## UTILITY CONVEYANCE AND SECURITY AGREEMENT

STATE OF TEXAS § KN

KNOW ALL PERSONS BY THESE PRESENTS:

COUNTY OF GALVESTON §

Galveston County Municipal Utility District No. 46 (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, sewer and drainage facilities to serve Mar Bella, Section 15C between the District and Triple B Services in the original amount of \$1,067,922.70 (Job No. 0074-0547D), and together with any improvements, structures, storm sewer mains, plants, service pumps, storage reservoirs, electrical equipment, plant equipment, distribution lines, collection lines, water mains, meters, valves, pipes, fittings, connections, meter boxes, laterals, easements, rights-of-way, licenses, operating rights and all other property therein whether real, personal or mixed, owned by the District in connection with the facilities being conveyed hereby (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 Grason Communities, 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 5th day of May, 2015.

GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 46

V: C. Cus V d

President, Board of Directors

ATTEST:

By: Secretary, Board of Directors

THE STATE OF TEXAS

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**COUNTY OF GALVESTON** 

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This instrument was acknowledged before me on the 5th day of May, 2015, by E. "Rusty" Vidrine as President and Hobart Sibley as Secretary of the Board of Directors of Galveston County Municipal Utility District No. 46, a political subdivision of the State of Texas, on behalf of said political subdivision.

LINDA SOTIRAKE NOTARY PUBLIC State of Texas Comm. Exp. 08/31/2016

(NOTARY SEAL)

Notary Public, State of Texas

by City Council of the City of Lo	Itility Agreement, as defined above, and the authorization ague City, Texas (the "City") on December 3, 2003, the Cit not and Security Agreement on this day of 5.
	CITY OF LEAGUE CITY, TEXAS
ATTEST:	Mayor
City Secretary	
THE STATE OF TEXAS	S
COUNTY OF GALVESTON	§ § §
This instrument was ack bysaid City.	nowledged before me on the day of, 2018 as Mayor of the City of League City, Texas, on behalf o
(NOTARY SEAL)	Notary Public, State of Texas

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