Developer Participation Agreement for the Construction of An Oversized Off-Site Wastewater Main And Related Infrastructure Improvements

This Developer Participation Agreement for the Construction of an Oversized Off-Site Wastewater Main and Related Infrastructure Improvements (the "Agreement") is made and entered into as of this _____ day of _______, 2016 (the "Effective Date"), by and between W/J WILMETH RIDGE, LP, a Texas limited partnership, whose address is 600 N. Pearl, Suite 650, LB 149, Dallas, TX 75201, ("Developer") and the CITY OF MCKINNEY, TEXAS ("McKinney" or the "City") on the terms and conditions hereinafter set forth.

- WHEREAS, Developer is developing approximately 129.00 acres of land, known as the Wilmeth Ridge Subdivision ("Subdivision"), along the north and south sides of Wilmeth Road (CR 161) and along the east side of Ridge Road (CR 161) and between U.S. 380 and south of Bloomdale Road as more fully described in Exhibit "A," which exhibit is attached hereto and incorporated herein by reference for all purposes allowed by law (the "Property"); and
- WHEREAS, the City's Wastewater Collection System Master Plan (the "Master Plan") requires the extension of a wastewater main that varies in size from a thirty-inch (30") diameter to a thirty-six-inch (36") diameter wastewater main that is larger than the City's minimum standard twelve-inch (12") diameter wastewater mains, and which is also larger than the wastewater main required to serve the Subdivision, in order to serve future development in the area specifically including around the Property (the "Oversized Line"); and
- WHEREAS, Developer has agreed to extend the Oversized Line and all necessary appurtenances related to the Oversized Line (collectively the "Oversized Main") to the Property as reflected in Exhibit B and more specifically described in detail in Exhibit C, which exhibits are attached hereto and incorporated herein by reference for all purposes allowed by law, in exchange for reimbursement of the difference in cost to construct the Oversized Main as compared to the cost to construct the City's minimum standard twelve-inch (12") diameter line which latter size would be sufficient to serve the Subdivision;
- WHEREAS, City has agreed that Developer shall construct the Oversized Main required by the City's Master Plan; and
- WHEREAS, the construction of the Oversized Main by Developer will benefit McKinney by significantly increasing the wastewater capacity associated with such public improvements project in anticipation of other future development in the area specifically including around the Property; and

WHEREAS, Texas Local Government Code, Section 212.071, et seq., authorizes McKinney to contract with a developer and participate in the cost of oversizing public improvements so long as the limit of participation does not exceed 100 percent of the total cost for any oversizing of improvements required by the municipality, including but not limited to increased capacity of improvements to anticipate other future development in the area.

NOW, THEREFORE, in consideration of the covenants and conditions contained in this Agreement, McKinney and Developer agree as follows:

1. Recitals Incorporated.

All of the foregoing recitals are hereby found to be true and correct and they are hereby approved and incorporated into the body of this Agreement as if copied in their entirety.

Oversized Main to be Constructed by Developer.

Within thirty (30) days from the Effective Date of this Agreement, and in coordination of the construction of the Developer's subdivision improvements, Developer shall commence construction of the Oversized Main. The Oversized Main shall be constructed in accordance with plans and specifications therefor which shall conform to the ordinances and regulations of, and are approved by, McKinney. The Oversized Main shall be completed and finally accepted by the City within twelve (12) months of beginning construction, subject to force majeure delays. During the construction process, Developer shall require its general contractor to comply with all ordinances and regulations governing the installation of the Oversized Main. This Agreement shall in no manner be construed as an exemption or waiver by McKinney in favor of Developer, or its contractors, subcontractors, and/or suppliers, of any of the ordinances or regulations relating to the design, construction or warranty of the Oversized Main.

Participation by McKinney in Cost of Oversized Main.

