August 10, 2026

TIME SENSITIVE FUNDING REQUEST

**Attn: Sergio Villasana Jr. CPA, CGFO, CIA** VIA: sergiov2@corpuschristitx.gov
Director of Finance & Procurement
City of Corpus Christi, Texas
1201 Leopard Street
Corpus Christi, TX 78401

RE: *Ajit David v. City of Corpus Christi*
Time sensitive Board of Directors direction to fund substitute agreement.

Dear Director Villasana, Jr.:

The B Corporation Board of Directors [with direction from the City Council's July 14, 2026, action to mediate the above lawsuit] passed the enclosed Resolution, approving the enclosed Termination, Settlement & Release Agreement ("TSRA") terminating the 2024 Business Incentive Agreement ("BIA") between the B Corporation and Elevate QOF, LLC. The TSRA will take the BIA's place. The Corporation has a payment due, and **the Board of Directors, by Resolution, directed you to make this payment "with all due haste".**

The effect of this agreement is intended to spur the lawsuit's resolution, at the mediation that started this morning, making its funding urgent. Therefore, the Board directs you to please wire the settlement funds, in the amount of one million, five hundred thousand dollars [$1,500,000.00 USD] appropriated from Type B Fund No. 1145 by City Ordinance 24-0256 payable to: ALBM Trust Account No. 210059656, Bank Routing No. 114903284. Bank Name: American Bank. Bank Address: P.O. Box 6469, Corpus Christi, Texas 78411. Account Holder: Anderson, Lehrman, Barre & Maraist, L.L.P. Address: Gaslight Square, 1001 Third Street, Suite 1, Corpus Christi, Texas 78404. Contact name: Denny Barre. Email: dbarre@albmlaw.com. Phone: 361-884-4981. Facsimile: 361-884-9618.

Thank you for your prompt assistance with this time sensitive matter.

Sincerely,

**Corpus Christi B Corporation**

By: Diana Summers

Diana Summers, President

## RESOLUTION NO. 2026-0810

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CORPUS CHRISTI B CORPORATION TERMINATING THE BUSINESS INCENTIVE AGREEMENT BETEWEEN THE CORPORATION AND ELEVATE QOF, LLC. FOR THE DEVELOPMENT OF A HOTEL AND RETAIL PROJECT; APPROVING A TERMINATION, SETTLEMENT AND RELEASE AGREEMENT BETWEEN THE CORPORATION AND ELEVATE QOF, LLC AND SUBSTITUTING THE TERMINATION, SETTLEMENT AND RELEASE AGREEMENT THEREFORE; DIRECTING THE PRESIDENT TO EXECUTE THE AGREEMENT, AND THE SECRETARY TO ATTEST THE AGREEMENT; DIRECTING THE DELIVERY OF DOCUMENTS: DIRECTING THE TRANSFER OF CONSIDERATION; PROVIDING FOR REPEAL, PROVIDING FOR SEVERABILITY, AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS,** the City of Corpus Christi established a Texas Type B Economic Development Corporation ("BCORP") pursuant to Chapters 501-505 of the Texas Government Code; and

**WHEREAS,** the Board of Directors find that on January 30, 2024, it lawfully entered into a Business Incentive Agreement ("BIA") with Elevate QOF, LLC, ("EQOF") for the development of a hotel and retail project; and

**WHEREAS,** the Board of Directors find that a majority of the Corpus Christi City Council ("CCCC"), in successive City Council meetings conducted in compliance with all applicable law, voted in favor of Ordinance 24-0256[1] which authorized the BCORP to enter into an agreement between it and Elevate QOF, LLC, for costs associated with Homewood Suites By Hilton at the corner of Chaparral Street and Lomax Street and appropriated $2,000,000 from the Type B Fund No. 1145, to fund the agreement with EQOF"; and

**WHEREAS,** the Board of Directors find Ajit David sued the City of Corpus Christi, Texas on September 30, 2024, seeking Ordinance 24-0256 to be held void, voidable, invalid, and/or unenforceable."; and

**WHEREAS,** the Board of Directors find more than two and one-half years have elapsed, without any legal ruling that Ordinance 24-0256 "is void, voidable, invalid, and/or unenforceable"; and

**WHEREAS,** the Board of Directors find that such a ruling does not appear imminent or likely; and

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[1] Exhibit 1 Referred to Ord. 24-0256 is actually Ord. 033350 of the City and is the funding authorization.

**WHEREAS,** the Board of Directors find that a majority of the CCCC, at a City Council conducted in compliance with all applicable law, on July 14, 2026, voted to "direct staff to pursue mediation *with all parties concerned* or at the very least the lawsuit of *Ajit David vs. City of Corpus Christi*"[2] [emphasis added]; and

**WHEREAS,** the Board of Directors find the BCORP is a very concerned third party when it comes to the *Ajit David v. City of Corpus Christi* lawsuit and accepted the City Council's invitation to support and pursue mediation; and

**WHEREAS,** the Board of Directors find the mediation for the *Ajit David v. City of Corpus Christi* lawsuit is scheduled to occur on August 10, 2026 [today], making time of the essence; and

**WHEREAS,** the Board of Directors find that on June 17, 2026, legal counsel for Ajit David disclosed he was in possession of privileged and confidential attorney-client communications between the city's councilmembers and the City Attorney's office, by presenting the communication, in writing and in open court; and

