DEFERMENT AGREEMENT

STATE OF TEXAS §

COUNTY OF NUECES §

This deferment agreement ("Deferment Agreement") is entered into between the City of Corpus Christi, a Texas home-rule municipality ("City"), and Calallen Retail Partners, L.P. a Texas limited partnership ("Developer"), to defer the completion of certain public improvements prior to recording the final plat of Nueces River Irrigation Park, Block 2, Lots 21 – 28 ("Plat"). The owners of the affected real property subject to the Plat and benefitted by this Deferment Agreement, to wit: Lois Lowman, Connie Diane Brown Polk Laing, Herman Bruce Lowman, NRIP, LLC, and Cloudcroft Land Ventures, Inc., seek to have the Developer, acting as agent on the owners' behalf, enter into this Deferment Agreement with the City to defer construction of the required real property public improvements.

WHEREAS, the Developer is obligated under Section 8.1.11, of the Unified Development Code ("UDC") to construct seventy-five percent (75%) of the required public improvements before the final Plat is endorsed by the City Engineer for recordation;

WHEREAS, the Developer is seeking to delay, for a period of two (2) years, the completion of construction of the required wastewater public improvements ("Deferred Improvements") and have the Plat filed immediately with the County Clerk of Nueces County, Texas, by entering into this Deferment Agreement with the City;

WHEREAS, on September 12, 2012, the Planning Commission recommended execution by the City of this Deferment Agreement with the Developer, subject to the City Council affirmatively finding that there exists probable cause to delay the completion of public improvements in accordance with 8.1.10.B of the UDC;

WHEREAS, the Developer will, prior to recording the Plat, deposit with the City an irrevocable letter of credit in the amount of Two Hundred Twenty Eight Thousand Eight Hundred and No 00/100 Dollars (\$228,800.00), which represents 110% of the estimated cost of constructing the deferred public improvements; and

WHEREAS, the Developer has completed all other subdivision requirements, park dedications, park deferment agreements, maintenance agreements, and special covenants required by Section 8.1.10.B. of the UDC, and water and sewer service are available to serve the affected real property that is the subject of the Plat.

NOW, THEREFORE, for the consideration set forth in this instrument and subject to full compliance with the conditions stated in this Deferment Agreement by both parties, the City and Developer agree as follows:

- 1. The City shall waive the requirement that construction of the Deferred Improvements be at least 75% completed before the final Plat, as shown in **Exhibit "1,"** is endorsed by the City Engineer and filed for record with the County Clerk of Nueces County, Texas, and further agrees to allow the Developer to delay construction of the Deferred Improvements, as shown in **Exhibit "2,"** for two (2) years from the date of final execution of this Deferment Agreement. Exhibit "1" and Exhibit "2" are attached to this Deferment Agreement and incorporated into this document by reference.
- The Developer agrees to deposit Two Hundred Twenty Eight Thousand Eight Hundred and No 00/100 Dollars (\$228,800.00) in the form of an irrevocable letter of credit, naming the City as beneficiary. The irrevocable letter of credit must be issued by a bank with offices in Corpus Christi, Texas, for 110% of the cost of the Deferred Improvements as estimated by Developer's engineer and accepted by the City's Assistant City Manager of Development Services, as such costs are shown in Exhibit "3," which exhibit is attached to this Deferment Agreement and incorporated into this document by reference. The irrevocable letter of credit must be posted by the Developer prior to the recording of the Plat with the County Clerk and, if the required letter of credit is not made by that time, this Deferment Agreement shall be null and void.
- 3. The form of the irrevocable letter of credit must be approved by the City's Director of Financial Services, be valid for a period of six (6) months or more, and require, as sole documentation for payment, a statement in writing from the Director of Development Services setting forth (i) the circumstances of default giving rise to the draft or (ii) the failure to furnish proof of renewal not less than thirty (30) days prior to the expiration of the then current letter of credit [see paragraph 4 below regarding renewal], and accompanied by a properly drawn draft not to exceed the face value of the letter of credit.
- 4. The Developer must ensure that the letter of credit is kept valid at all times. The letter of credit must be renewed by the Developer before expiration and proof of such renewal must be received by the City at least thirty (30) days prior to the expiration of the then current letter of credit. If no renewal is received, or cash in lieu thereof, the City may, after ten (10) days prior written notice to the Developer, call (redeem) the letter of credit for failure to timely renew. If the letter of credit is called for failure to timely renew, the funds will be held in an account as if cash had been posted for this Deferment Agreement in lieu of the letter of credit. The City shall not be liable for interest on any letter of credit so called.
- 5. Detailed construction drawings must be provided by the Developer and approved by the City's Departments of Development Services and Engineering prior to the start of construction of the Deferred Improvements by the Developer.
- 6. The Developer shall construct the Deferred Improvements in accordance with the City's engineering standards in effect at the time of construction and in accordance with the construction drawings approved by the City departments pursuant to paragraph 5 above.

