INTERLOCAL AGREEMENT

STATE OF TEXAS

COUNTY OF GALVESTON

This Interlocal Agreement (this "Agreement") is made by and between the City of LEAGUE CITY, TEXAS, a municipal corporation ("League City") and the City of FRIENDSWOOD, TEXAS, a municipal corporation ("Friendswood"), collectively known together as the "Parties" and individually a "Party."

RECITALS

WHERAS, the Parties intend this Agreement to follow Chapter 791 of the Government Code, cited as the Interlocal Corporation Act; and

WHEREAS, the Parties are neighboring municipalities that currently share common boundaries; and

WHEREAS, the Parties entered into an Interlocal Agreement for Boundary Adjustment Between League City and Friendswood on May 19, 2021 (the "Original Boundary Agreement"), and a copy of the Original Boundary Agreement is attached to this Agreement as Exhibit "A" and is incorporated herein for all intents and purposes; and

WHEREAS, in consideration of the Original Boundary Agreement, the Parties agreed that Friendswood shall pay to League City on or before March 1 of each year, an annual amount equal to fifty percent (50%) of the property taxes generated from the 26.921 acres of land from the Avalon Development, with the first payment being due on or before March 1, 2022, and the final payment being due on or around March 1, 2041; and

WHEREAS, Southbrook Land, Inc., owns approximately 130.9043 acres in the Friendswood city limits, more specifically described in Exhibit "B," which is attached hereto and incorporated herein for all intents and purposes (the "SL Property"); and

WHEREAS, the remaining developable acreage of Southbrook Land, Inc. is located in the city limits of League City, and the Parties have determined that it is not feasible for Friendswood to provide services to the SL Property given its unique geographical and developable layout; and

WHEREAS, Southbrook Land, Inc. is petitioning Friendswood for disannexation of the SL Property from its corporate limits (the "Petition"), a copy of which is attached hereto and included herein for all intents and purposes as Exhibit "C"; and will petition for the SL Property to be annexed into the corporate limits of League City, a copy of which is attached hereto and incorporated herein for all intents and purposes as Exhibit "D"; and

WHEREAS, in consideration of the SL Property disannexation from Friendswood and annexed into League City, the Parties agree to terminate any and all payment requirements moving forward addressed in the Original Boundary Agreement; and

WHEREAS, the Parties further agree that the right-of-way as described in Exhibit "E," which is attached hereto and incorporated herein for all intents and purposes (the "ROW Property") should also be disannexed from Friendswood and annexed into League City; and

WHEREAS, to this end, on October 8, 2024, the Harris County Commissioners Court, pursuant to Section 43.147(a) of the Texas Local Government Code, consented to Friendswood's disannexation and to League City's annexation of the ROW Property, which consent is attached hereto as Exhibit "F"; and

WHEREAS based upon the terms and conditions stated herein and in accordance with all applicable law, including, but not limited to Section 43.015 of the Texas Local Government Code, Friendswood and League City desire to make mutually agreeable changes in their respective boundaries with regarding to the SL Property and the ROW Property (collectively the "Property") in order for the Property to be wholly located in League City's incorporated limits;

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree to the following terms and conditions:

TERMS AND CONDITIONS

- 1. <u>Incorporation of Recitals</u>. The recitals set forth above are true and correct and are hereby incorporated into this Agreement.
- 2. <u>Term of Agreement</u>. The effective date of this Agreement shall be on the date of execution by all Parties and shall continue until the Property is fully annexed into the League City city limits.
- 3. <u>Termination of the Original Boundary Agreement</u>. Upon Friendswood's disannexation of the Property, the Original Boundary Agreement shall terminate, and Friendswood shall be relieved of all payment obligations thereunder.
- 4. <u>Disannexation/Annexation</u>. Friendswood will disannex the Property and will notify League City of the completion of the disannexation within thirty (30) days of the date of the passage of the disannexation ordinance. Upon disannexation, the Parties agree that the Property shall be allocated to the extraterritorial jurisdiction of League City pursuant to Section 42.022(d) of the Texas Local Government Code. Within one hundred twenty (120) days after Friendswood's disannexation of the Property from Friendswood's city limits, League City will take the necessary steps to annex the Property into the League City city limits and will notify Friendswood once such annexation is complete.
- 5. <u>Official Map</u>. The respective governing bodies of Friendswood and League City shall take appropriate action to effectuate the terms of this Agreement through the adoption of

official maps ("Official Maps") showing their respective boundaries as required by the Texas Local Government Code Section 41.001 on or before December 31, 2025.

