for tenants earning 60% or less than the Area Median Income. The rent for these units is capped at 30% of the household's income.

6. The CCHA's workforce housing program required setting up a company to be the tenant to lease the land back from CCHA. I worked with CCHA to set up Stoneleigh Owner LP as the tenant company (the "Tenant").

7. Stoneleigh Owner LP is 99.99% owned by two of Tower Five's companies – Stoneleigh Investors, LP, a Delaware limited partnership (the "Investor Limited Partner") and Stoneleigh SLP LLC, a Delaware limited partnership ("the "Special Limited Partner"). Each of these companies (collectively referred to as the "Tower Five Companies") is a party to this lawsuit.

8. There is also a General Partner of the Tenant, Stoneleigh-CCHA, LLC, a Texas limited liability company. The General Partner is a 0.01% owner of the tenant company and is itself wholly owned by CCHA. Although the contracts use the term "General Partner" to denote the CCHA-affiliated entity, the Partnership Agreement for the Tenant states expressly that "so long

as any Investor Obligations are outstanding, the General Partner shall and does hereby delegate its rights, powers, and responsibilities . . . to the Special Limited Partner."[1] The Investor Obligations are still outstanding.

9. A Memorandum of Understanding between CCHA and Stoneleigh Owner LP (the "MOU") sets out the structure of the workforce housing agreements for the Stoneleigh Apartments. The MOU expressly states that it "is a contract and not merely an 'agreement to agree.'"[2] The MOU does not state that it can be unilaterally voided or terminated by CCHA, and my companies do not consent to the voiding or termination of the MOU.

10. The MOU was implemented by a warranty deed conveying the land to CCHA, a ground lease in which CCHA leases the land to the tenant company, a partnership agreement setting out the rights and obligations of the Tower Five Companies and the CCHA-affiliated General Partner, and a regulatory agreement requiring that at least (a) 40% of apartments be reserved for residents earning less than 80% of the Area Median Income at a monthly rent of no more than 30% of the residents' income; and (b) 10% of apartments be reserved for residents earning less than 60% of the Area Median Income at a monthly rent of no more than 30% of the residents' income.

11. The ground lease states that the Permitted Leasehold Mortgagee and the Investor Limited Partner "shall be deemed […] third-party beneficiar[ies] of the provisions of this Lease that reference the Permitted Leasehold Mortgagee and the Investor Limited Partner."[3] The ground lease contains dozens of references to the Permitted Leasehold Mortgagees or the Tower Five Companies.

[1] Stoneleigh Apartments Partnership Agreement § 3.1(g).
[2] Stoneleigh Apartments MOU § L(1).
[3] Stoneleigh Apartments Ground Lease § 20.14.

12. The ground leases contain provisions that would prohibit CCHA from unilaterally voiding or terminating the lease, or from conveying the land back to its original owners or others without the consent of the Tower Five Companies.[4] Tower Five does not consent to termination of the ground lease or conveyance of the land by CCHA.

13. CCHA, the sole owner of the General Partner, executed the Partnership Agreement.[5] The Partnership Agreement requires that "**CCHA *and*** the General Partner will at all times act in good faith to preserve, maintain, and/or reinstate the Real Estate Tax Exemption."[6]

14. The Partnership Agreement does not give CCHA or its wholly owned General Partner the unilateral right to terminate or void the agreements without the consent of my companies. In fact, the Partnership Agreement contains provisions which are wholly inconsistent with unilateral termination by CCHA.[7] Tower Five does not consent to any such termination.

15. CCHA has never informed me of any contractual basis for voiding its contracts. With no prior notice of its intent, CCHA around December 23, 2025 issued an Agenda for a Special Meeting of its Board of Directors on January 6, 2025 for "discussion and possible action to void any and all of the following agreements the Corpus Christi Housing Authority entered into to purchase and lease the following housing developments," including the Stoneleigh Apartments. CCHA did not provide any information prior to the meeting about the basis on which it would seek