**WHEREAS,** the Board of Directors find they hold a fiduciary duty of non-disclosure of its attorney-client communications, and until public consideration for final action of the matter described herein, it is required to maintain confidentiality, in accordance with applicable law; and

**WHEREAS,** the Board of Directors find that despite the Texas Constitution and laws of this state expressly prohibiting the CCCC from taking any action which would impair the BIA or the TRSA between the BCORP and Elevate QOF, LLC; and other agreements of this type, the protracted and indirect challenge to the agreement via its funding ordinance places uncertainty in the minds of economic development prospects that the BCORP is seeking to locate, expand, or retain in the community, and is materially interfering in the performance of the BCORP; and

**WHEREAS,** the Board of Directors find such uncertainty creates substantial barriers to business and economic development, results in financial or reputational harm to the BCORP, and exposes the BCORP, its Board, and the City of Corpus Christi ("CCC") to unnecessary protracted legal and financial risk; and

**WHEREAS,** the Board of Directors find the BCORP and Elevate QOF are the only parties to the BIA; and

**WHEREAS,** the Board of Directors have deliberated upon and sought and received competent legal advice from its legal counsel in connection with its findings made in this Resolution; and

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[2] Exhibit 2 City Council motion for mediation by all concerned parties.

**WHEREAS,** the Board of Directors find the lawsuit causes uncertainty and impairs BCORP's financial status, reputational status and business development, impairs the community consumer's financial health, and causes other harm to the BCORP and the public, and must not continue; and

**WHEREAS**, the Board of Directors find the termination of the BIA and substituting the Termination, Settlement & Release Agreement[3] ("TSRA") in its place achieves the economic development purposes of the BCORP, while further protects the BCORP from risk from any further litigation which may arise from or be connected to the Ajit David lawsuit; and,

**WHEREAS**, the Board of Directors find EQOF's capital investment in the project as of July 9, 2026, exceeds $28M, with well over $2M of the investment, reimbursement eligible project costs as defined by the BIA; and,

**WHEREAS**, the Board of Directors find the hotel and retail development is constructed and completed in a manner to provide new employment in the type and amounts agreed to in the BIA, including street level retail, public space, and outdoor dining area activation including gray box and finish out including necessary floodwall and dry flood proofing to allow for consistent street level access; therefore, EQOF is in substantial compliance of the related provisions in the BIA.

**WHEREAS,** the Board of Directors find they must act, in the best interest of the BCORP, in compliance with its fiduciary duties placed upon its members as specified in Texas Business Organizations Code, Chapter 22 et. seq; and

**WHEREAS**, the Board of Directors consider and act on this Resolution as obligated to do so by law, do so to act in the best interest of the BCORP, and do so to act in the best interest of continued and responsible economic development growth in the community it serves.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CORPUS CHRISTI B CORPORATION:**

**SECTION 1. Findings.** The foregoing recitals are hereby found to be true and correct and are hereby adopted by the Board of Directors and made a part hereof for all purposes and findings of fact.

**SECTION 2. TSRA Approved.** The BIA is terminated, and the TSRA is approved in its place, and is substituted, therefore.

**SECTION 3. Execution.** The President is directed to execute this Resolution and the TRSA. The Secretary (or designee) is directed to attest to the execution of this Resolution and the TSRA, if necessary.

[3] Exhibit 3 TRSA

**SECTION 4. Delivery of Documents.** Time is of the essence. BCORP's legal counsel is directed to distribute the Resolution and TRSA to attorneys representing EQOF and the CCC at the mediation.

**SECTION 5. Delivery of Consideration.** Any financial agent with access and authority to transfer BCORP funds is hereby directed, with all due haste, to transfer the consideration owed to EQOF as stated in the TSRA to EQOF, using the information provided by EQOF for transferring funds, which will be provided with this Resolution when directing the transfer.

**SECTION 6. Repeal.** This Resolution shall be and is hereby cumulative of all other resolutions of the BCORP and this Resolution shall not operate to repeal or affect any such other resolutions except insofar as the provisions thereof might be inconsistent or in conflict with the provisions of this Resolution, in which event such conflicting provisions, if any, in such other resolution or resolutions are hereby repealed.

**SECTION 7. Severability.** If any section, subsection, sentence, clause, or phrase of this Resolution shall for any reason be held to be invalid, such decision shall not affect the validity of the remaining portions of this resolution.

**SECTION 8. Effective Date.** This Resolution shall become effective and be in full force and effect from the date and time of passage and adoption by the Board of Directors.

**APPROVED AND ADOPTED THE 10th DAY OF AUGUST 2026.**

Diana Summers, President

ATTEST:

Rebecca Huerta, City Secretary

# Exhibit 1 Ordinance 24-0256

**Ordinance authorizing an agreement between the Type B Corporation and Elevate QOF LLC, for a total incentive amount not to exceed $2,000,000 for Homewood Suites by Hilton at the corner of N Chaparral Street and Lomax Street; for costs associated with the street level retail, public space, and outdoor dining area activation including gray box and finish out including necessary floodwall and dry flood proofing to allow for consistent street level access; authorizing the expenditure of up to $2,000,000 from the Type B unreserved fund balance; and amending the fiscal year 2023-24 budget to increase expenditures by $2,000,000.00.**

**Be it ordained by the City Council of the City of Corpus Christi, Texas:**

**Section 1.** Funds in the amount of $2,000,000.00 are appropriated from the Type B Fund No. 1145 for an agreement with Elevate QOF, LLC.