- 7. Upon (i) completion of the Deferred Improvements by Developer within two (2) years from the execution date of this Deferment Agreement (or such later time as may be mutually agreed upon in writing by both parties, subject to adequate financial security and in no event extending beyond the maximum five-year completion time specified in the UDC); (ii) acceptance of the Deferred Improvements by the City Engineer; and (iii) compliance by the Developer with all remaining terms of the Deferment Agreement, the City Engineer shall:
 - a. Immediately release Developer by mailing a release letter to:

Calallen Retail Partners, L.P. Attn: Steve Durhman 100 E. Anderson Lane, Suite 200 Austin, Texas 78752

- b. Return to the Developer within sixty (60) days of the completion of the construction of the Deferred Improvements and settlement of all construction costs, or within sixty (60) days of acceptance of the Deferred Improvements by the City, whichever is later, any balance remaining of all monies received by the City from the letter of credit or other financial security posted pursuant to this Deferment Agreement.
- 8. The City and Developer agree that, if the Developer formally vacates the Plat, with the approval of the Planning Commission, prior to the deadline for completion of the construction of the Deferred Improvements, any money received by the City from the Developer remaining on deposit will be released and immediately returned to the Developer.
- 9. If the Developer defaults in any of its covenants or obligations under this Deferment Agreement [excluding failure to timely renew the letter of credit, for which default conditions are addressed separately], the City Engineer will send written notice to the Developer and Project Engineer, advising Developer of the default and giving Developer thirty (30) days (or such longer period of time as may be reasonably necessary under the circumstances) from date of receipt of the notice letter to cure the default. If the Developer fails to cure the default after receipt of notice and opportunity to cure, the City shall call (redeem) the letter of credit and the City Engineer will transfer any monies received to the appropriate fund of the City to complete the Deferred Improvements.
- 10. As accordance with the UDC, the City may require an increase in the financial security required under this Deferment Agreement on an annual basis if the Developer's engineer or the City reasonably determines that the financial security does not provide for 110% coverage of the estimated construction costs. Furthermore, the City may accelerate payment or performance or require additional financial security when the City deems itself insecure as to the prospect of payment or performance on a demonstrated, reasonable basis. In the event the Developer fails to deposit any increased security required, after

- notice to the Developer and opportunity to cure, the City may deem this Deferment Agreement in default.
- 11. The City reserves the right not to issue Certificates of Occupancy for all or any portion of the affected real property that is the subject of the Plat until the Deferred Improvements are constructed, installed, completed, and accepted by the City Engineer in accordance with the provisions of this Deferment Agreement.
- 12. The Developer covenants to construct the Deferred Improvements required by this Deferment Agreement, and this covenant shall be a covenant running with the land. The City Engineer, at Developer's expense, shall file this Deferment Agreement in the official deed records of Nueces County, Texas.
- 13. No party may assign this Deferment Agreement or any rights under this Deferment Agreement without the prior written approval of the other party; provided, however, Developer may assign this Deferment Agreement to (i) an entity controlled by Calallen Retail Partners, L.P. or (ii) HEB Grocery Company, L.P., without the prior written approval of the City so long as the assignee is held to comply with all conditions of this Deferment Agreement by a separate legally binding agreement and posts sufficient financial security, such financial security being subject to advance approval of the City.
- 14. Unless otherwise stated herein, any notice required or permitted to be given under this Deferment Agreement shall be in writing and sent by certified mail, return receipt requested. Any party may, by notice to the other in accordance with the provisions of this paragraph, specify a different address or addressee for notice purposes. For purposes of notice, the Developer's address is stated in paragraph 7, and the City's address is as follows:

City of Corpus Christi
Attn: Director, Development Services Department
2406 Leopard Street
Corpus Christi, Texas 78406

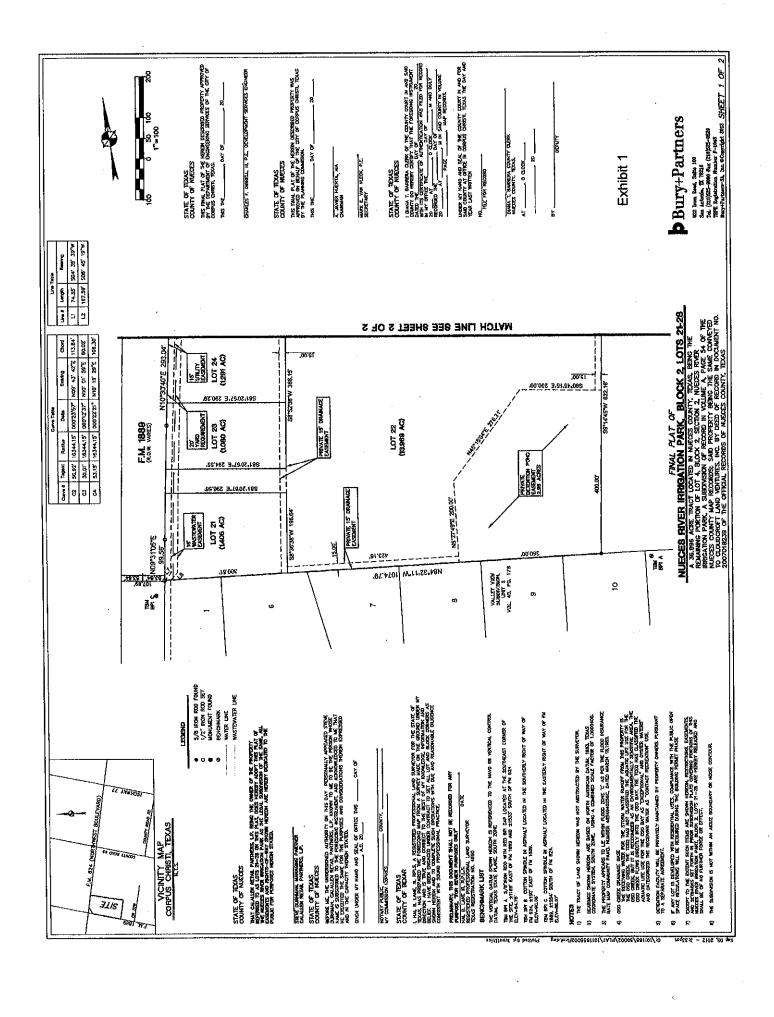
- 15. This Deferment Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created pursuant to this Deferment Agreement are performable in Nueces County, Texas. Venue for all actions arising from or related to this Deferment Agreement must be brought in Nueces County, Texas.
- 16. The Developer shall, in compliance with the City of Corpus Christi Ordinance No. 17112, complete, as part of this Deferment Agreement, the "Disclosure of Interests" form attached to this document as **Exhibit "4."** A completed version of Exhibit "4" by the Developer forms a part of this Deferment Agreement, the content of the completed form being incorporated by reference into this Deferment Agreement as if set out here in its entirety.