[4] *See id.* §§ 9.1.10 ("Landlord hereby covenants and agrees that its interest in this Lease is and shall be subject to, subordinate and inferior to any and all loans (interim, permanent, "cash flow", "soft" or refinancings thereof) obtained by the Tenant for the purpose of financing the acquisition, construction and/or operation of the Improvements and/or the acquisition, development and/or operation of the Project, and to the lien of any Mortgages evidencing such loans."), 14.1, 14.2, 20.3 ("This Lease may be amended, modified, restated, cancelled, or supplemented by and only by an instrument executed and delivered by each party hereto, and only with the prior written consent of any Permitted Leasehold Mortgagee and the Investor Limited Partner.").
[5] Stoneleigh Apartments Partnership Agreement, p. 49.
[6] *Id.* § 9.2(b) (emphasis added).
[7] *Id.* §§ 10.1, 11.10.

to void the agreements. At the meeting, the board passed a resolution that purports to void the agreements under the Texas Open Meetings Act (TOMA).

16. Tower Five had nothing to do with the contents of the agendas that CCHA issued to provide notice of the meetings at which CCHA approved the MOUs. In response to Nueces County's TOMA allegations, the Tower Five Companies, along with other similarly situated developer entities involving the W.H.O. Program, have filed a motion for summary judgment in this case showing that the CCHA's notices were adequate under TOMA. But regardless, the agreements nowhere state that CCHA can void or terminate the agreements because CCHA failed to provide adequate notices of meetings.

17. The CCHA's action at the January 6, 2026 board meeting were apparently motivated by a change of heart concerning whether it is worthwhile to take properties off the tax rolls in order to reserve the properties for affordable housing. The contracts do not contain any provisions stating that they can be voided if CCHA changes its mind. In fact, CCHA and its General Partner subsidiary pledge in both the MOU and Partnership Agreement to preserve, maintain, or reinstate the property tax exemption.[8]

18. In reliance on CCHA's contractual commitments, Tower Five deeded land underneath the Stoneleigh Apartments to CCHA and granted CCHA a purchase option and right of first to the improvements occupying the deed land (i.e., the Stoneleigh Apartments).

19. On closing of the agreements, pursuant to their terms, Tower Five paid CCHA an "advance rent payment" in the amount of $192,775."[9]

20. In reliance on CCHA's contractual commitments, over the last year, Tower Five has reserved (a) 40% of the Stoneleigh Apartments' units for residents earning less than 80% of

[8] *Id.* § 9.2(b); *see* Stoneleigh Apartments MOU § G.
[9] Stoneleigh Apartments Ground Lease § 4.1.1.

the Area Median Income; and (b) 10% of the Stoneleigh Apartments' units for residents earning less than 60% of the Area Median Income. Tower Five has charged rents not exceeding 30% of income for the residents who are renting the reserved apartments. In many cases, this has resulted in significant cost savings for tenants. Tower Five's staff has engaged in a significant amount of work to implement the W.H.O. Program by, among other things, verifying resident incomes.

21. Tower Five has committed to participate in workforce housing in Corpus Christi for the 99-year term of these agreements. To be clear: Tower Five deeded a valuable property to the CCHA, committed to workforce housing, and gave up any opportunity to redevelop the property for other uses.

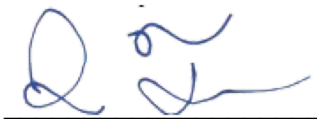
22. Actions by CCHA to undermine the agreements will cause disruption to the business of the Stoneleigh Apartments. We have dedicated a significant amount of effort into getting the Stoneleigh Apartments into compliance with the Regulatory Agreements. If the Stoneleigh Apartments is not part of the W.H.O. Program, and no tax exemption is available, then the Property could not be economically operated with controlled rents. As a result of CCHA's actions, many tenants will face significant rent hikes with a resulting possible loss of their homes.

23. If, as is possible, the property is foreclosed due to CCHA's actions, there will serious consequences for all tenants in the building—not just those who enjoy controlled rents. It is common, upon foreclosure, for a bank to struggle to properly administer a building, resulting in diminished tenant services and, ultimately, tenant attrition.

24. I have dedicated a substantial portion of my career to developing quality, stable multi-family housing complexes. If, because of CCHA's actions, we can no longer offer controlled affordable rents in Corpus Christi, Tower Five will experience significant reputational harms and loss of goodwill.

My name is Jeffrey Friedman, my date of birth is February 17, 1985 and my office address is 211 Blvd of the Americas, Suite 104, Lakewood, New Jersey 08701 in the United States of America. I declare under penalty of perjury that the foregoing is true and correct.

