

STATE OF TEXAS § DETENTION FACILITY DEVELOPMENT AGREEMENT
 § BETWEEN CITY OF LEAGUE CITY AND LAKESIDE BAYOU,
COUNTY OF GALVESTON § LLC

This **Detention Facility Development Agreement** (“**Agreement**”) is made by and between the **City of League** (“**City**”), a Texas home rule municipality, and **Lakeside Bayou, LLC**, a Texas limited liability company (“**Developer**”), acting by and through their duly authorized representatives. City and Developer are collectively referred to herein as “**the Parties**” and separately as a “**Party**.”

RECITALS:

WHEREAS, capitalized terms used in these Recitals, unless defined herein, shall have the meaning provided in Article II of this Agreement; and

WHEREAS, Developer is the owner of the Property (as hereinafter defined); and

WHEREAS, Developer desires to develop the Property in accordance with the Texas City Development Regulations (herein so called); and

WHEREAS, the Texas City Development Regulations require Developer to construct a detention facility on the Property in order to detain on-site surface water drainage that will result from the development of the Property; and

WHEREAS, City has developed a drainage plan setting forth City’s plans for the development of various drainage improvements that will improve existing surface flooding and drainage problems in the Gum Bayou watershed within City’s corporate limits, specifically, the Gum Bayou Water Shed Drainage Improvements Project (the “**Gum Bayou Drainage Project**”); and

WHEREAS, the location of the Property and, in particular, the location of Developer's proposed detention facility provides an opportunity for City to advance City's plans under the Gum Bayou Drainage Project if Developer's proposed detention facility is sized to receive a certain amount of surface water drainage from the Gum Bayou watershed; and

WHEREAS, the Parties find it to be mutually advantageous to enter into this Agreement setting forth the terms and conditions wherein City agrees to purchase 200 acre feet of detention in the Detention Facility (as defined below) by the participation in the cost of the design and construction thereof as provided herein, in consideration of Developer's agreement to have the Detention Facility designed and constructed to receive up to 200 acre-feet of surface drainage from the Gum Bayou watershed located within City's corporate limits and the conveyance of a drainage capacity easement by Developer to City and authorizing City's use of the Detention Facility for such purpose.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein and other valuable consideration the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

Article I

Term

The term of this Agreement shall commence on the Effective Date (as hereinafter defined) and shall continue until the Parties have fully satisfied all terms and conditions of this Agreement unless sooner terminated as provided herein.

Article II

Definitions

Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:

“As-Built Plans” means one or more sets of the Approved Plans that have been amended or revised to reflect the actual installed location and condition of the Detention Facility, sealed by a licensed Texas professional engineer.

“Approved Plans” means the plans and specifications for the construction of the Detention Facility inclusive of any change orders thereto, prepared in compliance with the Texas City Development Regulations by a professional engineer authorized to practice in the State of Texas and hired by Developer, which plans and specifications have been approved by the City Engineer and the appropriate representatives of Texas City, the City (subject to the limitations provided in Section 3.1 below), and the District.

“Business day” means any day other than a Saturday, Sunday, a federal or state holiday or any other day in which City’s offices are not open to the public for the transaction of business.

“City Delay” shall mean each day of delay in the performance of Developer’s obligations under this Agreement that occurs (a) because of City’s failure to timely apply for, or thereafter diligently pursue the performance of any of City’s obligations under this Agreement, specifically including the issuance of any approvals by City that are necessary for Developer to proceed with its obligations hereunder; (b) the failure of City to pay, when due, any amounts required to be paid by City pursuant to this Agreement which remains uncured within fifteen (15) days after City’s receipt of written notice of such failure; or (c) if City has previously agreed to the date, time and place of a scheduled meeting that is necessary in connection with the matters under this Agreement, the failure by City or City’s employees, contractors or agents to attend or conduct any previously scheduled meeting with Developer, any design professional, or any contractor, or their respective employees or representatives, as may be required or scheduled hereunder or otherwise necessary in connection with the preparation or completion of any construction documents or in connection with the performance of Developer’s obligations hereunder. If Developer, as a result of City Delay, is delayed in the construction of Developer’s Work, then the deadlines for the

Commencement of Construction and for Completion of Construction, respectively, shall be extended by the number of days equivalent to the number of days of such delay.