The Total Contract Price for the Oversized Main to be constructed by Developer under the Contract is One Million Three Hundred Twenty-Eight Thousand Nineteen Dollars and Seventy-Five Cents (\$1,328,019.75) (the "Total Contract Price"), which amount includes the costs incurred, or to be incurred, by Developer for testing, surveying and constructing the Oversized Main. McKinney agrees to participate in the cost of the Oversized Main as more fully described in the attached Exhibit C, which is incorporated herein for all purposes, up to the amount of Seven Hundred Fifty-Nine Thousand Four Hundred Forty-One Dollars and Thirty-Seven Cents (\$759,441.37) (the "McKinney Share"), and which amount is the estimated difference between the construction cost of the Oversized Main and the cost to construct the City's minimum standard twelve-inch (12") diameter main and necessary appurtenances thereto that would

otherwise be sufficient to serve the Subdivision. If the actual cost of the Oversized Main exceeds the estimated McKinney Share, McKinney will agree in writing, subject to the availability of funds, to an increased level of participation in an amount up to the actual cost of the Oversized Main. Notwithstanding the foregoing, in no event shall the McKinney Share exceed the difference between the cost to construct the City's minimum standard twelve-inch (12") diameter line and the cost to construct the Oversized Main. Developer shall require its general contractor to provide Developer and through Developer the City prior written notice if the cost of the Oversized Main is going to exceed the McKinney Share. Developer shall submit to McKinney such documentation as McKinney shall reasonably request, from time to time, to evidence the actual cost of the Oversized Main and the Total Contract Price, including, but not limited to, its books and records relating to all expenditures related to the Oversized Main.

Payment by McKinney for the Oversized Main.

Following completion and final acceptance by McKinney of the Oversized Main, the Developer shall submit an original written invoice to McKinney for the cost of oversizing associated with the construction of the Oversized Main including a certification by Developer that the amount of such invoice relates only to the cost of oversizing the Oversized Main, and the Contractor's final signed contract unit prices and quantities for construction of the Oversized Main. The total of the invoice submitted by Developer shall not exceed the McKinney Share agreed upon and shall be signed and sealed by a Professional Engineer registered in the State of Texas certifying to the validity of the contract prices and quantities. The final invoice amount will be subject to McKinney's concurrence. Developer understands that reimbursement for change orders or additions shall only be made for items which have received prior written approval from McKinney.

Provided that all conditions of this Agreement have been satisfactorily met, McKinney shall within 30 days of receipt of the invoice issue payment to Developer for the amount of the final invoice, save and except any disputed items, subject to the limits of the McKinney Share. During said thirty (30) day period, McKinney shall have the right to verify that the invoice submitted to the City for payment relates to the cost of oversizing the Oversized Main and otherwise conforms to the conditions set forth in this Agreement, and McKinney agrees to give written itemized notice of any objections thereto to Developer within said thirty (30) day period.

5. <u>Default</u>.

In the event any party fails to comply with the terms of this Agreement, the other party has the right to enforce the terms of this Agreement by specific performance or by any other remedy available to it at law or in equity; provided,

however, in no event shall any party be liable for speculative, consequential or punitive damages.

6. Notice.

Any notice to be given or to be served upon a party hereto in connection with this Agreement must be in writing and may be given by certified or registered mail, recognized overnight carrier, such as Federal Express, hand delivered with a signed receipt reflecting such hand delivery, or by facsimile transmission ("Fax") and shall be deemed to have been given and received when a certified or registered letter containing such notice, properly addressed with postage prepaid, is deposited in the United States mail, and if given otherwise than by certified or registered mail, it shall be deemed to have been given and delivered to and received by the party (or such party's agent or representative) to whom it is addressed, upon delivery to the address specified below. All notices shall be given to the parties hereto at the address set forth below. Any party hereto may, at any time by giving two (2) days written notice to the other parties, designate any other address in substitution of the foregoing address to which such notice shall be given.

