

PARTICIPATION AGREEMENT

STATE OF TEXAS §

COUNTY OF NUECES §

This PARTICIPATION AGREEMENT ("Agreement") is entered into between the City of Corpus Christi ("City"), a Texas home-rule municipal corporation, acting by and through its City Manager, or his designee, and Yorktown Oso Joint Venture ("Owner"), acting by and through its managing partners.

WHEREAS, the Owner owns certain real property located in Corpus Christi, Nueces County, Texas, being 7.06 acres out of Lots 19, 20, 29 and 30, Section 25, Flour Bluff and Encinal Farm and Garden Tracts (the "Property"), and the Owner desires to develop and plat the Property designated on **Exhibit 1** of this Agreement, which exhibit is attached to and incorporated in this Agreement by reference, to be known as Rancho Vista Subdivision Unit 9 ("Plat");

WHEREAS, as a condition of the Plat, the Owner is required to expand, extend, and construct Ranch Vista Boulevard from its existing terminus for a distance of approximately 546 feet to connect with the existing roadway on Rancho Vista Unit 5 as depicted on and in accordance with the improvement requirements (the "Roadway Extension") set forth in **Exhibit 2**, which exhibit is attached to and incorporated in this Agreement by reference;

WHEREAS, it is in the best interests of the City to have the public street infrastructure installed by the Owner in conjunction with the Owner's final Plat;

WHEREAS, Chapter 212 of the Local Government Code authorizes a municipality to make a contract with a developer of a subdivision or land in the municipality to construct public improvements related to the subdivision or land; and

WHEREAS, this Agreement is made pursuant to the Local Government Code and Article 8, Section 8.4.1, of the Unified Development Code of the City of Corpus Christi.

NOW, THEREFORE, in order to provide a coordinated public street construction and improvement project, the City and the Owner agree as follows:

- A. The parties agree that the language contained in the preamble of this Agreement is substantive in nature, is incorporated into this Agreement by reference, and has been relied on by both parties in entering into and executing this Agreement.
- B. Subject to the terms of this Agreement, Exhibit 1, and Exhibit 2, the Owner will construct the Roadway Extension for and on behalf of the City in accordance with the plans and specifications approved in advance of construction by the City Engineer on behalf of the City. The parties acknowledge and confirm the total cost estimate for construction of the Roadway Extension, which estimate is attached to and incorporated in this Agreement as **Exhibit 3** (the "Cost Estimate"). Subject to the limitations set forth below, the Owner shall pay a portion

of the costs of construction of the Roadway Extension. Further, subject to the limitations set forth below, the City shall pay the remaining portion of the costs of construction of the Roadway Extension, designated as the total amount reimbursable by the City on the Cost Estimate.

C. Notwithstanding any other provision of this Agreement, the total amount that the City shall pay for the City's agreed share of the actual costs of the Roadway Extension shall not exceed **\$67,952.92**.

D. The City shall reimburse the Owner a pro rata portion of the City's agreed costs of the Roadway Extension monthly, based on the percentage of construction completed less the Owner's pro rata portion and contingent upon submission to the City of an invoice for the work performed. The invoices must be paid by the City no later than thirty (30) days following receipt of each monthly invoice. Such reimbursement will be made payable to the Owner at the address shown in section N of this Agreement.

E. In accordance with the Texas Local Government Code, the Owner shall execute a performance bond for the construction of the Roadway Extension to ensure completion of the project. The bond must be executed by a corporate surety in accordance with Chapter 2253 of the Texas Government Code.

F. The Owner shall submit all required performance bonds and proof of required insurance coverage in accordance with applicable State and local laws.

G. Owner shall submit standard construction contract documents to the Executive Director of Public Works for review and approval in advance of beginning any construction of the Roadway Extension.

H. Throughout construction, the City shall conduct periodic inspections and either approve the progress of the Roadway Extension or promptly notify the Owner of any defect, deficiency, or other non-approved condition in the progress of the Roadway Extension.