**Section 2.** The FY2023-24 Operating Budget adopted by Ordinance No. 0333151 is amended to increase expenditures by $2,000,000.00.

**Section 3.** That the Corpus Christi B Corporation is authorized to enter into an agreement between the Corpus Christi B Corporation and Elevate QOF LLC, for costs associated with Homewood Suites by Hilton at the corner of Chaparral Street and Lomax Street

Introduced and voted on the 20th day of February, 2024.

PASSED and APPROVED on the 23rd day of April, 2024.

ATTEST:

Paulette Guajardo

Paulette Guajardo, Mayor

Rebecca Huerta

Rebecca Huerta, City Secretary



033350

# Exhibit 2 - City Council Action

## City of Corpus Christi

1201 Leopard Street
Corpus Christi, TX 78401
corpuschristitx.gov

**July 14, 2026**

**E-Session Item: M2026-068**

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**File Number: 26-1096** **Enactment Number: M2026-068**

Motion to direct staff to pursue mediation with all parties concerned or at the very least the lawsuit of Ajit David vs. City of Corpus Christi.

At a meeting of the City Council on 7/14/2026, this E-Session Item was passed after executive session.

**Aye:** 5 Council Member Vaughn, Council Member Hernandez, Council Member Campos, Council Member Paxson, and Council Member Cantu

**Nay:** 3 Council Member Barrera, Mayor Guajardo, and Council Member Scott

**Abstained:** 1 Council Member Roy

Paulette Guajardo, Mayor

**Attest:** for

Rebecca Huerta, City Secretary



SCANNED

**Exhibit 3**

Texas Constitution, Bill of Rights:

**SEC. 16.** No bill of attainder, *ex post facto* law, retroactive law, or any law impairing the obligation of contracts shall be made.

Texas Local Government Code, section 501.401(b):

**SUBCHAPTER I. ALTERATION OR TERMINATION OF CORPORATION**

**Sec. 501.401. ALTERATION OR TERMINATION BY AUTHORIZING UNIT.** (a) At any time a corporation's authorizing unit, in its sole discretion, may in accordance with this subtitle:

(1) alter the corporation's structure, organization, programs, or activities; or

(2) terminate the existence of the corporation.

(b) The authority of an authorizing unit under this section is limited only by the law of this state on the impairment of contracts entered into by the corporation.

(c) An authorizing unit may make an alteration or may terminate the corporation's existence only by a written resolution of the authorizing unit's governing body.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

## TERMINATION, SETTLEMENT AND RELEASE AGREEMENT

This Termination, Settlement, and Release Agreement ("TSRA") is entered into by and between Elevate QOF, LLC ("EQOF") and Corpus Christ B Corporation. ("BCORP") (individually referred to as Party, interchangeably, and together as "Parties") and is effective upon last date of execution by the parties as shown on pages twelve (12) and thirteen (13), and shall remain in effect for ten (10) years thereafter.

WHEREAS, the Texas Legislature in Chapter 501 et seq. of the Local Government Code (Development Corporation Act of 1979) (the "Act") empowered local communities with the ability to adopt optional local sales and use tax as a means of improving the economic health and prosperity of their citizens; and

WHEREAS, the BCORP exists for the purposes of encouraging and assisting entities in the creation of jobs for the citizens of Corpus Christi, Texas ("CCC"); and

WHEREAS, Parties acknowledge that the BCORP is a non-profit corporation regulated by Texas Business Organizations Code Chapter 22, imposing a non-delegable obligations upon the Board members of the BCORP to "discharge the director's duties, ...in good faith, with ordinary care, and in a manner the director reasonably believes to be in the best interest of the corporation";[1] and

WHEREAS, the Board of Directors find approving this TSRA is in the best interest of BCORP and is voted upon in carrying out the duties of the members of the Board as applicable and specified in Texas Business Organizations Code, Chapter 22; and

WHEREAS, EQOF and BCORP lawfully entered into a Business Incentive Agreement ("BIA") executed by EQOF on January 14, 2024, and by BCORP on January 30, 2024; and

WHEREAS, on April 23, 2024, the City Council passed and approved Ordinance 24-256 appropriating two-million dollars ($2,000,000) from the Type B Fund No. 1145 for "an agreement" with EQOF; and

WHEREAS, in the same Ordinance 24-256 the City Council ordained that: "... the Corpus Christi B Corporation is authorized to enter into an agreement between the BCORP and EQOF, reimbursing certain expenses associated with constructing a Homewood Suites by Hilton hotel at the corner of Chaparral Street and Lomax Street; and

WHEREAS, the Parties agree that at the time of this agreement, all conditions precedent required by the BIA have been fully met, making the BIA binding on the Parties; and

[1] Tex. Bus. Org. Code § 22.221(a).