If Notice to Developer:

W/J Wilmeth Ridge, LP, Attn: Christopher Jackson 600 N. Pearl Suite 650, LB 149 Dallas, TX 75201

Phone: 214-880-8659 Fax: 214-880-8709

With a copy to:

Owens, Clary & Aiken, L.L.P. 700 N. Pearl Street Suite 1600 Dallas, Texas 75201 Attn: Robert L. Owens

Phone: (214) 698-2100 Fax: (214) 698-2121

If Notice to McKinney:

Tom Muehlenbeck Interim City Manager City of McKinney 222 N. Tennessee St. McKinney, Texas 75069 Phone: 972-547-7510 Fax: 972-547-2607 With a copy to:

Mark Houser
Brown & Hofmeister, L.P.
740 East Campbell Road
Suite 800
Richardson, Texas 75081

Phone: (214) 747-6100 Fax: (214) 747-6111

7. Venue.

This Agreement shall be construed under and in accordance with the laws of the State of Texas and is specifically performable in Collin County, Texas. Exclusive venue shall be in state district court in Collin County, Texas.

8. Severability.

In case any one or more provisions contained in this Agreement shall be for any reason held invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not effect any other provision hereof, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

9. No Waiver of Governmental Immunity.

Nothing contained in this Agreement shall be construed as a waiver by McKinney of its governmental immunity with regard to any matter other than City's obligations to Developer that are specifically enumerated in this Agreement.

10. Indemnity.

DEVELOPER SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS CITY COUNCIL, OFFICERS, EMPLOYEES, AND AGENTS FROM AND AGAINST ALL CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LOSSES, PENALTIES OR SUITS, WHICH IN ANY WAY ARISE OUT OF, RELATE TO, OR RESULT FROM THE CONSTRUCTION OF THE OVERSIZED MAIN AND THAT ARE CAUSED BY THE INTENTIONAL ACTS OR NEGLIGENT ACTS OR OMISSIONS OF THE DEVELOPER, OR ANY OFFICERS, AGENTS, EMPLOYEES, CONTRACTORS OR SUBCONTRACTORS, AND ANY OTHER THIRD PARTIES FOR WHOM OR WHICH DEVELOPER IS LEGALLY RESPONSIBLE.

DEVELOPER SHALL ALSO REQUIRE ITS GENERAL CONTRACTOR TO DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS CITY

COUNCIL, OFFICERS, EMPLOYEES, AND AGENTS FROM AND AGAINST ALL CITATIONS, CLAIMS, COSTS, DAMAGES, DEMANDS, EXPENSES, FINES, JUDGMENTS, LOSSES, PENALTIES OR SUITS, WHICH IN ANY WAY ARISE OUT OF, RELATE TO, OR RESULT FROM THE CONSTRUCTION OF THE OVERSIZED MAIN OR WHICH ARE CAUSED BY THE INTENTIONAL ACTS OR NEGLIGENT ACTS OR OMISSIONS OF THE GENERAL CONTRACTOR, ITS CONTRACTORS, SUBCONTRACTORS, OR ANY OFFICERS, AGENTS OR EMPLOYEES OF THE GENERAL CONTRACTOR, ITS CONTRACTORS, SUBCONTRACTORS AND ANY OTHER THIRD PARTIES FOR WHOM OR WHICH THE GENERAL CONTRACTOR IS LEGALLY RESPONSIBLE.

BY WAY OF EXAMPLE, THE INDEMNITY PROVIDED HEREIN MAY INCLUDE PERSONAL INJURY AND DEATH CLAIMS AND PROPERTY DAMAGE CLAIMS, INCLUDING THOSE FOR LOSS OF USE OF PROPERTY. THE INDEMNITY PROVIDED HEREIN SHALL ALSO INCLUDE ATTORNEYS' FEES AND COSTS, COURT COSTS, AND SETTLEMENT COSTS AS WELL AS ANY EXPENSES, INCLUDING ATTORNEYS' FEES AND EXPENSES, INCURRED BY AN INDEMNIFIED INDIVIDUAL OR ENTITY IN ATTEMPTING TO ENFORCE THIS INDEMNITY.