6. <u>Notice of Official Boundary Change</u>.

- a. Friendswood shall submit for recording in the deed records of Galveston County a certified copy of its ordinance disannexing the Property within thirty (30) calendar days after the effective date of the ordinance; and
- b. League City shall submit for recording in the deed records of Galveston County a certified copy of its ordinance annexing the Property into the League City corporate limits within thirty (30) days after the effective dates of each document.
- 7. <u>Assignment</u>. No assignment of this Agreement, in whole or in part, for any purpose shall be made by either Party without the written consent of the other Party. Subject to this limitation, this Agreement shall bind and inure to the benefit of the successors and assigns of the Parties.
- 8. <u>Interpretation of Agreement</u>. This Agreement or any portion thereof shall not be interpreted by a court of law to the detriment of a Party based solely upon that Party's authorship of the Agreement or any portion thereof.
- 9. <u>Severability</u>. If for any reason, any one or more paragraphs of this Agreement are held legally invalid, such judgment shall not prejudice, affect, impair or invalidate the remaining paragraphs of this Agreement as a whole.
- 10. <u>Entire Agreement</u>. This Agreement constitutes the entire Agreement between the Parties hereto and supersedes all prior agreements, understandings and arrangements, oral or written, between the Parties thereto with respect to the subject thereof.
- 11. <u>Governing Law and Venue</u>. This Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Texas, and the venue for any cause of action shall be Galveston County, Texas.
- 12. <u>Execution in Counterparts</u>. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.
- 13. <u>No Joint Venture</u>. This Agreement is not intended to create, nor should it be construed as creating a partnership, association, joint venture, or trust.
- 14. <u>No Waivers</u>. The waiver by any Party hereto of a breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

- 15. <u>No Third-Party Beneficiary</u>. Nothing in this Agreement shall entitle any third party to any claim, cause of action, remedy or right of any kind, it being the intent of the Parties that this Agreement shall not be construed as a third-party beneficiary contract.
- 16. Force Majeure. If by reason of Force Majeure the City shall be unable, in whole or in part, to carry out its obligations under this Agreement in accordance with the terms and conditions of this Agreement, it shall not be considered a breach by this Agreement. The term "Force Majeure" as used in this Agreement shall mean acts of God, strikes, lock-outs, or other industrial disturbances, acts of public enemy, orders of any kind of the federal or state government, or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, the partial or entire failure of the City, or any other causes not reasonably within the control of the City.
- 17. <u>Immunity</u>. It is expressly understood and agreed that, in the execution of this Agreement, the Parties do not waive any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions.

18. <u>Authority to Bind</u>.

- a. Each Party represents and warrants for itself that this Agreement, in accordance with the requirements of the Interlocal Cooperation Act, has been authorized by its respective governing body.
- b. Each Party represents and warrants for itself that the individual executing this Agreement on its behalf has the full power and authority to do so and to legally bind the Party to all the terms and provisions of this Agreement and that this Agreement constitutes the legal, valid, and binding agreement of each Party hereto.

[EXECUTION PAGES FOLLOW]

EXECUTED this	day of	, 2025.
		CITY OF LEAGUE CITY
		JOHN BAUMGARTNER, ICMA-CM, P.E. City Manager
ATTEST:		
DIANA STAPP, City Secretary		
APPROVED AS TO FORM:		
MICHELLE L. VILLARREAL,	, City Attorno	ey

EXECUTED this	day of	, 2025.
		CITY OF FRIENDSWOOD
		MORAD KABIRI, City Manager
ATTEST:		
LETICIA BRYSCH, City Secr	retary	
APPROVED AS TO FORM:		
KAREN L. HORNER, City At	torney	

EXHIBIT A

Original Boundary Agreement

EXHIBIT B

Description of property owned by Southbrook Land, Inc. currently located in Friendswood

EXHIBIT C

Petition for Disannexation