Executed in Ocean County, State of New Jersey, on the 6th day of January 2026.



Jeffrey Friedman

CAUSE NO. 2025DCV-4399-D

NUECES COUNTY, TEXAS, *Plaintiff* V. CORPUS CHRISTI HOUSING AUTHORITY, *Defendant* AND 2921 AIRLINE PE, LLC, ET AL. *Intervenor Defendants*.	§ § § § § § § § § § § § § § §	IN THE DISTRICT COURT 105TH JUDICIAL DISTRICT NUECES COUNTY, TEXAS

DECLARATION OF DAVID HATCH IN SUPPORT OF INTERVENORS' REQUEST FOR TEMPORARY RESTRAINING ORDER

1. My name is David Hatch. I am over the age of 21, and I am competent in all respects to make this declaration. The information contained in this declaration is true and correct and based my personal knowledge.

2. I am the Portfolio Manager of Sundance Bay Income and Growth OP, LP ("Sundance Bay"). Sundance Bay owns and operates 23 workforce housing communities located throughout the United States, including one property (Azure Apartments) located in Corpus Christi that is the subject of this lawsuit. Sundance Bay has owned this property and been a part of the Corpus community for approximately 4 years.

3. In mid-2024, I was contacted by a representative of the Corpus Christi Housing Authority (the "Housing Authority" or "CCHA") regarding the Housing Authority's implementation of the Workforce Housing Opportunity Program (the "W.H.O. Program" or "Program") in order to expand access to affordable housing in Corpus Christi. Under the Program,

properties partnering with the Housing Authority would commit to offering reduced rents for a 99-year term and would receive a property tax abatement.

4. Sundance Bay agreed to participate in the W.H.O. Program because the Program would allow Sundance Bay to continue to improve and maintain a quality property in the service of affordable housing.

5. The W.H.O Program presented by CCHA required that the land under the Azure Apartments be deeded to CCHA. CCHA's ownership of the land is critical to the availability of a property tax exemption for the properties included in the W.H.O. Program, of which there are presently thirteen in total (the "Properties"). The property tax exemption is necessary to make it economically viable to reserve apartment units for controlled rents. Specifically, rent is controlled by a regulatory agreement under which fifty percent of the units at the Azure Apartments are reserved for individuals earning 80% or less than the Area Median Income. Of those reserved units, twenty percent are reserved for tenants earning 60% or less than the Area Median Income. The rent for these units is capped at 35% of the household's income.

6. The CCHA's workforce housing program required setting up a company to be the tenant to lease the land back from CCHA. Sundance Bay modified its original ownership structure to and worked with CCHA to set up TX Azure Apartments 1, LLC as the tenant company (the "Tenant").

7. TX Azure Apartments 1, LLC is 99.995% owned by two of Sundance Bay's companies – Sundance Bay Income and Growth OP, LP, a Delaware limited partnership (the "Investor Member") and TX Azure Apartments, SLM, LLC, a Utah limited liability company ("the "Special Limited Member"). Each of these companies (collectively referred to as the "Sundance Bay Companies") is a party to this lawsuit.

8. There is also a Managing Member of the Tenant, Azure Apartments-CCHA, LLC, a Delaware limited liability company. The Managing Member is a 0.005% owner of the tenant company and is itself wholly owned by CCHA. Although the contracts use the term "Managing Member" to denote the CCHA-affiliated entity, the Operating Agreement for the Tenant states expressly that "so long as any Investor Obligations are outstanding, the Managing Member shall and does hereby delegate its rights, powers, and responsibilities . . . to the Special Limited Member."[1] The Investor Obligations are still outstanding.

9. A Memorandum of Understanding between CCHA and TX Azure Apartments 1 LLC, dated September 3, 2024 (the "MOU"), sets out the structure of the workforce housing agreements for the Azure Apartments. The MOU expressly states that it "is a contract and not merely an 'agreement to agree.'"[2] The MOU does not state that it can be unilaterally voided or terminated by CCHA, and my companies do not consent to the voiding or termination of the MOU.