The City shall have the right to approve counsel to be retained in fulfilling the obligation to defend and indemnify the City. Approved counsel shall be retained for the City within seven (7) business days after receiving written notice from the City that it is invoking its right to indemnification under this Developer Participation Agreement. If approved counsel is not retained for the City within the required time, then the City shall have the right to retain counsel and be reimbursed for all its attorneys' fees and expenses by the party whose acts and/or omissions gave rise to said claim. The City retains the right to provide and pay for any or all costs of defending indemnified items, but it shall not be required to do so.

11. Authority.

Each of the parties represents and warrants to the other that they have the full power and authority to enter into and fulfill the obligations of this Agreement.

12. Performance and Payment Bonds.

Developer shall require its general contractor to execute a performance bond in the amount of one hundred percent (100%) of the Total Contract Price for the benefit of McKinney for the construction of the Oversized Main, including the McKinney Share, to ensure the completion of the project. Developer shall also require its general contractor to execute a payment bond in the amount of one hundred percent (100%) of the Total Contract Price for the benefit of payment bond beneficiaries who have a direct contractual relationship with the Developer's general contractor and/or the Developer's general contractor's contractors and

subcontractors to provide labor or material for the construction of the Public Improvements including the Oversized Main. The bond must be executed by a corporate surety in accordance with Chapter 2253, Texas Government Code. Said bonds shall be presented to and approved by the City and the City Attorney before the Developer's general contractor begins work on the Public Improvements.

13. Maintenance Bond.

Developer shall require its general contractor to furnish McKinney a good and sufficient maintenance bond in the amount of fifteen percent (15%) of the contract price of the Oversized Main, or in such amount as approved by the City Engineer, with a reputable and solvent corporate surety, in favor of McKinney, to indemnify McKinney against any repairs arising from defective workmanship or materials used in any part of the construction of the Oversized Main, for a period of two (2) years from the date of final acceptance of such improvements.

14. <u>Insurance Requirements.</u>

(a) The Developer shall require its general contractor, before commencing work on the Oversized Main, to procure, pay for and maintain, at its own expense, the following insurance written by companies approved by the State of Texas and acceptable to the City of McKinney. The Developer shall require its general contractor to furnish to the City of McKinney Purchasing Manager certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, expiration dates and compliance with all applicable required provisions. Certificates shall reference the project/contract number and be addressed as follows:

Wilmeth Ridge Subdivision Oversized Main City of McKinney c/o EBIX BPO PO Box 257, REF. 72-483 Portland, MI 48875-0257 (Fax: 517-647-7900)

(1) Commercial General Liability insurance, including, but not limited to Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors and Contractual Liability, with minimum combined single limits of \$1,000,000 per-occurrence, \$1,000,000 Products/Completed Operations Aggregate and \$1,000,000 general aggregate. Coverage must be written on an occurrence form. The General Aggregate shall apply on a per project basis.

- (2) Workers' Compensation insurance with statutory limits; and Employers' Liability coverage with minimum limits for bodily injury: a) by accident, \$100,000 each accident, b) by disease, \$100,000 per employee with a per policy aggregate of \$500,000.
- (3) Business Automobile Liability insurance covering owned, hired and non-owned vehicles, with a minimum combined bodily injury and property damage limit of \$1,000,000 per occurrence.
- (4) Umbrella or Excess Liability insurance with minimum limits of \$5 Million each occurrence and annual aggregate for bodily injury and property damage, that follows form and applies in excess of the above indicated primary coverage (1, 2 and 3). The total limits required may be satisfied by any combination of primary, excess or umbrella liability insurance provided all policies comply with all requirements. The general contractor may maintain reasonable deductibles, subject to approval by the City of McKinney.
- (b) With reference to the foregoing required insurance, the Developer shall require its general contractor to endorse applicable insurance policies as follows:
 - (1) A waiver of subrogation in favor of City of McKinney and its officials, employees, and officers shall be contained in the Workers' Compensation insurance policy.
 - (2) The City of McKinney and its officials, employees and officers shall be named as additional insureds on the Commercial General Liability policy and all other required insurance policies, by using endorsement CG2026 or broader.
 - (3) All insurance policies shall be endorsed to the effect that the City of McKinney will receive at least thirty (30) days notice prior to cancellation, non-renewal, termination, or material change of the policies.
- (c) All insurance shall be purchased from an insurance company that meets a financial rating of B+VI or better as assigned by the A.M. BEST Company or equivalent.

