# WATER ARTERIAL TRANSMISSION & GRID MAIN EXTENSION CONSTRUCTION AND REIMBURSEMENT AGREEMENT

THE STATE OF TEXAS §

COUNTY OF NUECES §

This Water Arterial Transmission and Grid Main Extension Construction and Reimbursement Agreement ("Agreement") is entered into between the City of Corpus Christi ("City"), a Texas home-rule municipality, P.O. Box 9277, Corpus Christi, Texas, 78469-9277, and MPM Development, LP, P. O. Box 331308, Corpus Christi, TX, 78463 ("Owner/Developer").

WHEREAS, Owner/Developer in compliance with the City's Unified Development Code ("UDC"), has filed a plat, approved by the Planning Commission on March 28, 2012, to develop a tract of land of approximately 11.797 acres out of Lots 20 and 21, Section 22, Flour Bluff and Encinal Farm and Garden Tracts (the "Property") as shown on the attached final plat (Exhibit 1), and Owner desires to plat the Property designated as Royal Creek Estates Unit 4, hereinafter referred to as "Plat"; located south of Yorktown Boulevard and east of Cimarron Boulevard, as shown in the attached Exhibit 1;

WHEREAS, under the UDC, the Owner/Developer is responsible for construction of Water Arterial Transmission and Grid Main Extension;

WHEREAS, under the UDC, the Developer is eligible for reimbursement of the Owner/Developer's costs for the construction of Water Arterial Transmission and Grid Main Extension;

WHEREAS, it is to the best interest of the City that Water Arterial Transmission and Grid Main Extension, be constructed to its ultimate capacity under the Master Plan;

WHEREAS, Resolution No. 026869 authorized the acceptance of applications to be eligible for reimbursement in the future when funds are fully available in, and are appropriated by City Council, from the Grid and Arterial Transmission Mains Funds as per the UDC, Section 8.5.1.C; and

WHEREAS, Owner/Developer has submitted an application for reimbursement of the costs of installing the Water Arterial Transmission and Grid Main Extension (Exhibit 2);

**NOW, THEREFORE**, for and in consideration of the mutual covenants in this Agreement, the parties do covenant and agree as follows:

1. <u>REQUIRED CONSTRUCTION</u>. The Owner/Developer shall construct the Water Arterial Transmission and Grid Main Extension, in compliance with the City's UDC and under the plans and specifications approved by the Development Services Engineer.

#### 2. PLANS AND SPECIFICATIONS.

- a. The Owner/Developer shall contract with a professional engineer, acceptable to the City's Development Services Engineer, to prepare plans and specifications for the Water Arterial Transmission and Grid Main Extension, as shown in **Exhibit 3**, with the following basic design:
  - 1. Install 359 linear feet of 12-inch PVC water distribution main line.