10. The MOU was implemented by a warranty deed conveying the land to CCHA, a ground lease in which CCHA leases the land to the tenant company, an operating agreement setting out the rights and obligations of the Sundance Bay companies and the CCHA-affiliated Managing Member, and a regulatory agreement requiring that at least (a) 40% of apartments be reserved for residents earning less than 80% of the Area Median Income at a monthly rent of no more than 35% of the residents' income; and (b) 10% of apartments be reserved for residents earning less than six 60% at a monthly rent of no more than 35% of the residents' income.

11. The ground lease states that the Sundance Bay Companies "shall be deemed […] third-party beneficiar[ies] of the provisions of this Lease that reference the [Sundance Bay

[1] Azure Apartments Operating Agreement § 3.1(g).
[2] Azure Apartments MOU § L(1).

Companies] and/or Permitted Leasehold Mortgagees, as applicable."[3] The ground lease contains dozens of references to the Permitted Leasehold Mortgagees or the Sundance Bay Companies.

12. The ground leases contain provisions that would prohibit CCHA from unilaterally voiding or terminating the lease, or from conveying the land back to its original owners or others without the consent of my companies.[4] Sundance Bay does not consent to termination of the ground lease or conveyance of the land by CCHA.

13. CCHA, the sole owner of the Managing Member, executed the Operating Agreement.[5] The Operating Agreement requires that "**CCHA *and*** the Managing Member will at all times act in good faith to preserve, maintain, and/or reinstate the Real Estate Tax Exemption."[6]

14. The Operating Agreement does not give CCHA or its wholly owned Managing Member the unilateral right to terminate or void the agreements without the consent of my companies. In fact, the Operating Agreement contains provisions which are wholly inconsistent with unilateral termination by CCHA.[7] Sundance Bay does not consent to any such termination.

15. CCHA has never informed me of any contractual basis for voiding its contracts. With no prior notice of its intent, CCHA around December 23, 2025 issued an Agenda for a Special Meeting of its Board of Directors on January 6, 2025 for "discussion and possible action to void any and all of the following agreements the Corpus Christi Housing Authority entered into to purchase and lease the following housing developments," including the Azure Apartments. CCHA

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[3] Azure Apartments Ground Lease § 20.14.
[4] *See id.* §§ 3.1.1 ("Notwithstanding anything herein to the contrary the payment of Rent shall be subordinate to the payment of any debt service owed by the Tenant with respect to any loans made to finance or refinance the acquisition of the Project."), 14.1, 14.2, 20.3 ("This Lease may not be amended, modified, restated, terminated, surrendered, or cancelled unless done so in writing executed by Landlord and Tenant, subject to the prior written consent of Permitted Leasehold Mortgagee and Investor Member. Any amendment, modification, restatement, termination, surrender, or cancellation of this Lease without Permitted Leasehold Mortgagee's written consent shall be void at the option of Permitted Leasehold Mortgagee.").
[5] Azure Apartments Operating Agreement, p. 49.
[6] *Id.* § 9.2(b) (emphasis added).
[7] *Id.* §§ 10.1, 11.10.

did not provide any information prior to the meeting about the basis on which it would seek to void the agreements. At the meeting, the board passed a resolution that purports to void the agreements under the Texas Open Meetings Act (TOMA).

16. Sundance Bay had nothing to do with the contents of the agendas that CCHA issued to provide notice of the meetings at which CCHA approved the MOUs. In response to Nueces County's TOMA allegations, the Sundance Bay Companies, along with other similarly situated developer entities involving the W.H.O. Program, have filed a motion for summary judgment in this case showing that the CCHA's notices were adequate under TOMA. But regardless, the agreements nowhere state that CCHA can void or terminate the agreements because CCHA failed to provide adequate notices of meetings.

17. The CCHA's action at the January 6, 2026 board meeting were apparently motivated by a change of heart concerning whether it is worthwhile to take properties off the tax rolls in order to reserve the properties for affordable housing. The contracts do not contain any provisions stating that they can be voided if CCHA changes its mind. In fact, CCHA and its Managing Member subsidiary pledge in both the MOU and Operating Agreement to preserve, maintain, or reinstate the property tax exemption.[8]

18. In reliance on CCHA's contractual commitments, Sundance Bay deeded land underneath the Azure Apartments to CCHA and granted CCHA a purchase option and right of first to the improvements occupying the deed land (i.e., the Sundance Bay Apartments).