14. <u>Miscellaneous</u>.

(a) This Agreement contains the entire agreement of the parties with respect to the matters contained herein and may not be modified or terminated except upon the provisions hereof or by the mutual written agreement of the parties to this Agreement.

- (b) This Agreement shall be deemed drafted equally by all parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any party shall not apply.
- (c) Time is of the essence in this Agreement.

EXECUTED as of the date first above written.

CITY OF McKINNEY, TEXAS

		Ву:		
			Tom Muehlenbeck Interim City Manag	ger
ATTEST:				
Sandy Hart, TRMC, MMC City Secretary Denise Vice, TRMC Assistant City Secretary				
APPROVED AS TO FORM	Л:			
MARK S. HOUSER City Attorney				
STATE OF TEXAS	w w w			
COUNTY OF COLLIN	8			

BEFORE ME, the undersigned authority, on this day personally appeared Tom Muehlenbeck, known to me to be one of the persons whose name is subscribed to the

COUNTY OF Nallas \$

BEFORE ME, the undersigned authority, in and for said County, Texas, on this day personally appeared Christopher Jackson, in his capacity as Vice-President of W/J Wilmeth Ridge GP, LLC, a Texas limited liability corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that W/J Wilmeth Ridge GP, LLC, is the general partner of W/J WILMETH RIDGE, LP, a Texas limited partnership, and that he executed the same on behalf of and as the act of the limited partnership.

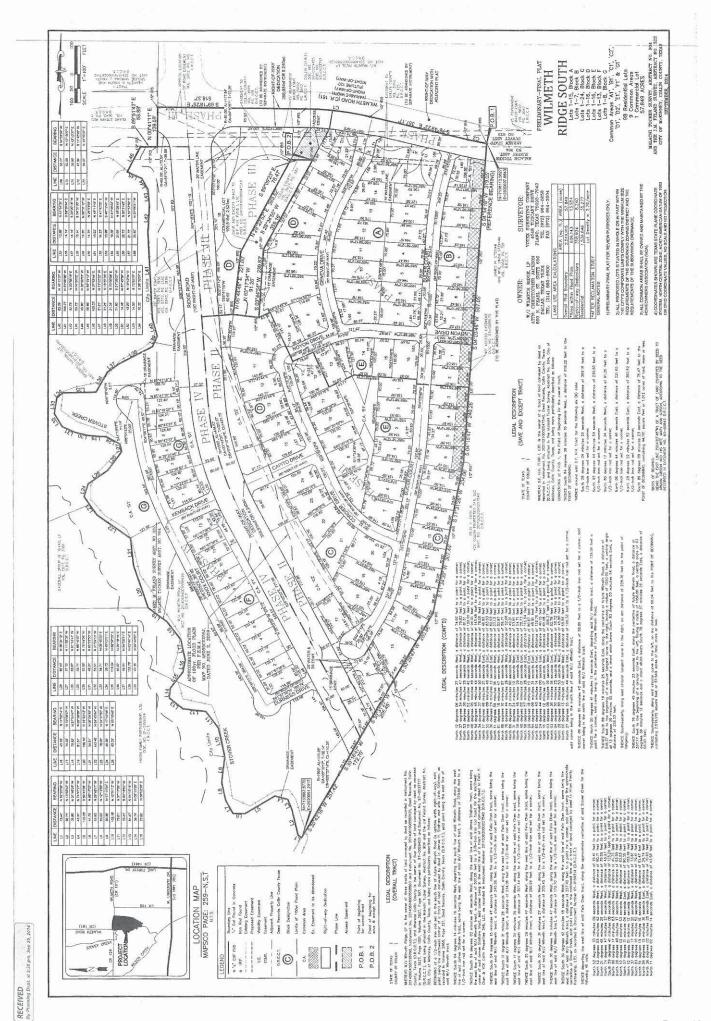
GIVEN UNDER MY HAND AND SEAL OF OFFICE this 16th day of February, 2016.