- 2. Install one (1) 12-inch x 8-inch MJ Tee.
- 3. Install one (1) 12-inch x 6-inch MJ Tee.
- b. The Water and Arterial Transmission and Grid Main Extension must begin at the future intersection of Excalibur Road and South Oso Parkway and extend east along the south side of the future South Oso Parkway approximately 359 feet to the future intersection of Rock Crest Drive and South Oso Parkway.
- c. The plans and specifications must comply with City Water Water and Arterial Transmission and Grid Standards Detail Sheets and Standard Specifications.
- d. Before the Owner/Developer starts construction the plans and specification must be approved by the City's Development Services Engineer.
- 3. <u>SITE IMPROVEMENTS</u>. Prior to the start of construction of the Water and Arterial Transmission and Grid Main Extension Owner/Developer shall acquire and dedicate to the City the required additional utility easements ("Easements"), if necessary for the completion of the Water and Arterial Transmission and Grid Main Extension. If any of the property needed for the Easements is owned by a third party and Owner/Developer is unable to acquire the Easements through reasonable efforts, then the City will use its powers of eminent domain to acquire the Easements.
- 4. <u>PLATTING FEES</u>. Owner/Developer shall pay to the City of Corpus Christi the required acreage fees and pro-rata fees as required by the Platting Ordinance for the area of the Water and Arterial Transmission and Grid Main Extension.
- 5. <u>DEVELOPER AWARD CONTRACT FOR IMPROVEMENTS</u>. Owner/Developer shall award a contract and complete the Water and Arterial Transmission and Grid Main Extension, under the approved plans and specifications, by December 31, 2012.
- 6. TIME IS OF THE ESSENCE. Time is of the essence in the performance of this contract.
- 7. PROMPT AND GOOD FAITH ACTIONS. The parties shall act promptly and in good faith in performing their duties or obligations under this Agreement. If this Agreement calls for review or inspections by the City, then the City's reviews or inspections must be completed thoroughly and promptly.
- 8. <u>DEFAULT</u>. The following events shall constitute default:
  - a. Owner/Developer fails to engage a professional engineer for the preparation of plans and specifications by the 10th calendar day after the date of approval by City Council.
  - b. Owner/Developer's professional engineer fails to submit the plans and specifications to the City's Director of Engineering Services by the 60th calendar day after the date of approval by City Council.
  - c. Owner/Developer fails to award a contract for the construction of the project, according to the approved plans and specifications, by the 90th calendar day after the date of approval by City Council.

- d. Owner/Developer's contractor does not reasonably pursue construction of the project under the approved plans and specifications.
- e. Owner/Developer's contractor fails to complete construction of the project, under the approved plans and specifications, on or before December 31, 2012.
- f. Either the City or Owner/Developer otherwise fails to comply with its duties and obligations under this Agreement.

#### 9. NOTICE AND CURE.

- a. In the event of a default by either party under this agreement, the non-defaulting party shall deliver notice of the default, in writing, to the defaulting party stating, in detail the nature of the default and the requirements to cure such default.
- b. After delivery of the default notice, the defaulting party has 15 business days from the delivery of the default notice ("Cure Period") to cure the default.
- c. In the event the default is not cured by the defaulting party within the Cure Period, then the non-defaulting party may pursue its remedies in this section.
- d. Should Owner/Developer fail to perform any obligation or duty of this agreement, the City shall give notice to Owner/Developer, at the address stated above, of the need to perform the obligation or duty, and should Owner/Developer fail to perform the required obligation or duty within 15 days of receipt of the notice, the City may perform the obligation or duty, charging the cost of such performance to Owner/Developer by reducing the reimbursement amount due Owner/Developer.
- e. In the event of an uncured default by the Owner/Developer, after the appropriate notice and cure period, the City has all its common law remedies and the City may:
  - 1. Terminate this Agreement after the required notice and opportunity to cure the default.
  - 2. Refuse to record a related plat or issue any certificate of occupancy for any structure to be served by the project.
  - 3. Perform any obligation or duty of the Owner/Developer under this agreement and charge the cost of such performance to Owner/Developer. Owner/Developer shall pay to City the reasonable and necessary cost of the performance within 30 days from the date Owner/Developer receives notice of the cost of performance. In the event that Owner/Developer pays the City under the preceding sentence, and is not otherwise in default under this Agreement, then the Agreement shall be considered in effect and no longer in default.
- f. In the event of an uncured default by the City after the appropriate notice and cure period, the Owner/Developer has all its remedies at law or equity for such default.

#### 10. FORCE MAJEURE.

- a. The term "force majeure" as employed in this Agreement means and refers to acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemies; insurrections; riots; epidemic; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; arrests; civil disturbances; explosions; or other causes not reasonably within the control of the party claiming the inability.
- b. If, by reason of force majeure, either party is rendered wholly or partially unable to carry out its obligations under this Agreement, then the party shall give written notice of the full particulars of the force majeure to the other party within ten (10) business days after the occurrence or waive the right to claim it as a justifiable reason for delay. The obligations of the party giving the required notice, to the extent affected by the force majeure, are suspended during the continuance of the inability claimed, but for no longer period, and the party shall endeavor to remove or overcome such inability with all reasonable dispatch.