I. The Owner shall fully warranty the workmanship and construction of the Roadway Extension for a period of two years from and after the date of acceptance of the improvements by the Executive Director of Public Works.

J. OWNER COVENANTS TO FULLY INDEMNIFY, SAVE AND HOLD HARMLESS THE CITY OF CORPUS CHRISTI, ITS OFFICERS, EMPLOYEES, AND AGENTS, ("INDEMNITEES") AGAINST ANY AND ALL LIABILITY, DAMAGE, LOSS, CLAIMS, DEMANDS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ASSERTED AGAINST OR RECOVERED FROM INDEMNITEES ON ACCOUNT OF INJURY OR DAMAGE TO PERSON INCLUDING, WITHOUT LIMITATION ON THE FOREGOING, WORKERS' COMPENSATION AND DEATH CLAIMS, OR PROPERTY LOSS OR DAMAGE OF ANY OTHER KIND WHATSOEVER, TO THE EXTENT ANY INJURY, DAMAGE, OR LOSS MAY BE INCIDENT TO, ARISE OUT OF, BE

CAUSED BY, OR BE IN ANY WAY CONNECTED WITH, EITHER PROXIMATELY OR REMOTELY, WHOLLY OR IN PART, THE CONSTRUCTION, INSTALLATION, EXISTENCE, OPERATION, USE, MAINTENANCE, REPAIR, RESTORATION, OR REMOVAL OF THE PUBLIC IMPROVEMENTS ASSOCIATED WITH THE PLATTING AND CONSTRUCTION OF THE ROADWAY EXTENSION OF RANCHO VISTA SUBDIVISION UNIT 9 DURING THE PERIOD OF CONSTRUCTION, INCLUDING THE INJURY, LOSS, OR DAMAGE CAUSED BY THE CONTRIBUTORY NEGLIGENCE OF THE INDEMNITEES OR ANY OF THEM, REGARDLESS OF WHETHER THE INJURY, DAMAGE, LOSS, VIOLATION, EXERCISE OF RIGHTS, ACT, OR OMISSION IS CAUSED OR IS CLAIMED TO BE CAUSED BY THE CONTRIBUTING OR CONCURRENT NEGLIGENCE OF INDEMNITEES, OR ANY OF THEM, BUT NOT IF CAUSED BY THE SOLE NEGLIGENCE OF INDEMNITEES, OR ANY OF THEM, UNMIXED WITH THE FAULT OF ANY OTHER PERSON OR ENTITY, AND INCLUDING ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEYS FEES WHICH ARISE, OR ARE CLAIMED TO ARISE, OUT OF OR IN CONNECTION WITH THE ASSERTED OR RECOVERED INCIDENT. THIS INDEMNITY SURVIVES TERMINATION OF THIS AGREEMENT.

K. DEFAULT. The following events shall constitute default:

1. Owner fails to submit plans and specifications for the Roadway Extension to the Executive Director of Public Works in advance of construction.
2. Owner does not reasonably pursue construction of the Roadway Extension under the approved plans and specifications.
3. Owner fails to complete construction of the Roadway Extension, under the approved plans and specifications, on or before the expiration of 24 calendar months measured from the date this document is executed by the City.
4. Either the City or the Owner otherwise fails to comply with its duties or obligations under this Agreement.

L. NOTICE AND CURE.

1. 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 sufficient detail, the nature of the default and the requirements to cure such default.
2. After delivery of the default notice, the defaulting party has 15 days from the delivery of the default notice ("Cure Period") to cure the default.

3. 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.

4. Should the Owner fail to perform any obligation or duty of this Agreement, the City shall give notice to the Owner, at the address stated in section N, of the need to perform the obligation or duty and, should the Owner 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 the Owner.

