

A Resolution

NO. _____

A RESOLUTION AUTHORIZING THE CITY ATTORNEY TO INTERVENE IN A LAWSUIT ENTITLED LEGENDS OF HANNA RANCH, LTD V. ARK CONTRACTING SERVICES, LLC AND ATLANTIC SPECIALTY INSURANCE COMPANY, CAUSE NO. 141-351277-24, 141ST DISTRICT COURT, TARRANT COUNTY, TEXAS

WHEREAS, the City entered into a community facilities agreement with Legends of Hanna Ranch, Ltd (“Legends”), a residential developer, for the construction of sanitary sewer improvements for the City, City Project No. 102152 (“Project”); and

WHEREAS, ARK Contracting Services, LLC (“ARK”) was selected pursuant to a public bid and was awarded the contract to construct the Project; and

WHEREAS, on June 7, 2021, ARK entered into an agreement with Legends to build the City’s sanitary sewer line; and

WHEREAS, pursuant to this agreement, ARK obtained a performance bond in the name of Legends as Developer and the City as Owner from Atlantic Specialty Insurance Company (“ASIC”) in an amount equal to the contract price of \$7,599,999.00; and

WHEREAS, per the terms of the performance bond, the obligations of ASIC would only be relieved upon ARK’s successful completion of the Project; and

WHEREAS, Ark began constructing the Project on or about January 24, 2022; and

WHEREAS, ARK has suspended all work on the Project, has ignored multiple demands by Legends to complete the Project, and has abandoned the Project; and

WHEREAS, based upon ARK’s refusal to complete the Project, both Legends and the City made formal demands upon ASIC to honor the performance bond; and

WHEREAS, ASIC has formally denied these demands; and

WHEREAS, on March 21, 2024, Legends of Hanna Ranch, Ltd filed a lawsuit against Ark Contracting Services, LLC and Atlantic Specialty Insurance Services for breach of contract and failure to perform pursuant to the performance bond; and

WHEREAS, the City has a breach of contract claim against Atlantic Specialty Insurance Services for its failure to perform on the performance bond; and



WHEREAS, the City is a third-party beneficiary to the contract between Legends of Hanna Ranch, Ltd. and Ark Contracting Services, LLC; and

WHEREAS, the City must intervene in the lawsuit to protect its interests.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS, THAT:

1.

The City’s intervention into the lawsuit filed by Legends of Hanna Ranch, Ltd against Ark Contracting Services, LLC and Atlantic Specialty Insurance Company (Cause No. 141-351277-24), 141st District Court, Tarrant County, Texas is authorized.

Adopted this _____ day of _____ 2024.

ATTEST:

By: _____

Jannette Goodall, City Secretary