#### 11. NOTICES.

- a. Any notice or other communication required or permitted to be given under this Agreement must be given to the other Party in writing at the following address:
  - 1. If to the Owner/Developer:

MPM Development, LP P. O. Box 331308 Corpus Christi, TX 78463 ATTN: Vahid Mostaghasi

2. If to the City:

City of Corpus Christi
1201 Leopard Street (78401)
P. O. Box 9277
Corpus Christi, Texas 78469
ATTN: Assistant City Manager
Development Services

- b. Notice required by the paragraph may be by United States Postal Service, First Class Mail, Certified, Return Receipt Requested, postage prepaid; by a commercial delivery service that provides proof of delivery, delivery prepaid; or by personal delivery.
- c. Either party may change address for notices by giving notice of the change under the provisions of this section.
- 12. THIRD-PARTY BENEFICIARY. Owner/Developer's contracts with the professional engineer for the preparation of the plans and specifications for the construction of the project, contracts for testing services, and with the contractor for the construction of the project must provide that the City is a third party beneficiary of each contract.

- 13. <u>PERFORMANCE AND PAYMENT BONDS</u>. Owner/Developer shall require its contractor for the construction of the project, before beginning the work, to execute with Owner/Developer and the City a performance bond if the contract is in excess of \$100,000 and a payment bond if the contract is in excess of \$25,000. The performance and payment bond must comply with Texas Government Code, Chapter 2253.
- 14. <u>WARRANTY</u>. Owner/Developer shall fully warranty the workmanship of and function of the Water and Arterial Transmission and Grid Main Extension and the construction of the Water and Arterial Transmission and Grid Main Extension for a period of one year from and after the date of acceptance of the facilities by the City Engineer.

#### 15. REIMBURSEMENT.

- a. Subject to the appropriation of funds, the City will reimburse the Owner/Developer the reasonable cost of the Water and Arterial Transmission and Grid Main Extension, not to exceed \$18,171.34. See attached cost estimate (Exhibit 4).
- b. The City agrees to reimburse the Owner/Developer on a monthly basis upon invoicing for work performed. The reimbursement will be made no later than 30-days from the date of the invoice. Owner/Developer shall submit all required performance bonds and proof of required insurance under the provisions of this Agreement.
- c. To be eligible for reimbursement, the work must be completed in a good and workmanlike manner, and must have been inspected and accepted by the City. The City agrees to conduct periodic inspections and approve the progress of the work at key points during construction.
- d. In the event that this Agreement is terminated by the City, as a result of an uncured default by the Owner/Developer, at a time when there has been a partial completion and partial payment for the improvements, then the City shall only reimburse Owner/Developer for its costs that were legitimately incurred towards the completion of the improvements that have been inspected and accepted by the City up to the time that there is an uncured default by the Owner/Developer.
- 16. INDEMNIFICATION. OWNER/DEVELOPER SHALL INDEMNIFY FULLY, SAVE, AND HOLD HARMLESS THE CITY OF CORPUS CHRISTI, ITS OFFICERS, EMPLOYEES, OR AGENTS ("INDEMNITEES") FROM, AND AGAINST ALL SUITS, CLAIMS, DEMANDS, ACTIONS, LOSSES, COSTS, EXPENSES, LIABILITY, DAMAGES AND JUDGMENTS RECOVERED FROM OR ASSERTED AGAINST CITY FOR ANY AND ALL INJURIES SUSTAINED BY ANY PERSON, INCLUDING WITHOUT LIMITATION WORKERS COMPENSATION, PERSONAL INJURY OR DEATH, ARISING FROM OR INCIDENT TO, BE CAUSED BY, OR BE IN ANY WAY CONNECTED WITH, EITHER PROXIMATELY OR REMOTELY, WHOLLY OR IN PART, THE CONSTRUCTION OF THE WATER AND ARTERIAL TRANSMISSION AND GRID MAIN EXTENSION.