5. In the event of an uncured default by the Owner, after the appropriate notice and Cure Period, the City has all its common law remedies and the City may:

a. Terminate this Agreement after the required notice and opportunity to cure the default;

b. Refuse to record a related plat or issue any certificate of occupancy for any structure to be served by the project; and/or

c. Perform any obligation or duty of the Owner under this Agreement and charge the cost of such performance to the Owner. The Owner shall pay to the City the reasonable and necessary cost of the performance within 30 days from the date the Owner receives notice of the cost of performance. In the event the Owner 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.

6. In the event of an uncured default by the City after the appropriate notice and Cure Period, the Owner has all its remedies at law or in equity for such default.

M. FORCE MAJEURE.

1. The term "force majeure" as employed in this Agreement means and refers to acts of God; strikes, lockouts, or other industrial disturbances; acts of a public enemy; insurrections; riots; epidemics; 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.

2. 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 claiming force majeure shall give written notice of the full particulars of the force majeure to the other party within 10 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.

N. NOTICES.

1. 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:

If to the City:

City of Corpus Christi
Attn: Director, Development Services
2406 Leopard Street / 78401
P. O. Box 9277 / 78469-9277
Corpus Christi, Texas

If to the Owner:

Yorktown Oso Joint Venture
Attn: Fred Braselton, President
5337 Yorktown Blvd., Suite 10-D
Corpus Christi, Texas 78413

with a copy to:

City of Corpus Christi
Attn: Asst. City Manager, Business Support Services
1201 Leopard Street / 78401
P. O. Box 9277 / 78469-9277
Corpus Christi, Texas

2. Notice must be made 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.

3. Either party may change the address for notices by giving notice of the change, in accordance with the provisions of this section, within five business days of the change.

O. Owner's contracts with the professional engineer for the preparation of the plans and specifications for the construction of the Roadway Extension, contracts for testing services, and contracts with the contractor for the construction of the Roadway Extension must provide that the City is a third party beneficiary of each contract.

P. In compliance with City of Corpus Christi Ordinance No. 17112, the Owner agrees to complete the Disclosure of Interests form attached to this Agreement and incorporated by reference as **Exhibit 4**.

Q. This Agreement becomes effective, is binding upon, and inures to the benefit of the City and the Owner from and after the date of the last signatory to this Agreement. **This Agreement expires 24 calendar months from the date this document is executed by the City**, unless terminated earlier in accordance with the provisions of this Agreement. Such expiration date of this Agreement is presently anticipated, but not currently known, to be April 22, 2016.

(EXECUTION PAGES FOLLOWS)

EXECUTED in one original this _____ day of _____, 2014.


ATTEST:

CITY OF CORPUS CHRISTI

Rebecca Huerta
City Secretary

Ronald L. Olson
City Manager

Approved as to legal form: 3/19/14



Julian Grant
Assistant City Attorney

OWNER: PETERSON COUSINS, LLP.

Reagan T Brown

Reagan T. Brown
Managing Partner

3/19/14

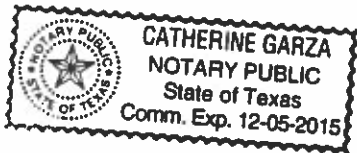
Date

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This instrument was acknowledged before me on March 19th, 2014, by Reagan T. Brown, Managing Partner, Peterson Cousins, LLP, a Limited Liability Partnership, on behalf of said partnership.



Catherine Garza

Notary Public's Signature

OWNER: Braselton Development Company, Ltd.

Fred Braselton

By: Braselton Management Company, LLC
By: Fred Braselton, President

3/20/14

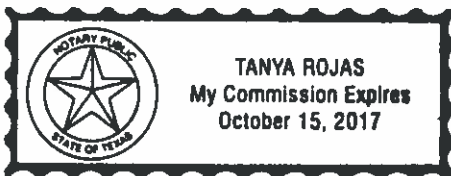
Date

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This instrument was acknowledged before me on March 20th, 2014, by Fred Braselton, President of Braselton Management Company, LLC., a Texas company, on behalf of Braselton Development Company, Ltd., a Texas limited partnership.



Tanya Rojas

Notary Public's Signature