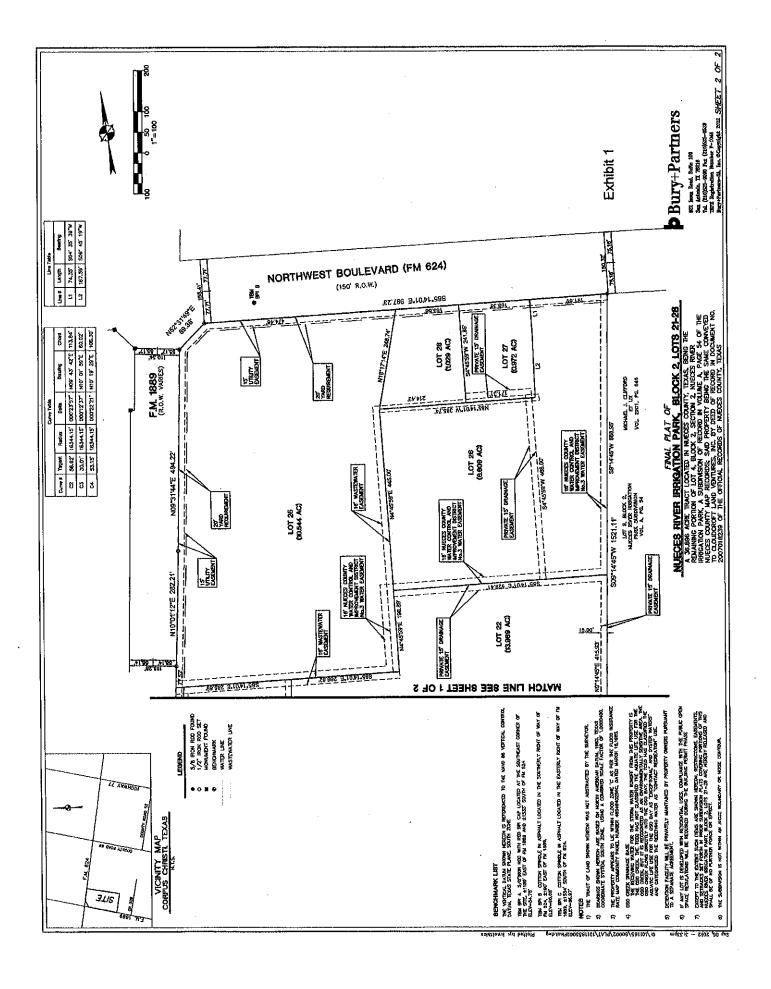
- 17. The parties agree that the language and provisions represented in the preamble (beginning) portions of this document are incorporated by reference into this Deferment Agreement as substantive content upon which the parties may rely.
- 18. All signatories signing this Deferment Agreement warrant and guarantee that they have the authority to act on behalf of the person(s) or entity(ies) represented and make this Deferment Agreement binding and enforceable by their signature.
- 19. This Deferment Agreement is to be executed in triplicate, each of which constitutes an original document. This Deferment Agreement becomes effective and is binding upon and inures to the benefit of the City and Developer, on behalf of the affected real property owners, from and after the date that all original documents have been executed by the signatories.

EXECUTED in triplicate originals this	day of, 2012
	DEVELOPER:
	Calallen Retail Partners, L.P., a Texas limited partnership
•	By: Calallen GP, LLC, its general partner
	Steve Durhman Manager
STATE OF TEXAS § COUNTY OF TRAVIS §	
COUNTY OF TRAVIS	
This instrument was acknowledged before m by Steve Durhman, Manager, Calallen GP, L	ie on the <u>l</u> day of <u>September</u> , 2012, LC, who is the General Partner of Calallen Retail
Partners, L.P., on behalf of said company.	Onli Callo
JULIE CALLIS	Notary Public, State of Texas

Votary Public, State of Texas My Commission Expires OCT. 25, 2012

ATTEST:		CITY OF CORPUS CHRISTI
Armando Chapa City Secretary		Wes Pierson Assistant City Manager
STATE OF TEXAS	9	
COUNTY OF NUECES	9 9 9	
This instrument was ackr by Wes Pierson, Assistar corporation, on behalf of	nt City Manager	re me on the day of, 2012 City of Corpus Christi, a Texas home-rule municipal
		Notary Public, State of Texas
APPROVED AS TO FOR	RM:	, 2012
Elizabeth Hundley Assistant City Attorney for Carlos Valdez, City A	ttorney	







PUBLIC WASTEWATER COLLECTION PLAN

COVER SHEET.