WHEREAS, the validity of the BIA is not in dispute between the Parties, nor has any non-party to the BIA challenged the validity of the BIA; and

WHEREAS, Ajit David, considered legally as a "stranger to the contract"[2], filed suit on September 30, 2024, against the CCC and Mayor Guajardo in a matter arising out of Ordinance 24-256 being passed and approved by the City Council; and

WHEREAS, the Parties agree that EQOF expended millions of dollars and incurred significant costs associated with the construction of Homewood Suites by Hilton located at the corner of Chaparral Street and Lomax Street relying on consideration to be received from the BIA; and

WHEREAS, BCORP is currently, and remains in anticipation of unnecessary and costly litigation arising from matters related to the BIA by several potential parties;

WHEREAS, the Parties agree that the unilateral cancellation or impairment of contracts that are already binding and in effect creates major obstacles to both business development and consumer financial health and must be avoided; and

WHEREAS, the Parties agree that the unilateral and premature cancellation, termination, or rescission of an economic development incentive agreement in the absence of a Board-determined uncured default or other established contractual basis for termination may create substantial barriers to business and economic development, result in financial or reputational harm to BCORP, and expose BCORP, its Board, and the CCC, to unnecessary legal and financial risk.

WHEREAS, the Parties acknowledge that Texas Local Government Code section 501.401(b) limits the City Council's authority as it relates to BCORP by prohibiting the City Council from taking any action which would impair a contract entered by BCORP, including the BIA.[3]

WHEREAS, the Parties acknowledge that Article 1, Section 16 of the Texas Bill of Rights prohibits any law "impairing the obligation of contracts" and Ordinance 24-256 is a local law approving the funding and payment of an agreement with EQOF.

WHEREAS, pursuant to the Equal Dignity Doctrine[4], a municipal ordinance passed and approved by the City Council of the CCC may only be amended, ratified, or repealed by an Ordinance passed and approved by the City Council; and

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[2] A **stranger to the contract** is a person or entity who is not a party to an agreement, meaning they lack **privity of contract**. Under the general rule of law, a stranger cannot sue or be sued to enforce the terms of that contract. While a person who didn't pay the price (*stranger to the consideration*) might sometimes enforce an agreement, a complete third party (*stranger to the contract*) fundamentally cannot.

[3] See Texas Local Government Code 501.401(b).

[4] In Texas municipal law, the equal dignity doctrine (often called the *common-law doctrine of equal dignities*) dictates that a legal act or legislative enactment by a city council can only be amended, modified, or repealed by an act of equal or greater legislative dignity (i.e., an ordinance is necessary to affect another ordinance). *See City of Hutchins v. Prasifka*, 450 S.W.2d 829, 832 (Tex. 1970).

WHEREAS, the Parties agree that the CCC City Council has not taken any action by ordinance to amend, ratify, or repeal Ordinance 24-256.

WHEREAS, the Parties agree that no court with (or without) competent jurisdiction has entered any order invalidating Ordinance 24-256, or restraining the BCORP from expending the funds authorized by Ordinance 24-256; and

WHEREAS, the Parties intend for this agreement to substitute for, supersede, and extinguish, all obligations and benefits either of the Parties' held arising from the BIA upon execution and the exchange of all consideration by and between the Parties required herein, except as expressly reserved by EQOF herein; and

WHEREAS, the Parties agree that this Agreement settles and resolves all claims between EQOF and BCORP, known or unknown, by and between the Parties, which arise regarding, relating, or in connection with, the BIA, but does not release, waive, or impair any claims by EQOF against any person, corporation or otherwise, not a party to this agreement; and

WHEREAS, the Parties wish to support the City Council's action to moot, resolve, conclude, avoid, and cease the costly litigation brought by Ajit David against the CCC, Mayor Guajardo, and EQOF without further expense of time, labor, and the expenditure of tax dollars, and the related expense and inconvenience of all non-parties, who have been affected by the controversies arising from the litigation; and

WHEREAS, the Parties enter into this Agreement to promote the anticipated mediation of the David lawsuit, making time of the essence; and necessitating the consideration of this matter quickly, to support the formal action of the CCC City Council's direction to mediate; and

WHEREAS, the Board of Directors consider this Agreement with the intent to promote the final disposition and dismissal of the *David v. Corpus Christi* lawsuit, as sought by the CCC City Council; and

WHEREAS, the Parties believe that without the termination, settlement and release provided herein, the litigation is likely to continue, which would cause harm to the BCORP and EQOF and may cause unnecessary conflict between the CCC and BCORP and result in the compelled but unnecessary waste of tax dollars.

WHEREAS, the Parties desire that this Agreement between EQOF and BCORP to render the Ajit David litigation moot to the extent any such relief is available under applicable law, without disturbing any other claims not addressed in this agreement against Ajit David and the City of Corpus Christi, if any.

WHEREAS, the Parties desire to enter this Settlement and Release Agreement to dispose fully and finally, any and all differences between EQOF and BCORP and any claims that may exist between EQOF and BCORP under federal, state, or municipal statutes and common law, by entering into this agreement with the intent to resolve any and all possible claims between the Parties arising out of, related to, or in any way connected to the BIA and its funding; provided, however, that nothing in this Agreement releases, waives, or impairs EQOF's claims against any third parties, including those sued by David in *David v. Corpus Christi, Texas, et. al.*

NOW THEREFORE, in consideration of the mutual agreements contained herein and for other good cause and valuable consideration, the parties agree as follows:

1. **ACKNOWLEDGEMENTS:**

a. **Recitals and purpose.** The above recitals, the truth of which is acknowledged, are included for all purposes as part of this TSRA. The Parties expressly acknowledge that the provided consideration is solely for the purpose of avoiding the cost, burden, and uncertainties of anticipated or possible litigation between EQOF and BCORP regarding the matters stated herein, in the future.