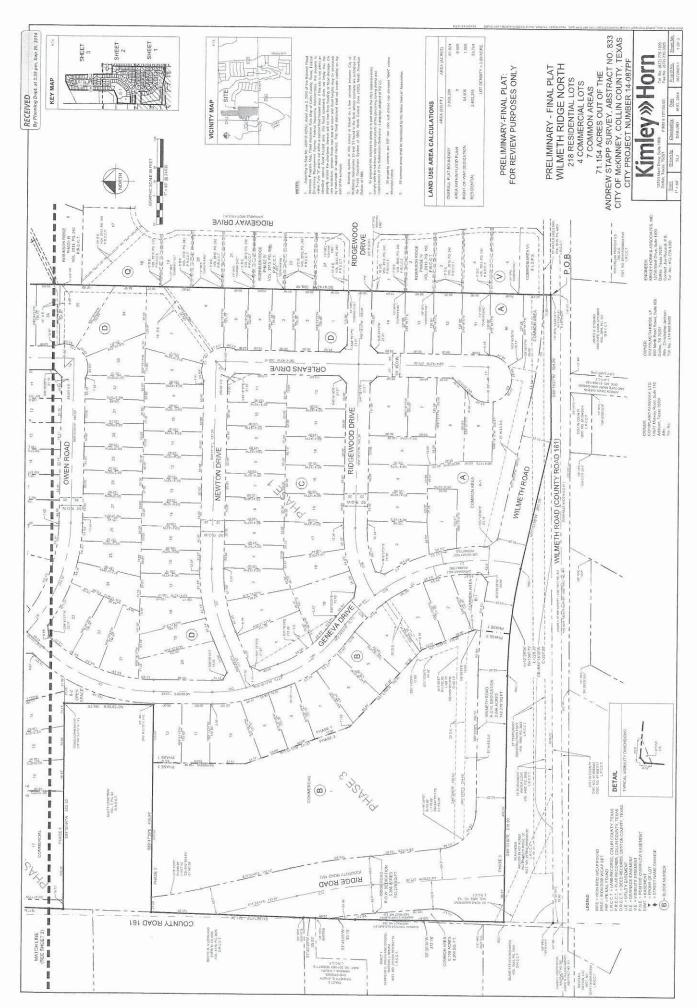
CYNTHIA BENTLEY O'BRIEN
Notary Public, State of Texas
Comm. Expires 05-12-2017
Notary ID 12689660-0