19. On closing of the agreements, pursuant to their terms, Sundance Bay paid CCHA an "initial lease payment in the amount of one hundred thirty-two thousand five hundred dollars ($132,500) to be paid at closing."[9]

[8] *Id.* § 9.2(b); *see* Azure Apartments MOU § G.
[9] Azure Apartments Operating Agreement § 3.8(a).

20. In reliance on CCHA's contractual commitments, over the last year, Sundance Bay has reserved (a) 40% of the Azure Apartments' units for residents earning less than 80% of the Area Median Income; and (b) 10% of the Azure Apartments' units for residents earning less than 60% of the Area Median Income. Sundance Bay has charged rents not exceeding 35% of income for the residents who are renting the reserved apartments. In many cases, this has resulted in significant cost savings for tenants. Sundance Bay's staff has engaged in a significant amount of work to implement the W.H.O. Program by, among other things, verifying resident incomes.

21. Sundance Bay has committed to participate in workforce housing in Corpus Christi for the 99-year term of these agreements. To be clear: Sundance Bay deeded a valuable property to the CCHA, committed to workforce housing, and gave up any opportunity to redevelop the property for other uses.

22. Sundance Bay had to modify the loan for the Azure Apartments in order to enter into the W.H.O. Program with CCHA. Modifying the loan was necessary principally because, by entering into these agreements, the ownership structure changed to a leasehold and the ownership of the land was transferred to CCHA. The loan is with Washington Federal Bank (the "Lender").

23. In connection with the refinancing, CCHA, as lessor, directly provided the Lender with numerous representations that are contrary to the positions that it is now taking, including that CCHA has no reason to believe that there are grounds for any claim of a violation of any governmental law or regulation applicable to its interest in the Property.[10]

24. Under the loan agreements, CCHA's resolution, which admits to a TOMA violation on its own accord, would constitute a direct repudiation of its prior representation that it has no knowledge of any claim for a violation of governmental law or regulation applicable to its interest

[10] Estoppel Certificate § 8.

in the Property. If CCHA is allowed to act on its January 6, 2026 resolution and take steps to void the agreements, the consequences for Sundance Bay will be severe and irreparable. The lenders may take the position that the loans are in default, leaving us at risk of losing our rights in the properties and causing significant impacts to our companies' credit. For example, $12.5 million in our investors' equity would be wiped out, with a corresponding loss of investor confidence and impact on our credit rating.

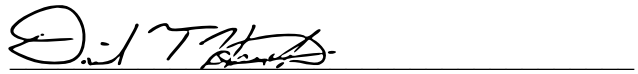
25. Actions by CCHA to undermine the agreements will cause disruption to the business of the Azure Apartments. We have dedicated a significant amount of effort into getting the Azure Apartments into compliance with the Regulatory Agreements. If the Azure Apartments is not part of a workforce housing program, and no tax exemption is available, then the Property could not be economically operated with controlled rents. As a result of CCHA's actions, many tenants will face significant rent hikes with a resulting possible loss of their homes.

26. If, as is possible, the property is foreclosed due to CCHA's actions, there will serious consequences for all tenants in the building – not just those who enjoy controlled rents. It is common, upon foreclosure, for a bank to struggle to properly administer a building, resulting in diminished tenant services and, ultimately, tenant attrition.

27. Sundance Bay owns properties the State of Texas, and I have dedicated a substantial portion of my career to operating quality, stable multi-family housing complexes. If, because of CCHA's actions, we can no longer offer controlled affordable rents in Corpus Christi, Sundance Bay will experience significant reputational harms and loss of goodwill.

My name is David Hatch, my date of birth is June 3, 1988, and my office address is 1240 E 2100 S STE 300 Salt Lake City, UT 84106 in the United States of America. I declare under penalty of perjury that the foregoing is true and correct.

Executed in Salt Lake County, State of Utah, on the 6th day of January 2026.