b. **No admission of wrongdoing.** The Parties further understand and agree that this Settlement Agreement, and its execution by the parties, does not represent an admission of any wrongdoing by either party, nor that any Party is in any way liable to the other Party, or that either Party harmed or damaged the other, in any way, or that either Party committed any acts or omission whatsoever against each other or any other person, or that either Party violated any federal, state, local law, ordinance, regulation or any provision governing the terms and conditions of the BIA.

c. **No admissions based on consideration.** The form or amount of consideration exchanged by and between the Parties in this agreement does not constitute an acknowledgment or admission of wrongdoing by EQOF, or that EQOF breached the BIA, or that any default occurred, or that any allegations by Ajit David or the CCC City Council have merit regarding this matter.

d. **Settlement in good faith.** This TSRA is the good faith settlement of disputed and anticipated claims between EQOF and BCORP, and the Parties jointly and specifically disclaim and waive any liability whatsoever to the other, on the part of any act or omission of each Party, and of each of the Parties' owners, directors, managers, supervisors, officers, agents, successors, attorneys, or representatives, with respect to claims arising from or related to the BIA as between EQOF and BCORP only.

e. **No third party vested pecuniary interest.** The Parties each represent and warrant that no person other than the Parties have any interest in the matters referred to or covered by this Settlement Agreement as between EQOF and BCORP, that each of them has the sole right and exclusive authority to execute this TSRA; and that they have not sold, assigned, transferred, conveyed, or otherwise disposed of any claim or demand relating to any matter covered by this TSRA except as expressly herein provided concerning EQOF's reserved claims against third parties. For avoidance of doubt, no other person or entity, including the City of Corpus Christi and Ajit David, is a third-party beneficiary of this Agreement and no other person or entity has an independent right to enforce any provision hereof.

f. **Application of Texas Rule of Evidence 408 to the Document's Content.** Neither this Agreement nor any of its terms, provisions, recitals, exhibits, negotiations, or the fact of its execution or performance may be offered, received, or admitted as evidence in any proceeding involving the Parties, Ajit David, the City of Corpus Christi, or any other third party for any purpose, including but not limited to proof of liability, wrongdoing, breach, default, fraud, misrepresentation, or damages, **except** (i) in a proceeding to enforce the terms of this Agreement as between EQOF and BCORP, or (ii) if a court of competent jurisdiction orders production under seal pursuant to a subpoena that EQOF has moved to quash and the court has denied such motion after adversarial briefing. BCORP agrees to notify EQOF immediately upon receipt of any such subpoena and to cooperate with EQOF's efforts to quash or limit production.

g. **Capacity and Acknowledgment.** Each Party represents and agrees that it can read the English language, and has carefully read, and understands, all provisions and the effects of entering into this TSRA.

h. **Conference with Attorney.** The Parties represent and agree that they discussed all aspects of this TSRA with their respective attorney(s), and have availed themselves of this opportunity, that they have carefully read and fully understand all the provisions of this TSRA, and that each Party is knowingly and voluntarily, after conferring with their respective attorney(s), entering into this TSRA.

i. **Representations by the Parties.** The Parties mutually represent that they have not filed any claims, complaints, charges, lawsuits or grievances, by or against the other, arising from facts which are in any way related to the BIA or its funding by the CCC, and agree not to file any such items against the other Party regarding any incident, known or unknown which occurred or arose out of facts involved in this matter, on or prior to the date of this TSRA. This representation does not limit EQOF's right to pursue claims against any third party as expressly reserved herein.

2. **<u>CONSIDERATION:</u>**

a. **EQOF Consideration.**

i. Agreeing to, and abiding by, all the terms and conditions in this agreement.

ii. EQOF shall provide a Sworn Affidavit representing the validity and truthfulness of the information provided which meets the TSRA conditions, together with true, correct, and legible copies of invoicing, proof of payment, and proof of presence, on the incentivized hotel property, of at least $2,000,000 of expenditures for:

iii. streets and roads, water and sewer utilities, electric utilities, gas utilities, drainage, site improvements, related improvements, telecommunications and internet improvements; or,

iv. land, buildings, equipment, facilities, and improvements for use for amateur sports, including children's sports, athletic, entertainment, tourist, convention, and public park purposes and events, including stadiums, ball parks, auditoriums, amphitheaters, concert halls, parks and park facilities, open space improvements, museums, exhibition facilities, and related store, restaurant, concession, and automobile parking facilities, related area transportation facilities, and related roads, streets, and water and sewer facilities, and any other related improvements that enhance any of the items described above.

v. EQOF, TO THE FULLEST EXTENT PERMITTED BY LAW, SHALL INDEMNIFY AND HOLD HARMLESS BCORP, AND ITS CURRENT EXISTING BOARD OF DIRECTORS, (HEREAFTER REFERRED TO AS "INDEMNITEE") FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LIABILITIES OR COSTS, INCLUDING REASONABLE ATTORNEY FEES AND DEFENSE COSTS, MADE UPON INDEMNITEE CAUSED BY APPROVING THIS AGREEMENT. IF A COURT OF COMPETENT JURISDICTION FINDS THE PARTIES JOINTLY LIABLE, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE WITHOUT, HOWEVER, WAIVING ANY FORM OF IMMUNITY (SOVERIGN, GOVERNMENTAL, QUALIFIED, LEGISLATIVE, OR OFFICIAL) AVAILABLE TO BCORP AND ITS BOARD OF DIRECTORS UNDER ANY APPLICABLE LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER ANY APPLICABLE LAW.