CITY SPECIFICATIONS.
WASTEWATER PLAN.
WASTEWATER PLAN.
WASTEWATER PLAN.
DETARS.

SHEET INDEX:

CALALLEN COMMERCIAL

CORPUS CHRISTI, TEXAS

VICINITY MAP NTS. CORUS CRESTI, TEXAS

OWNER: CALALEN PETALL PARTHERS, L.P.
6/6 STREE ORALHAN
100 E. ANDERSON LANE, STE. 200
AUSTRA IN YATES
(ST2) SAST-6444

BURY + PARNESS-SA, INC. 922 ISON ROAD, SUITE 100 SAN ANTONIO, TEXAS 76216 (220)255-9090 ATTH: MARK R, JOHNSON, P.E. CYLL ENGINEER:

FM 1889 & NORTHWEST BOULEVARD (FM 824) CORPUS CHRISTI, TEXAS PROJECT ADDRESS :

SUBMITTAL DATE: JULY 20, 2012

BP! JOB NO : ROTOT165-50002

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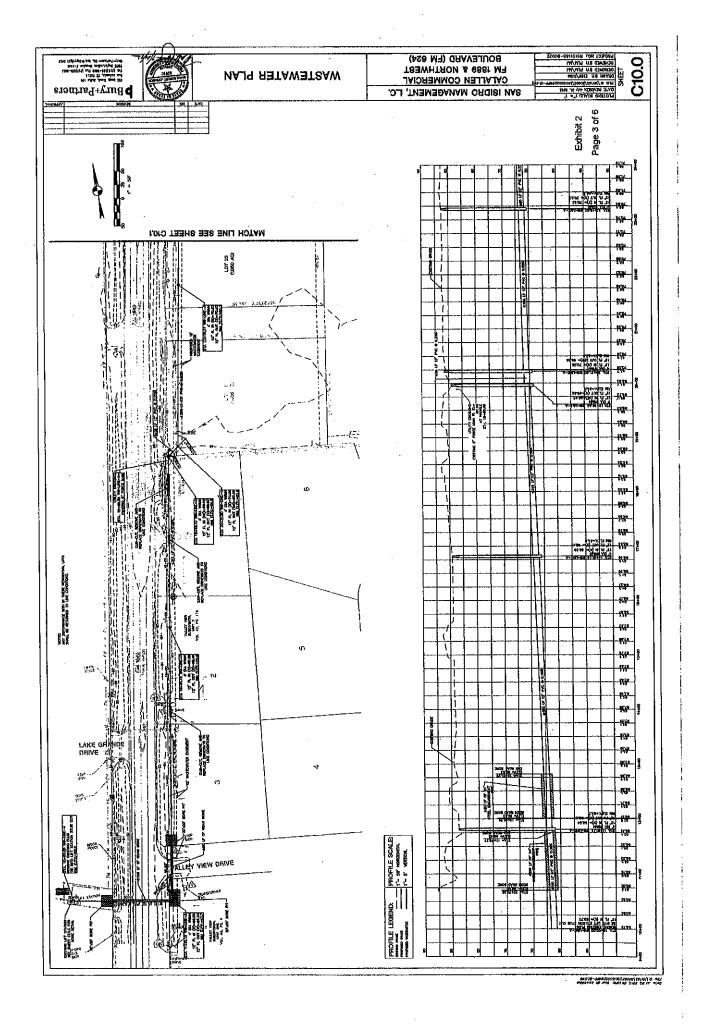
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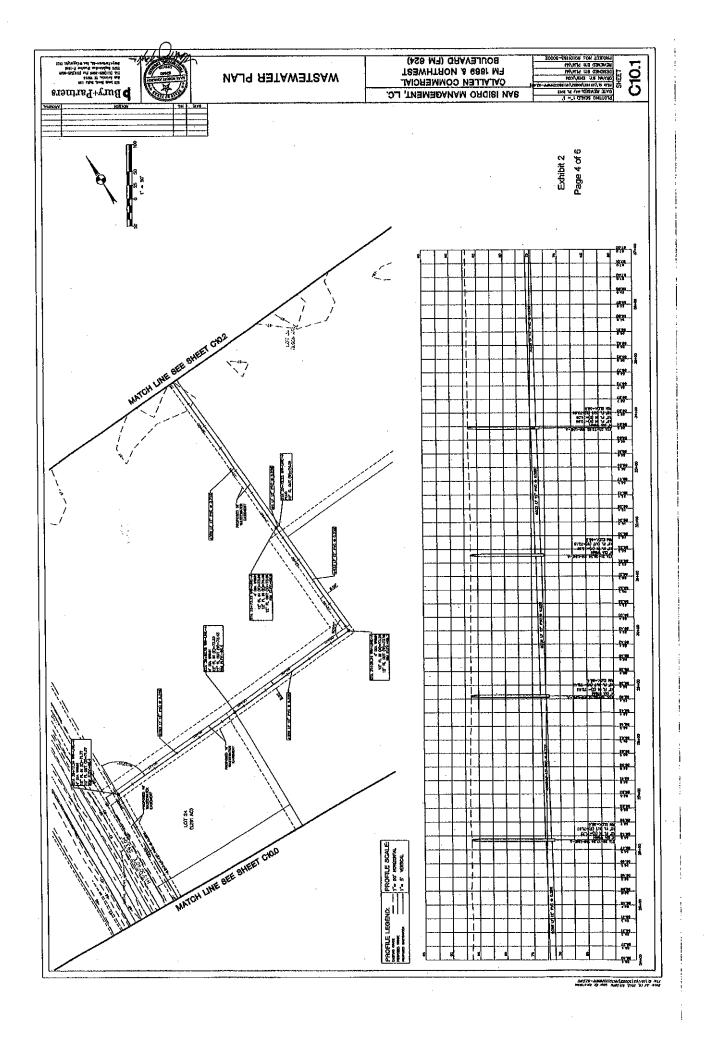
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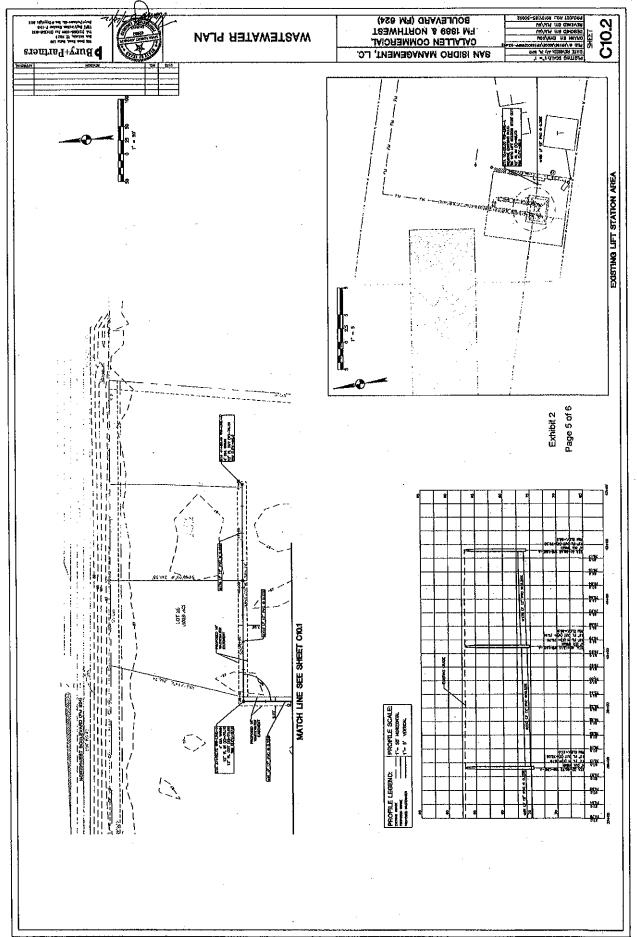
Exhibit 2

