

UTILITY CONVEYANCE AND SECURITY AGREEMENT

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

Galveston County Municipal Utility District No. 45 (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 Coastal Point, Section 4 between the District and Bay Utilities, LLC in the original amount of \$2,028,239.20 (Job No. 4880-23), 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 (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 League City Investors, Ltd. (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 1st day of March, 2022.

GALVESTON COUNTY MUNICIPAL UTILITY
DISTRICT NO. 45

By: _____
President, Board of Directors

ATTEST:

By: _____
Secretary, Board of Directors

THE STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on the ____ day of _____,
2022, by _____ as _____ and _____ as
_____ of the Board of Directors of Galveston County Municipal Utility District
No. 45, a political subdivision of the State of Texas, on behalf of said political subdivision.

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 September 23, 2003, the City hereby accepts this Utility Conveyance and Security Agreement on this ____ day of _____, 2022.

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 _____, 2022, 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 Jeffers, Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, TX 77027.