b. EQOF SHALL ALSO INDEMNIFY AND HOLD HARMLESS BCORP AND ITS BOARD OF DIRECTORS ("INDEMNITEE") FROM AND AGAINST CLAIMS, DAMAGES, LIABILITIES, AND COSTS (INCLUDING REASONABLE ATTORNEY FEES AND DEFENSE COSTS) ARISING FROM: (I) EQOF'S BREACH OF ANY REPRESENTATION, WARRANTY, OR COVENANT MADE BY EQOF IN THIS AGREEMENT; (II) EQOF'S BREACH OF THE BIA; OR (III) THIRD-PARTY CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE CAUSED BY EQOF'S NEGLIGENCE IN THE CONSTRUCTION OR OPERATION OF THE PROJECT.

c. INDEMNITEE SHALL HAVE THE RIGHT TO SELECT ITS OWN LEGAL COUNSEL FROM THE OUTSET OF THE CLAIM, WITHOUT WAITING FOR ANY CONFLICT OF INTEREST TO ARISE. EQOF SHALL NOT HAVE THE RIGHT TO APPOINT, DIRECT, OR APPROVE INDEMNITEE'S DEFENSE COUNSEL. INDEMNITEE SHALL SELECT ITS OWN COUNSEL.

d. CONDITIONS ON SELECTION OF COUNSEL: COUNSEL SELECTED MUST CHARGE RATES WHICH ARE COMMERCIALLY REASONABLE FOR THE COMPLEXITY AND JURISDICTION OF THE MATTER AND INDEMNITEE SHALL EXERCISE REASONABLE EFFORT TO AVOID UNNECESSARY LEGAL EXPENSE.

e. EQOF'S OBLIGATION TO FUND INDEMNITEE'S DEFENSE IS LIMITED TO

COUNSEL FEES, COSTS, AND EXPENSES THAT ARE COMMERCIALLY REASONABLE UNDER THE CIRCUMSTANCES.

f. EQOF'S DEFENSE OBLIGATION WILL NOT BE TRIGGERED UNTIL THAT PORTION OF THE FIVE HUNDRED THOUSAND DOLLARS ($500,000) REMAINING AFTER ALLOCATED TO ANY THIRD PARTIES IN ACCORDANCE WITH THIS AGREEMENT IS COMPETELY EXHAUSTED.

g. NOTWITHSTANDING THE FOREGOING, EQOF'S INDEMNITY OBLIGATION DOES NOT EXTEND TO ANY CLAIM, DAMAGE, LIIABILTY, OR COST TO THE EXTENT IT ARISES FROM OR IS ATTRBUTABLE TO: (i) THE NEGLIGENCE, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT OF INDEMNITEE; (ii) BCORP's BREACH OF THIS AGREEMENT; (iii) BCORP's BREACH OF ANY DUTY OWED TO THE CCC; (iv) ANY ULTRA VIRES ACT BY THOSE CURRENTLY SERVING AS THE BCORP'S BOARD OF DIRECTORS.

3) **BCORP Consideration.**

a. Agreeing to, and abiding by, all the terms and conditions in this agreement.

b. Subject to the occurrence of the events listed in paragraph 2 and its subdivisions by EQOF, and as a condition precedent to the execution of this agreement by BCORP, BCORP will:

i. direct the issuance of a single incentive payment of one-million, five hundred thousand dollars ($1,500,000) to EQOF within three business days of the execution of this TSRA by BCORP.

ii. Allocate and reserve the remaining funds which would have been owed to EQOF under the BIA, [five hundred thousand dollars ($500,000)], to first, pay for and fully satisfy any allocation of such funds, in an amount agreed to by EQOF and the CCC, to reimburse the CCC's direct cost of attorney's fees, court costs, and related expenditures, made in the CCC's defense of the Agit David claim, up to $300,000. All remaining funds after the reimbursement to the CCC, shall be retained by the BCORP to be used, to indemnify and defend the BCORP and/or any Board Member who served at any time during the BCORP's consideration of the BIA through the date of the execution of this agreement, to defend a lawsuit and pay any portion of any settlement or judgment arising from the lawsuit, as approved by the BCORP for any such action. If any funds remain after the expiration of all applicable statutes of limitations, the amount remaining will be returned to the unbudgeted fund balance of the BCORP.

4) **Mutual Provisions:**

a. **Mutual Release of Claims.** In exchange for the promises and consideration the Parties provide to each other in this agreement, each Party hereby releases and forever discharges the other Party from any and all claims, suits, causes of action, damages, and liabilities of any nature or origin whatsoever ***(INCLUDING THOSE ARISING IN TORT, CONTRACT, PROPERTY LAW; ALL STATE AND FEDERAL STATUTORY AND ADMINISTRATIVE CLAIMS NO MATTER THE***

***SOURCE, OR FROM STATE OR FEDERAL COMMONLAW)***, known or unknown, asserted or unasserted, including but not limited to claims for equitable relief, compensatory, punitive or other damages, penalties, expenses (including attorneys' fees), or costs of any kind relating to or arising from the BIA and the matters between EQOF and BCORP identified in this agreement.