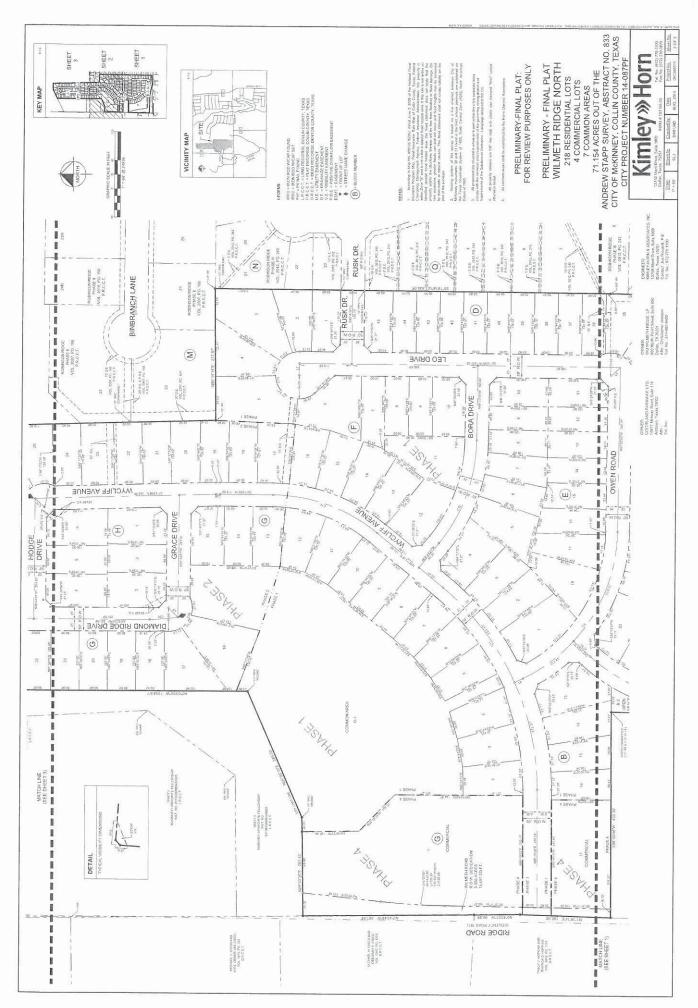
Notary Public in and for the State of Texas

EXHIBIT "A"

Property Description







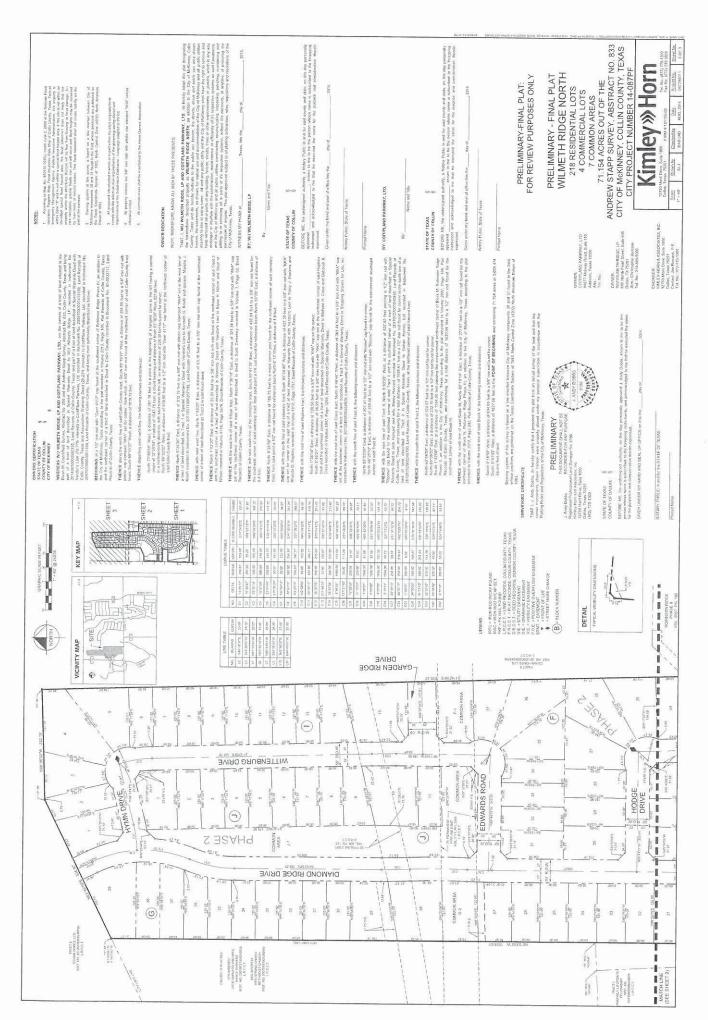


EXHIBIT "B"

Oversized Main Location and Description

1. The approved civil drawings regarding the location and description of the Oversized Main are on file with the City Engineer's Office, and are incorporated herein by reference for all purposes allowed by law.