THIS INDEMNITY SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THE AGREEMENT.

- 17. <u>COVENANT RUNNIG WITH THE LAND</u>. This Agreement is a covenant running with the land, Royal Creek Estates Unit 4, a subdivision in Nueces County, Texas, and must be recorded in the Official Public Records of Nueces County, Texas. The duties, rights, and obligations of the Agreement are binding on and inure to the benefit of the Owner/Developer's successors or assigns.
- 18. <u>ASSIGNMENT OF AGREEMENT</u>. This Agreement or any rights under this Agreement may not be assigned by Owner/Developer to another without the written approval and consent of the City's City Manager.
- 19. <u>DISCLOSURE OF OWNERSHIP INTERESTS</u>. Owner/Developer further agrees, in compliance with the City Ordinance No. 17110, to complete, as part of this Agreement, the Disclosure of Ownership interests form attached hereto as **Exhibit 5**.
- 20. <u>EFFECTIVE DATE</u>. This agreement becomes effective and is binding upon and inures to the benefit of the City and Owner/Developer, and their respective heirs, successors, and assigns from and after the date of execution by all parties.
- 21. <u>AUTHORITY</u>. The person signing this Agreement on behalf of the parties represents, warrants, and guarantees that they have authority to act on behalf of the party and make this Agreement binding and enforceable by their signature.

EXECUTED IN TRIPLICATE originals, this \_\_\_\_\_\_\_, day of \_\_\_\_\_\_\_\_, 2012.

Water and Arterial Transmission and Grid Main Extension Construction and Reimbursement Agreement Between MPM Development, LP and City of Corpus Christi Page 7 of 10

### **Acceptance**

The above Agreement is hereby accepted and its terms and conditions agreed this the \_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_, 2012, by Vahid Mostaghasi, President of MPM Development, LP. MPM Development, LP. Agrees to keep and perform the conditions proposed by said Agreement and to be bound by all of the terms of same.

#### OWNER/DEVELOPER:

MPM Development, LP P. O. Box 331308 Corpus Christi, TX 78463

By:

Vahid Mostaghasi

President

THE STATE OF TEXAS \$ COUNTY OF NUECES \$

This instrument was signed by Vahid Mostaghasi, President of MPM Development, LP., and acknowledged before me on the \_\_\_\_\_\_\_\_, 2012.

Notary Public, State of Texas

CINDY BUENO

Notary Public STATE OF TEXAS My Comm. Exp. 11-04-2015

CITY OF CORPUS CHRISTI ("City") 1201 Leopard Street (78401) P.O. Box 9277 Corpus Christi, Texas 78469

ATTE	ST:						
Ву:	Armando Chapa City Secretary		Ву:	Ronald L. Ols City Manage			
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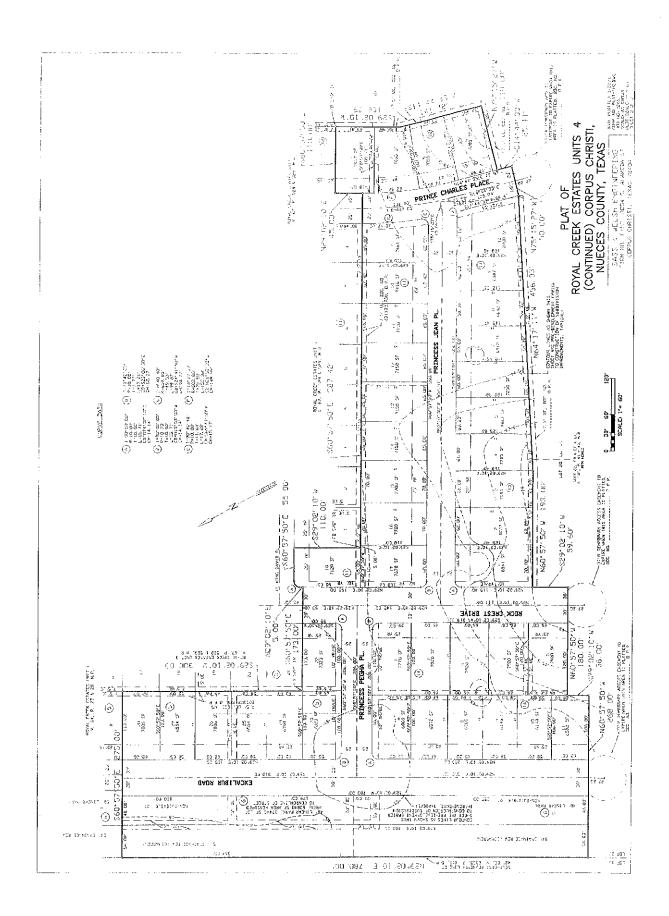