b. **Mutual waiver of claims.** The Parties hereby expressly waive the benefit of any statute or rule of law, which, if applied to this Agreement, would otherwise exclude it from its binding effect upon any claims not now known by either Party to exist against the other Party with respect to the BIA and matters between EQOF and BCORP. The Parties further acknowledge, understand, and agree that any claims each Party may have against the other with respect to the BIA are dropped for all purposes and all times. Each Party expressly agrees that it will not voluntarily participate or authorize another to participate on its behalf, in any such claim or charge against the other Party as consideration in exchange for this agreement and assign to the other Party any right to recover from any claim that may or may not now be known to exist between EQOF and BCORP with respect to the BIA.

c. **Joint defense agreement.** BCORP covenants that it will not voluntarily cooperate with, assist, provide testimony or documents to, or otherwise support Ajit David or any other third party in any litigation, investigation, or proceeding adverse to EQOF's interests which arise from the David v. Corpus Christi lawsuit, or this Agreement, except as compelled by valid legal process. If BCORP receives a subpoena or other compulsory process which make it a party in the David v. Corpus Christi lawsuit or a suit arising from this Agreement, requiring it to file an answer, or to produce documents or testimony, the Parties agree to enter a joint defense agreement and cooperate with each other's efforts to dismiss, quash, or limit such process. Nothing in this provision limits BCORP's obligation to comply with lawful court orders or governmental investigations. This provision is not intended to be interpreted to affect BCORP's obligation to release information as provided for by the Texas Public Information Act, or any other legal obligation BCORP has, which may appear to conflict with or conflicts with this provision.

d. **Express reservation and non-release of EQOF's third-party claims.** Notwithstanding any other provision of this TSRA, EQOF expressly reserves and does not release, waive, or impair, any and all claims, causes of action, defenses, counterclaims, cross-claims, or rights it has or may have against Ajit David, the CCC, or any of their respective officers, employees, agents, representatives, or affiliates, including any claims founded in tort law, contract law, property law, state or federal statutory law, constitutional law, common law, and allowing for injunctive relief, attorneys fees, and any other claim whatsoever. This express reservation specifically allows EQOF to seek the recovery of the amount in the reduced incentive loss of \$500,000 as provided by the BIA, representing the difference between the \$2,000,000 provided for by the BIA and the \$1,500,000 settlement payment provided by BCORP under this TSRA payment, authorized by Ordinance 24-256, including all forms of damages and recovery allowed by applicable law. Any such action will trigger the indemnity, defense, and election of defense counsel provisions of this agreement should the BCORP incur defense costs and expenses if involved as any sort of party to the proceeding.

e. **Limited scope settlement.** The Parties agree that EQOF's acceptance of the consideration in this agreement from BCORP constitutes a full and final settlement of BCORP's obligations under the BIA, but is limited in scope to only the BCORP, and its officials, and expressly does not apply, affect, release, waive, or impair, any obligation of anyone else and under any circumstance.

f. **Claims for costs, expenses and attorney fees.** Claims for costs, expenses, and attorney's fees incurred in connection with (i) the defense of Ajit David's lawsuit; (ii) enforcement of the BIA against the City of Corpus Christi; (iii) response to the City's May 14, 2026, Notice of Default; or (iv) any other matters related to the conduct of Ajit David or the City of Corpus Christi related to the BIA or the *David v. Corpus Christi* lawsuit, survive this TSRA.

g. **Defenses and Counterclaims.** Any defense, counterclaim, cross-claim, or affirmative defense EQOF may assert in any litigation brought by Ajit David or the City of Corpus Christi survive this agreement.

h. **Indemnification and Contribution Rights.** Any rights of indemnification, contribution, or apportionment EQOF may have against Ajit David, the City of Corpus Christi, or any other third parties survive this agreement.

i. **Other Third-Party Claims.** Any other claims, causes of action, or rights arising from or related to the conduct of Ajit David, the City of Corpus Christi, or any other third parties arising out of the BIA or arising out of the *David v. Corpus Christi* lawsuit which are not claims against BCORP survive this agreement. This reservation applies to all such claims whether presently known or unknown, asserted or unasserted, accrued or contingent, matured or unmatured. Nothing in this Agreement shall be construed to release, waive, impair, or limit in any manner EQOF's claims against any party other than the BCORP.

j. **Non-Disparagement.** The Parties agree that each will not make any statement (whether verbal, written, electronic or any other form) at any time to any person or entity, or on any social media or public site, which is disparaging of the business, reputation, competence, or good character of each other or its business or any of its representatives or agents, or which, if publicized, would cause humiliation or embarrassment, or cause the public to question the business condition, reputation, competence or good character of the non-commenting Party or any of its representatives or agents which is based in whole, or in part, arising from the factual bases which form the basis of the David v. Corpus Christi lawsuit, the BIA, and this Agreement. Nothing in this provision shall be construed as limiting either Party's right to file charges with, cooperate with, participate in, or provide information for an investigation conducted by any local, state or federal governmental agency.

k. **Litigation Carve-Out.** Notwithstanding the foregoing, nothing in the non-disparagement provision above prohibits or limits either party from making any statement, disclosure, factual allegation, or legal argument in any pleading, motion, brief, discovery response, deposition, hearing, trial, arbitration, mediation, or other legal proceeding, or in any document filed with or provided to any court, arbitrator, administrative agency, or governmental body, in connection with any litigation, arbitration, investigation, or administrative proceeding involving that party, whether as plaintiff, defendant, claimant, respondent, witness, or third party. Each party may make any factual assertion, legal argument, or evidentiary proffer necessary or appropriate to prosecute, defend, or participate in any claim, action, or proceeding, regardless of whether such assertion, argument, or proffer could be characterized as disparaging. This Carve-Out provision specifically includes, without limitation, EQOF's prosecution of claims against Ajit David, the City of Corpus Christi, if any, and EQOF's defense of any claims brought by Ajit David or the City of Corpus Christi, if any, related to the facts which form the bases for this Agreement.