David Hatch

CAUSE NO. 2025DCV-4399-D

NUECES COUNTY, TEXAS, *Plaintiff* V. CORPUS CHRISTI HOUSING AUTHORITY, *Defendant and Cross-Claim Defendant* AND 2921 AIRLINE PE, LLC, ET AL *Intervenor Defendants and Cross-Claim Plaintiffs* AND CATHY MEHNE, GREG SMITH, RICHARD A. BALLI, SR., JOE MCCOMB, AND JUDITH GONZALEZ-RODRIGUEZ, SOLELY IN THEIR OFFICIAL CAPACITY AS MEMBERS OF THE CORPUS CHRISTI HOUSING AUTHORITY BOARD OF COMMISSIONERS, *Cross-Claim Defendants*	§ §	IN THE DISTRICT COURT 105TH JUDICIAL DISTRICT NUECES COUNTY, TEXAS

DECLARATION OF BRAD SWEARER IN SUPPORT OF INTERVENORS' REQUEST FOR TEMPORARY RESTRAINING ORDER

1. My name is Brad Swearer. I am over the age of 21, and I am competent in all respects to make this declaration. The information contained in this declaration is true and correct and based my personal knowledge.

2. I am the Chief Financial Officer of GWR Management. GWR Management owns and operates 27 workforce housing communities located throughout the United States, including four properties (Armon Bay, Sandcastle, Summit, and Veranda) located in Corpus Christi that are the subject of this lawsuit. GWR has owned these properties and been a part of the Corpus community for approximately 10 years.

3. In mid-2024, GWR was contacted by a representative of the Corpus Christi Housing Authority (the "Housing Authority" or "CCHA"). We were informed that increasing access to affordable housing was an important policy objective for the Housing Authority. GWR's properties fit the profile for the CCHA's workforce housing program under which properties partnering with the Housing Authority would commit to offering reduced rents for a 99-year term and would receive a property tax abatement.

4. The workforce housing program presented by CCHA required that the land under GWR's properties be deeded to CCHA. CCHA's ownership of the land is critical to the availability of a property tax exemption for the Properties. The property tax exemption is necessary to make it economically viable to reserve apartment units for controlled rents. Specifically, rent is controlled by regulatory agreements under which each Property reserves forty percent of its units for individuals earning 80% or less of the Area Median Income. Another ten percent of units are reserved for tenants earning 60% or less of the Area Median Income. The rent for these units is capped at 30% of the household's income.

5. The CCHA's workforce housing program required designating a company to be the tenant to lease the land back from CCHA. GWR worked with CCHA to designate four tenant companies – one for each property participating in the workforce housing program. Specifically, the tenant companies are CC Armon Bay Owner, LLC, which leases land from CCHA for the

Armon Bay apartments; Sandcastle Owner, LLC, which leases land from CCHA for the Sandcastle apartments; CC Summit Owner, LLC, which leases land from CCHA for the Summit apartments; and CC Veranda Owner, LLC, which leases land from CCHA for the Veranda apartments.

6. Each of the tenant companies is ultimately 99.99% owned by LLC's affiliated with GWR.

a. CC Armon Bay Owner, LLC is 99.99% owned by GWR's companies, GWR Armon Bay, LLC (the "Investor Member") and GWR 16 Management, LLC (the "Special Limited Member").

b. CC Sandcastle Owner, LLC is owned by Sandcastle LH Holding, LLC, which is 99.99% owned by GWR's companies, GWR Sandcastle, LLC (the "Investor Member") and GWR 16 Management, LLC (the "Special Limited Member").

c. CC Summit Owner, LLC is 99.99% owned by GWR's companies, GWR Summit, LLC (the "Investor Member") and GWR 16 Management, LLC (the "Special Limited Member").

d. CC Veranda Owner, LLC is 99.99% owned by GWR's companies, GWR Veranda, LLC (the "Investor Member") and GWR 16 Management, LLC (the "Special Limited Member").

Each of these GWR companies is a party to this lawsuit.

7. In addition to the GWR companies, there is a Managing Member for each tenant. The Managing Member is, in each case, ultimately a 0.01% owner of the tenant company and is itself wholly owned by CCHA. Although the contracts use the term "Managing Member" to denote the CCHA-affiliated entity, the Operating Agreement for each tenant company states expressly that "so long as any Investor Obligations are outstanding, the Managing Member shall and does

hereby delegate its rights, powers, and responsibilities . . . to the Special Limited Member."[1] For each property, the Investor Obligations are still outstanding.

