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Hope Palmer
Legal Assistant

November 14, 2023

Ms. Diana Stapp
City Secretary
City of League City
300 W. Walker St.
League City, Texas 77573

Re: Galveston County Municipal Utility District No. 36

Dear Ms. Stapp:


Enclosed please find a Utility Conveyance and Security Agreement for each of the following projects for acceptance by the City of League City (the "City"):

- The water, sanitary, and drainage improvements to serve Westland Ranch Section 7 and Muldoon Parkway Phase 2
- The paving facilities to serve Westland Ranch Section 7 and Muldoon Parkway Phase 2

Please add acceptance of these Agreements to the City Council agenda for approval as soon as possible. Following acceptance and execution by the City, please return the Agreements to me for recordation.

Should you have any questions, please feel free to call me at the above number.

Sincerely,


Hope Palmer
Legal Assistant

Enclosure

CC without enclosure:

Mr. Kyle Kern, DEC, via email at kyle.kern@decorp.com

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CENTRAL TEXAS
919 Congress Avenue, Suite 1500
Austin, TX 78701
(512) 518-2424

NORTH TEXAS
3100 McKinnon Street, Suite 1100
Dallas, TX 75201
(972) 823-0800

abhr.com

The City hereby agrees by its acceptance of this conveyance to operate and maintain the Facilities in accordance with the terms of the Utility Agreement.

IN WITNESS WHEREOF, this conveyance is executed on this 2nd day of October, 2023.

GALVESTON COUNTY MUNICIPAL
UTILITY DISTRICT NO. 36

By: MKD

Vice President, Board of Directors

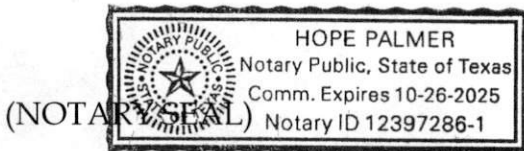
ATTEST:

By: Tammie Crenel
Secretary, Board of Directors

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on the 2nd day of October, 2023, by Monica Davison as Vice President and Tammie Crenel as Secretary of the Board of Directors of Galveston County Municipal Utility District No. 36, a political subdivision of the State of Texas, on behalf of said political subdivision.

Hope Palmer
Notary Public, State of Texas



In accordance with the Utility Agreement, as defined above, and the authorization by City Council of the City of League City, Texas (the "City") on _____, 2023, the City hereby accepts this Utility Conveyance and Security Agreement on this ____ day of _____, 2023.

CITY OF LEAGUE CITY, TEXAS

Mayor

ATTEST:

City Secretary

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on the ____ day of _____, 2023, by _____ as Mayor of the City of League City, Texas, on behalf of said City.

Notary Public, State of Texas

(NOTARY SEAL)

AFTER RECORDING RETURN TO: Hope Palmer, Allen Boone Humphries Robinson
LLP, 3200 Southwest Freeway, Suite 2600, Houston, TX 77027.

UTILITY CONVEYANCE AND SECURITY AGREEMENT

STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF GALVESTON §

Galveston County Municipal Utility District No. 36 (the "District") has constructed certain improvements, structures, and facilities designed to provide water, wastewater, and drainage to serve areas within the District's boundaries and the boundaries of the City of League City, Texas (the "City"). For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District does hereby convey, transfer, and deliver to the City, its successors and assigns those certain facilities described as follows:

Those certain facilities constructed to date on behalf of the District pursuant to the construction contract for the water, sanitary, and drainage improvements to serve Westland Ranch Section 7 and Muldoon Parkway Phase 2 between the District and Blazey Construction Services, LLC in the original amount of \$2,057,311.30 (DEC Job No. 4869-23), and together with any improvements, structures, storm sewer mains, plants, service pumps, storage reservoirs, electrical equipment, plant equipment, distribution lines, collection lines, water mains, lift stations, meters, valves, pipes, fittings, connections, meter boxes, laterals, easements, rights-of-way, licenses, and operating rights (collectively, the "Facilities").

The District constructed the Facilities and is conveying the Facilities to the City pursuant to the Utility Agreement by and between the City, the District, and Forestar (USA) Real Estate Group, Inc. (the "Utility Agreement"). Section 1.03 of the Utility Agreement requires that the System (as defined therein) be conveyed to the City for ownership, operation and maintenance, subject to a security interest retained by the District.

The District hereby reserves a security interest in the Facilities, more particularly described in Section 6.01 of the Utility Agreement, to secure the performance of the City's obligations under the Utility Agreement. The District reserves said security interest under Texas law.

The District hereby reserves the full capacity of the Facilities.

The District hereby assigns to the City all rights, maintenance bonds, warranties and manufacturer's warranties, if any, owned or acquired by the District for the Facilities.

The City hereby agrees by its acceptance of this conveyance to operate and maintain the Facilities in accordance with the terms of the Utility Agreement.

IN WITNESS WHEREOF, this conveyance is executed on this 2nd day of October, 2023.

GALVESTON COUNTY MUNICIPAL
UTILITY DISTRICT NO. 36

By: *Monica Dawson*
Vice President, Board of Directors

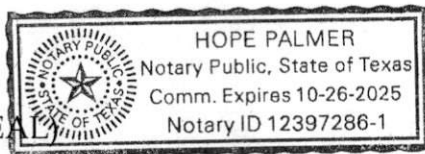
ATTEST:

By: *Tammie Crenck*
Secretary, Board of Directors

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on the 2nd day of October, 2023, by Monica Dawson as Vice President and Tammie Crenck as Secretary of the Board of Directors of Galveston County Municipal Utility District No. 36, a political subdivision of the State of Texas, on behalf of said political subdivision.

Hope Palmer
Notary Public, State of Texas



(NOTARY SEAL)

In accordance with the Utility Agreement, as defined above, and the authorization by City Council of the City of League City, Texas (the "City") on _____, 2023, the City hereby accepts this Utility Conveyance and Security Agreement on this ____ day of _____, 2023.

CITY OF LEAGUE CITY, TEXAS

Mayor

ATTEST:

City Secretary

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on the ____ day of _____, 2023, by _____ as Mayor of the City of League City, Texas, on behalf of said City.

Notary Public, State of Texas

(NOTARY SEAL)

AFTER RECORDING RETURN TO: Hope Palmer, Allen Boone Humphries Robinson
LLP, 3200 Southwest Freeway, Suite 2600, Houston, TX 77027.