EXHIBIT "C"

Oversized Main Cost Projection



TO: Wynne Jackson, Inc.

JOB: SANITARY SEWER MAIN TO SERVE WILMETH RIDGE

DATE: November 20, 2015

CITY: MCKINNEY



ITEM					TOTAL
NO	DESCRIPTION	UNIT	QTY		AMOUNT
1a 1b 1c 1d 2 3 3b 4 5 6 7 8 9 10 11	UPSIZE ITEMS 36" PVC WASTEWATER PIPE ASTM F679 PS-46 (CLASS G EMBEDMENT 36" PVC WASTEWATER PIPE ASTM F679 PS-46 (CLASS H EMBEDMENT 30" PVC WASTEWATER PIPE ASTM F679 PS-46 (CLASS H EMBEDMENT 30" PVC WASTEWATER PIPE ASTM F679 PS-46 (CLASS G EMBEDMENT 30" PVC WASTEWATER PIPE ASTM F679 PS-46 (CLASS G EMBEDMENT 6' DIAMETER TYPE S MANHOLE - W/BLUEGREEN R&C 6' DIAMETER VENTED TYPE S MANHOLE - W/BLUEGREEN R&C 6' DIAMETER MANHOLE EXTRA DEPTH W/RAVEN 30" PLUG 48" STEEL ENCASEMENT 48" CONNECT TO EXISTING MANHOLE DRILLED SHAFTS WITH CONCRETE COLLAR FOR 48" AERIAL CROSSIN TRENCH SPOILS BONDS (PERFORMANCE AND PAYMENT) BONDS (MAINTENANCE) VACUUM TESTING OF SANITARY SEWER MANHOLES SUBTOTAL ENGINEERING AND STAKING 9% OF CONST COST 3.5% INSPECTION FEE TOTAL UPSIZE PIPING	LF LF LF EA VF EA LF EA	1221 1876 1548 36 13 4 3 1 563 1 13 1 1 17	\$185.00 \$124.00 \$95.00 \$153.00 \$10,062.00 \$12,427.00 \$936.00 \$315.00 \$3,605.00 \$6,684.00 \$90,089.00 \$1.00 \$24,319.00 \$165.00 \$106,241.58 \$41,316.17	\$225,885.00 \$232,624.00 \$147,060.00 \$5,508.00 \$130,806.00 \$49,708.00 \$1,007.00 \$177,345.00 \$3,605.00 \$86,892.00 \$90,089.00 \$10,00 \$24,319.00 \$2,805.00 \$1,180,462.00 \$106,241.58 \$41,316.17 \$1,328,019.75
1 2 3 4 5 6 7 8 9 10 11	REQUIRED SIZING 12" PVC WASTEWATER PIPE (SDR-26) 5' DIAMETER MANHOLE 5' DIAMETER VENTED MANHOLE 12" PLUG 18" STEEL ENCASEMENT 12" CONNECT TO EXISTING MANHOLE DRILLED SHAFTS WITH CONCRETE COLLAR FOR 18" AERIAL CROSSIN TRENCH SPOILS BONDS (PERFORMANCE AND PAYMENT) BONDS (MAINTENANCE) VACUUM TESTING OF SANITARY SEWER MANHOLES SUBTOTAL ENGINEERING AND STAKING 9% OF CONST COST 3.5% INSPECTION FEE TOTAL REQUIRED SIZING	LF EA EA LF EA LS LS EA LS	4681 13 4 1 563 1 13 1 1 1 17	\$45.00 \$5,507.00 \$8,558.00 \$575.00 \$120.00 \$1,500.00 \$3,000.00 \$18,000.00 \$150.00 \$45,486.27 \$17,689.11	\$210,645.00 \$71,591.00 \$34,232.00 \$575.00 \$67,560.00 \$1,500.00 \$39,000.00 \$56,750.00 \$18,000.00 \$3,000.00 \$2,550.00 \$45,486.27 \$17,689.11 \$568,578.38