8. For each property, a Memorandum of Understanding (MOU) sets out the structure of the workforce housing agreements. Each MOU states that it "is a contract and not merely an 'agreement to agree.'"[2] None of the MOU's state that they can be unilaterally voided or terminated by CCHA, and my companies do not consent to the voiding or termination of the MOU's.

9. Each MOU was implemented by a warranty deed conveying the land to CCHA, a ground lease in which CCHA leases the land to the tenant company, an operating agreement setting out the rights and obligations of the GWR companies and the CCHA-affiliated Managing Member, and a regulatory agreement requiring that 50% of apartments be reserved for residents earning less than 80% of the Area Median Income at a monthly rent of no more than 30% of the residents' income.

10. Each of the ground leases states that GWR's Investor Member "shall be deemed a third-party beneficiary of the provisions of this Lease that reference the Permitted Leasehold Mortgagees or the Investor Member."[3] Each ground lease contains numerous references to the Permitted Leasehold Mortgagees or the Investor Member.

11. Each of the ground leases contain provisions that would prohibit CCHA from unilaterally voiding or terminating the lease, or from conveying the land back to its original owners or others without the consent of GWR companies.[4] GWR does not consent to termination of the ground leases or conveyance of the land by CCHA.

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[1] Armon Bay Agreement § 3.1(g); Sandcastle Operating Agreement § 3.1(g); Summit Operating Agreement § 3.1(g); Veranda Operating Agreement § 3.1(g).
[2] *See, e.g.*, Summit MOU § L(1).
[3] Armon Bay Ground Lease § 20.14; Sandcastle Ground Lease § 20.14; Summit Ground Lease § 20.14; Veranda Ground Lease § 20.14.
[4] *E.g.*, Summit Ground Lease §§ 3.1, 14.1, 14.2, 20.3..

12. CCHA, the sole owner of the Managing Member, executed each of the Operating agreements. My companies, each of which are parties to this lawsuit, are parties to these agreements. Each agreement imposes significant obligations on CCHA. Each agreement states that "the Managing Member will at all times act in good faith to preserve, maintain, and/or reinstate the Real Estate Tax Exemption."[5]

13. None of the operating agreements give CCHA or the wholly-owned Managing Member the unilateral right to terminate or void the agreements without the consent of my companies. In fact, each of the agreements contain provisions which are wholly inconsistent with unilateral termination by CCHA.[6] GWR does not consent to any such termination.

14. CCHA has never informed GWR of any contractual basis for voiding its contracts. With no prior notice of its intent, CCHA around December 23, 2025 issued an Agenda for a Special Meeting of its Board of Directors on January 6, 2025 for "discussion and possible action to void any and all of the following agreements the Corpus Christi Housing Authority entered into to purchase and lease the following housing developments," including Armon Bay, Sandcastle, Summit, and Veranda. CCHA did not provide any information prior to the meeting about the basis on which it would seek to void the agreements. At the meeting, the board passed a resolution that purports to void the agreements under the Texas Open Meetings Act (TOMA).

15. GWR had nothing to do with the contents of the agendas that CCHA issued to provide notice of the meetings at which CCHA approved the MOU's. The MOU's were unanimously approved and set out the material terms of the ground leases, operating agreements, and regulatory agreements. In response to Nueces County's TOMA allegations, GWR has filed a

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[5] Armon Bay Operating Agreement § 9.2(b); Sandcastle Operating Agreement § 9.2(b); Summit Operating Agreement § 9.2(b); Veranda Operating Agreement § 9.2(b).
[6] E.g., Summit Operating Agreement §§ 10.1, 11.10, 20.3.

motion for summary judgment in this case showing that the CCHA's notices were adequate under TOMA. But regardless, the agreements nowhere state that CCHA can void or terminate the agreements because CCHA failed to provide adequate notices of meetings.

16. The CCHA's action at the January 6, 2026 board meeting apparently was motivated by a change of heart concerning whether it is worthwhile to take properties off the tax rolls in order to reserve the properties for affordable housing. The contracts do not contain any provisions stating that they can be voided if CCHA changes its mind. In fact, CCHA pledges in both the MOU's and Operating Agreements to preserve, maintain, or reinstate the property tax exemption.[7]

17. In reliance on CCHA's contractual commitments, GWR deeded four valuable apartment complexes to CCHA.

18. On closing of the agreements, pursuant to their terms, my companies arranged for the payment of hundreds of thousnads of dollars to CCHA for advance rent and CCHA's attorney's fees.