l. **Non-Interference.** Nothing in this TSRA shall interfere with any Party's right to file, charge, cooperate, participate, or sue, in any forum or proceeding, any third-party including but not limited to Ajit David and the City of Corpus Christi for claims which arise under the facts related to this TSRA, including all claims expressly reserved by EQOF herein. For the avoidance of doubt, EQOF retains all rights to pursue Ajit David for tortious interference and related claims and to pursue the City of Corpus Christi for breach of contract, for the remaining $500,000 which it was otherwise entitled pursuant to the BIA, and its costs, expenses, and attorney's fees, notwithstanding any release of claims between EQOF and BCORP contained in this Agreement.

m. **Governing Law and Interpretation.** This TSRA shall be governed and conformed in accordance with the laws of the State of Texas. Venue shall lie in Nueces County, Texas. In the event of a breach of any provision of this Settlement Agreement, either party may institute an action specifically to enforce any term or terms of this TSRA and/or seek any damages for breach or injunctive relief, or both.

n. **Cure.** In the event either Party contends the other Party has breached this agreement, the non-offending Party must notify the offending Party, identifying the offending Party's conduct which is considered a breach, and provide the offending Party an opportunity to cure the alleged breach. In the event the breach is caused by a third party, the Parties shall work collaboratively to resolve the breach.

o. **Unenforceability.** Should any provision of this TSRA be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, other than the consideration exchanged between the parties, such provision shall be severed from this Agreement, and the enforceability of the remaining provisions of this TSRA will not be impaired.

p. **Amendment.** This TSRA may not be modified, altered or changed except by a writing signed by both Parties wherein specific reference is made to this Settlement Agreement.

q. **Execution of Settlement Agreement.** This TSRA may be executed in counterparts and executed copies which are exchanged by facsimile or electronic copy, shall be deemed to be an original and all of which together shall be deemed to be one and the same agreement.

r. **Entire Agreement.** This TSRA sets forth the entire agreement between the Parties hereto and fully supersedes any prior agreements or understandings between the EQOF and BCORP, including the BIA as between EQOF and BCORP. The Parties acknowledge that each Party has not relied on any representations, promises, or agreements of any kind made to each other in connection with each Party's decision to accept this TSRA, except for those set forth in this TSRA. This Agreement settles and resolves only claims between EQOF and BCORP. Nothing in this integration clause shall be construed to release, supersede, or impair any claims, rights, or obligations EQOF has against Ajit David, the City of Corpus Christi, or any other third parties, all of which are expressly reserved as set forth herein.

s. **Counsel.** The Parties acknowledge that they have been represented by independent legal counsel of their own choice throughout the negotiations that have preceded the execution of this Settlement Agreement, and that they have executed this TSRA with the consent and on the advice of such independent legal counsel. The Parties further acknowledge that they and their counsel have had adequate opportunity to make whatever investigation or inquiry they may deem necessary or desirable in connection with the subject matter of this TSRA prior to the execution hereof and the delivery and acceptance of the consideration specified herein. The Parties expressly and individually acknowledge that they have read this TSRA in its entirety, fully understand its meaning and are executing this TSRA voluntarily and of its own free will, with full knowledge of its provisions. This TSRA shall not be construed against either Party for its preparation but shall be construed as if the Parties jointly prepared it and any uncertainty or ambiguity shall not be interpreted against any Party.

t. **Warranties/Representations.** Each party and their signatory representative below hereby warrant and represent that the Party and the signatory representative (as applicable):

i. have carefully read and fully understands this Settlement Agreement;

ii. any representative of either Party has actual authority to execute this TSRA and any action by any Board, Committee or other group for either Party which may be necessary to ensure that this TSRA is properly executed has been duly taken or authorized;

iii. is executing this TSRA knowingly and voluntarily, without any duress, coercion, or undue influence by the other party, its representatives, or any other person; and

iv. has been represented by and/or given the opportunity to consult with legal counsel of choice in this matter, including negotiation of this Settlement Agreement, and has had ample opportunity to consult with legal counsel of choice before executing this Settlement Agreement.

The Parties knowingly, voluntarily, and willingly, agree to the terms and conditions provided herein, and the signatures below are provided to represent the organization's acceptance and agreement to this TSRA as of the date(s) set forth below:

**BCORP**

By: ______________________

Name: Diana Summers

Title: President

Date: August 10, 2026

______________________
George Hyde
Attorney and Counselor at Law
TSBN: 45006157

Counsel for Corpus Christi B Corporation .

## EQOF Execution Page

The Parties knowingly, voluntarily, and willingly, agree to the terms and conditions provided herein, and the signatures below are provided to represent the organization's acceptance and agreement to this TSRA as of the date(s) set forth below:

**EQOF**
by its Managing Member, Jacek, LLC

By: ____________________

Name: Deven Bhakta

Title: managing member

Date: 08/06/26

Approved as to Form:

____________________
Denny Barre
Attorney and Counselor at Law
TSBN: 01805280
Anderson Lehrman Barr Maraist, LLP.

Counsel for Elevate QOF, LLC.