Page 1 of 6

b Bury+Partners





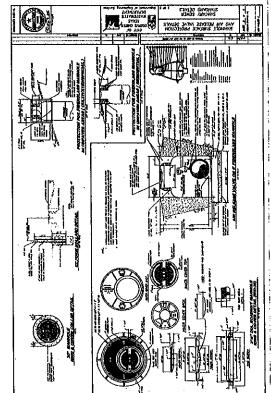


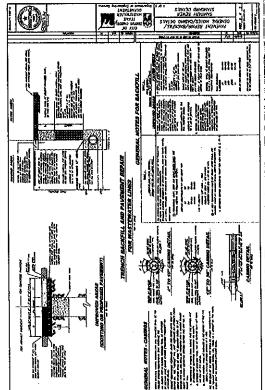
DETAILS

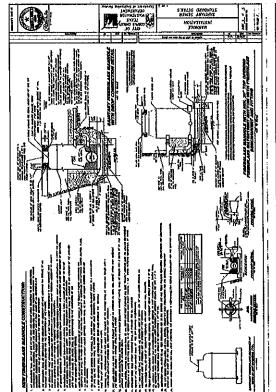
SAN ISIDRO MANAGEMENT, LC. CALALLEN COMMERCIAL FM 1889 & NORTHWEST BOULEYARD (FM 624)

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Page 6 of 6 C10.3







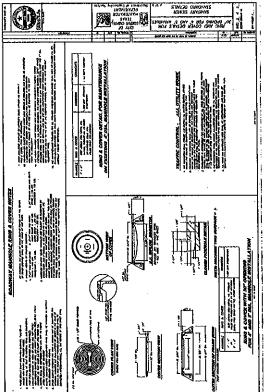


EXHIBIT 3

NUECES RIVER IRRIGATION PARK SUBDIVISION, LOTS 21-28

Opinon of Probable Costs - Public Wastewater Main
Location: SE Corner of Northwest Blvd (FM 624) and FM 1889, Corpus Christi, Texas

Date: August 31, 2012

Prepared by: Mark R. Johnson, P.E.

,				Tatal		252 000
Wastewater Manhole (onsite)	8	EA	\$	3,500	\$	28,000
Wastewater Main 12" (onsite)	2400	LF	\$	75	\$	180,000
Wastewater connection to lift station (offsite)	1	LS	\$	10,000	\$	10,000
Bore & Jack within residential lots	100	LF	\$	200	\$	20,000
Bore & Jack under side street	60	LF	\$	200	\$	12,000
Bore & Jack under FM 1889	80	LF	\$	200	\$	16,000
Wastewater Manhole (offsite)	3	EΑ	\$	3,500	\$	10,500
Wastewater Main 12" (offsite)	850	LF	\$	90	\$	76,500
Public Wastewater Main	050	1 7	•	00	Φ.	70 500

Offsite Wastewater - Master Plan	\$ 145,000 **
Onsite Wastewater - Deferment Agreement Amount	\$ 208,000
BONDING AMOUNT (110% OF ABOVE TOTAL)	\$ 228,800

BONDING AMOUNT (110% OF ABOVE TOTAL)

**note: the portion of the public wastewater main that is part of the City's Master Plan is not required to be part of the deferment agreement amount.

Note: This is an Engineer's Opinion of Probable Cost. Construction costs cannot be guaranteed until design is complete and qualified contractors have priced the work.

AFFIDAVIT

I, Steve Durhman, confirm that the following are the true Owners of a 36.896-acre tract of land located in Nueces County, Texas, being the remaining portion of Lot 4, Block 2, Section 2, Nueces River irrigation Park, a subdivision of record in Volume A, Page 54 of the Nueces County Map Records (the "Property"):

Lois Lowman; Connie Diane Brown Polk Laing; Herman Bruce Lowman; NRIP, LLC, a Texas limited liability company; and Cioudcroft Land Ventures, Inc.

I, Steve Durhman, certify that the Owners have appointed me to act as the Authorized Agent with respect to all matters concerning the platting and zoning of the Property and that I am authorized, with respect to the platting and zoning of the Property:

Be the point of contact between the Owners and the City of Corpus Christi; make legally binding representations of fact and commitments of every kind on the Owners behalf; grant legally binding waivers of rights and releases of liabilities of every kind on behalf of the Owners; consent to legally binding modifications; conditions, and exceptions on behalf of the Owners; and, to execute documents on behalf of the Owners which are legally binding on the Owners.