EXHIBIT 1 Page 2 of 2

# **APPLICATION FOR WATER LINE REIMBURSEMENT**

We, MPM Development, LP, P.O. Box 331308, Corpus Christi, Texas 78463, owner and developer of proposed Royal Creek Estates Unit 4 Subdivision, hereby request reimbursement of \$18,171.34 for the installation of the water Grid main in conjunction with Royal Creek Estates Unit 4 Subdivision, as provided for by City Ordinance No. 17092. \$18,171.34 is the construction cost, including 11% Engineering, Surveying, and Testing in excess of the acreage fee, as shown by the cost supporting documents attached herewith.

Vahid Mostaghasi, President (Date)

Notary Public in and for Nuce

THE STATE OF TEXAS §

COUNTY OF NUECES §

\_, 20**|2**, by

Vahid Mostaghasi, President of MPM Development, LP, on behalf of the said corporation.

CERTIFICATION

The information submitted with this application for reimbursement has been reviewed and determined to be correct. Reimbursement is subject to:

(a) Sufficiency of funds in the Grid Main Trust Fund, and

(b) Appropriation and approval by the City Council.

Development Services Engineer

(Date)

es County tere Xasas Commission Expires March 28, 2014

# **APPLICATION FOR WATER LINE CREDIT**

We, MPM Development, LP, P.O. Box 331308, Corpus Christi, Texas 78463, owners and developers of proposed Royal Creek Estates Unit 4 subdivision, hereby apply for \$8,484.20 credit towards the water acreage fee for the installation of the water Grid main as provided for by City Ordinance No. 17092. \$26,655.54 is the construction cost, including 11% Engineering, Surveying, and Testing, as shown by the cost supporting documents attached herewith.

Ву:	Valled the stupe	
15(1)	Vahid Mostaghasi, President	

THE STATE OF TEXAS

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COUNTY OF NUECES

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This instrument was acknowledged before me on \_ Vahid Mostaghasi, President of MPM Development, LP.