19. In reliance on CCHA's contractual commitments, over the last year, we have reserved 50% of apartments for residents earning less than 80% of the Area Median Income, and we have charged rents of no more than 30% of income for the residents who are renting the reserved apartments. In some cases, this has resulted in significant cost savings for tenants. Our staff has engaged in a tremendous amount of work to implement the workforce housing program by, among other things, verifying resident incomes.

20. GWR has committed to participate in workforce housing in Corpus Christi for the 99-year term of these agreements. To be clear: GWR deeded four valuable properties to the CCHA,

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[7] Armon Bay Operating Agreement § 9.2(b); Sandcastle Operating Agreement § 9.2(b); Summit Operating Agreement § 9.2(b); Veranda Operating Agreement § 9.2(b).

committed to workforce housing, and gave up any opportunity to redevelop these properties for other uses.

21. GWR had to refinance each property in order to enter into these workforce housing agreements with CCHA. Refinancing was necessary because the ownership structure (a leasehold) and title to the land had changed, and because it was necessary to pay upfront fees and other funding demanded by CCHA. In total, GWR arranged $73.8 million of financing for these workforce housing agreements.

22. In connection with the refinancing, CCHA, as lessor, directly provided the lenders with numerous representations that are contrary to the positions that it is now taking, including that "Lessor has not received written notice that it is in violation of any governmental law or regulation applicable to its interest in the Property and has no reason to believe that there are grounds for any claim of any such violation."[8]

23. Under the loan agreements, the absence of a valid leasehold and the absence of a property tax exemption can be events of default. If CCHA is allowed to act on its January 6, 2026 resolution and take steps to void the agreements, the consequences for GWR will be significant and irreparable. The lenders may take the position that the loans are in default, leaving us at risk of losing our rights in the properties and causing serious impacts to our companies' credit.

24. Actions by CCHA to undermine the agreements will cause extreme disruption to the business of the apartment complexes. We have dedicated a significant amount of effort to get the Properties into compliance with the Regulatory Agreements. If the Properties are not part of a workforce housing program, and no tax exemption is available, then the Properties could not be economically operated with controlled rents. As a result of CCHA's actions, many tenants will

[8] Ground Lessor Estoppel Certificate ¶ 8.

face significant rent hikes with a resulting possible loss of their homes. That will cause a significant turnover in the tenant base and thus increased time and money spent refilling the units with market-rent tenants. In the meantime, our properties will operate at a significant loss until the tax exemption is recognized.

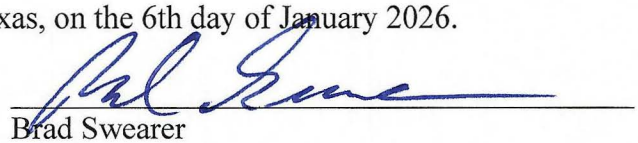
25. If the lenders foreclose on our properties, or force a sale of the properties, due to a default caused by the absence of a valid leasehold or a tax abatement, GWR will lose its equity in these properties. Foreclosure is always disruptive to a business and to the tenants. It is well-recognized that service levels, upkeep, and general operations typically degrade after foreclosure – a situation that will affect all tenants in the four properties, not just those participating in the workforce housing program.

26. GWR owns properties all over the State of Texas. If, because of CCHA's actions, the properties are foreclosed, or if GWR can no longer offer controlled affordable rents in Corpus Christi, GWR will experience significant reputational harms, the loss of goodwill, and an inability to borrow money.

27. CCHA's January 6, 2026 resolution makes an offer to return the properties and payments made to CCHA by GWR. That offer will not avert any harms; in fact, it exacerbates the problem because the loans are written based on the current ownership structure with the CCHA as the owner. If CCHA somehow "returned" the property and money, that itself would be an event of default which would cause all of the harms I have described above.

My name is Brad Swearer, my date of birth is September 15, 1964, and my office address is 2000 W. Loop South Ste. 1050, Houston, TX 77027 in the United States of America. I declare under penalty of perjury that the foregoing is true and correct.

Executed in Nueces County, State of Texas, on the 6th day of January 2026.



Brad Swearer