I understand that the City of Corpus Christi will deal only with a fully authorized agent. At any time it should appear that I, Steve Durhman, Authorized Agent, have less than full authority to act, then the application may be suspended and the Owners will have to personally participate in the disposition of the application. I understand that all communications related to this application are part of an official proceeding of City government and, that the City will rely upon statements made by the Authorized Agent. Therefore, I agree to hold harmless and indemnify the City of Corpus Christi, its officers, agents, employees, and third parties who act in reliance upon my words and actions from all damages, attorney fees, interest and costs arising from this matter.

Steve Durhman Date

Acknowledgement

THE STATE OF TEXAS §

COUNTY OF NUECES §

This instrument was acknowledged before me on the ____ day of ____ One__, 2012, by Steve Durhman.

DENA FINDLEY
Notery Public, State of Texas
My Commission Expires
August 15, 2012

Notary Public, State of Texas
My commission expires: 8-/5-/2

Exhibit 4

Page 1 of 3

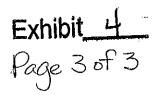


Exhibit 4 Page 2 of 3

City of Corpus Christi, Texas Department of Development Services P.O. Box 9227 Corpus Christi, Texas 78469-9277 (361) 826-3240 Located at: 2406 Leopard Street (Corner of Leopard St. and Port Ave.)

DISCLOSURE OF INTERESTS

City of Corpus Christi Ordinance 17112, as amended, requires City to provide the following information. Every question must answer with "NA". Cula then Reful fatruary, L.P., a NAME: Out Callbuller G.P. L.C., its glant	st be answered. If the question is not applicable,
STREET: 100 & Anderson lone, 5/2 200 CITY: Mr	710. 7575
FIRM is: Corporation Partnership Sole Owner	Acceptation Other
DISCLOSURE QUE	Benjaman .
If additional space is necessary, please use the reverse side of t	
State the names of each "employee" of the City of constituting 3% or more of the ownership in the above n Name Name	Corpus Christi having an "ownership interest" named "firm". Job Title and City Department (If known)
2. State the names of each "official" of the City of C constituting 3% or more of the ownership in the above n Name	
3. State the names of each "board member" of the City of constituting 3% or more of the ownership in the above n Name	f Corpus Christi having an "ownership interest" amed "firm". Board, Commission, or Committee
4. State the names of each employee or officer of a "const on any matter related to the subject of this contract and more of the ownership in the above named "firm". Name	ultant" for the City of Corpus Christi who worked has an "ownership interest" constituting 3% or Consultant
CERTIFICAT I certify that all information provided is true and correct as of withheld disclosure of any information requested; and that sup the City of Corpus Christi, Texas as changes occur.	the date of this statement, that I have not knowingly plemental statements will be promptly submitted to
Certifying Person: Steve Durhman	Title: //wwagt
Signature of Certifying Person:	Title:



DEFINITIONS

- a. "Board Member". A member of any board, commission or committee appointed by the City Council of the City of Corpus Christi, Texas.
- "Employee". Any person employed by the City of Corpus Christi, Texas, either on a full or part time basis, but not as an independent contractor.
- c. "Firm". Any entity operated for economic gain, whether professional, industrial or commercial and whether established to produce or deal with a product or service, including but not limited to, entitles operated in the form of sole proprietorship, as self-employed person, partnership, corporation, joint stock company, joint venture, receivership or trust and entitles which, for purposes of taxation, are treated as non-profit organizations.
- d. "Official". The Mayor, members of the City Council, City Manager, Deputy City Manager, Assistant City Managers, Department and Division Heads and Municipal Court Judges of the City of Corpus Christi, Texas.
- e. "Ownership interest". Legal or equitable interest, whether actually or constructively held, in a firm, including when such interest is held through an agent, trust, estate or holding entity. "Constructively held" refers to holding or control established through voting trusts, proxies or special terms of venture or partnership agreements.
- f. "Consultant". Any person or firm, such as engineers and architects, hired by the City of Corpus Christi for the purpose of professional consultation and recommendation.