June 06

2012, by

Notary Public in and for the State of Texas

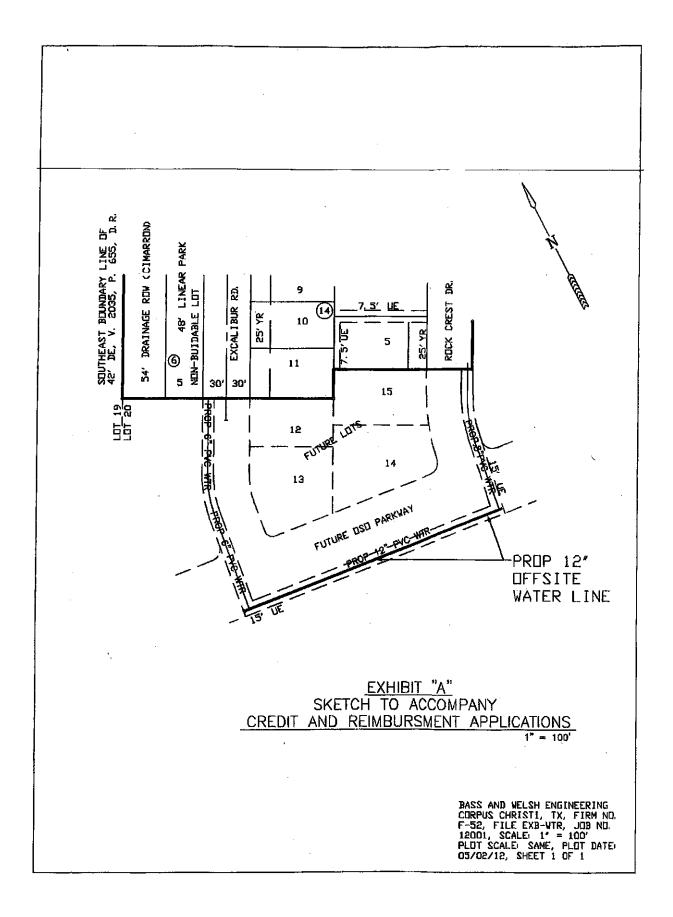


#### CERTIFICATION

The information submitted with this application has been reviewed and determined to be correct and a credit of \$8,484.20 is herewith approved.

Development Services Engineer

Date



#### ROYAL CREEK ESTATES UNIT 4 GRID MAIN WATER ITEMS REIMBURSEMENT ESTIMATE

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AM	TAUC
12" WATER	GRID MAIN EXTENSION (CITY PORTION)					
1.	12' PVC PIPE	359	LF	56.00	\$	20,104.00
2.	12" CAP TAPPED FOR 2"	2	EΑ	860,00	\$	1,720.00
3.	12"X8" MJ TEE	1	- EA	620.00	\$	- <del>0</del> 20.00
4.	12"X6" MJ TEE	1	EA	620.00	\$	620.00
5.	TESTING AND CHLORINATION	1	LS	950.00	\$	950.00

SUBTOTAL

24,014.00

11% ENGINEERING, SURVEYING, AND TESTING

\$2,641,54

TOTAL

\$26,655.64

LESS ACREAGE FEE VALUE

**-\$8,484.20** 

TOTAL AMOUNT REIMBURSEABLE

\$18,171.34



# CITY OF CORPUS CHRISTI DISCLOSURE OF INTERESTS

City of Corpus Christi ordinance 17112, as amended, requires all persons or firms seeking to do business with the City to provide the following information. Every question must be answered. If the question is not applicable, answer with "NA".

STREE	NAME: MPM DEUCLOPMENT LP ET: PO BOX 331308						
FIRM	,	Owner   4. Association   5. Other					
		E QUESTIONS					
If additi	ional space is necessary, please use the reverse side						
1.	State the names of each "employee" of the City of or more of the ownership in the above named "firm".	Corpus Christi having an "ownership interest" constituting 3%					
	Name $\mathcal{N}/\mathcal{A}$	Job Title and City Department (if known)					
2.	State the names of each "official" of the City of Commore of the ownership in the above named "firm".	pus Christi having an "ownership interest" constituting 3% or					
	Name N/A	Title					
3.	State the names of each "board member" of the City of Corpus Christi having an "ownership interest" constituting 3% or more of the ownership in the above named "firm".						
	Name N/A	Board, Commission, or Committee					
4.	State the names of each employee or officer of a "matter related to the subject of this contract and ownership in the above named "firm".	consultant" for the City of Corpus Christi who worked on any has an "ownership interest" constituting 35 or more of the					
	Name N/A	Consultant					
	CERT	FICATE					
disclos	y that all information provided is true and correct as o sure of any information requested; and that supple s Christi, Texas as changes occur.	f the date of this statement, that I have not knowingly withheld mental statements will be promptly submitted to the City of					
Certify	ing Person: Valuation	Vahid mostaghasi Title: General Partner					
Signat	ure of Certifying Person:	Date: 5-24-12					