“City Detention Capacity” means the capacity of the Detention Facility that is reserved for detention of surface water flowing from areas within City to the Detention Facility, which capacity shall be 200 acre feet.

“City Easement” means that contemplated drainage capacity easement described in Article VI, and in a form attached hereto as **Exhibit “C”**, and incorporated herein for all purposes.

“City Participation” means the fixed amount City agrees to pay for reserving the City Detention Capacity in the Detention Facility in accordance with the City Easement, which amount shall be **\$4,840,000**, unless adjusted as provided in this Agreement.

“City Manager” means League City’s City Manager, or designee.

“Commencement of Construction” means (i) the Approved Plans have been prepared and all approvals thereof required by City, Texas City, and, if applicable, the District have been obtained for construction of the Detention Facility; (ii) all necessary permits for the construction of the Detention Facility pursuant to the Approved Plans have been issued by Texas City; and (iii) actual construction of the Detention Facility has commenced.

“Completion of Construction” means (i) the Detention Facility has been substantially completed in accordance with the Approved Plans; (ii) the Detention Facility has been accepted by the appropriate representatives of Texas City and the District; and (iii) a full set of As-Built Plans has been delivered to City, Texas City, and the District electronically in a .pdf and AutoCAD file formats.

“Construction Cost” means all costs incurred in connection with the construction of the Detention Facility, including, without limitation, (i) all costs of labor and materials, (ii) costs incurred to accommodate any changes to the Detention Facility requested by City or Texas City following Commencement of Construction, (iii) cost of permits or other governmental fees or charges, and (iv) the costs of bonds and insurance required in connection with the construction of the Detention Facility. The Construction Cost excludes any state or local sales or use taxes, real, personal property, or income taxes.

“Detention Facility” means a surface water detention pond designed and constructed by Developer on the Detention Facility Property in accordance with the Texas City Development Regulations and the Approved Plans and capable of detaining a volume of surface water drainage of not less than (i) 200 acre feet (i.e., the City Detention Capacity) plus (ii) the minimum volume of surface water detention required by Texas City in accordance with the Texas City Development Regulations with respect to the surface water drainage needs for all other areas, other than the City, that are intended to drain into the Detention Facility, which may be amended as the Property and surrounding property are being developed.

“Detention Facility Property” means the portion of the Property depicted on Exhibit “B” attached hereto.

“Developer’s Work” shall mean the creation of the City Detention Capacity through the construction of the Detention Facility in accordance with the Approved Plans, all requirements of Texas City and the District, and the terms of this Agreement, and the Texas City Development Regulations, which is contemplated to include, but not be limited to, the excavation of fill material from the Detention Facility Property, including but not limited to, plugging, abandoning, and lowering wells located therein, and placement of fill in another location within the Property, as well as other hard and soft costs related thereto.

"Director" means City's Executive Director of Project Management, or designee.

“District” means Galveston County Municipal Utility District No. 53, a municipal utility district and political subdivision established in accordance with Chapter 8131 of the Texas Special District Local Laws Code pursuant to Section 52, Art. III and Section 59, Art. XVI of the Texas Constitution.

"Effective Date" means the date this Agreement has been signed by authorized representatives of all Parties to this Agreement.

“Event of Force Majeure” means any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction (unless caused by the intentionally wrongful acts or omissions of the Party), fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns, work stoppages, or incidence of disease or other illness that reaches outbreak, epidemic, or pandemic proportions or other causes affecting the area in which the Project is located, or Developer’s labor or supply chain, or the availability of services (“Epidemiological Event”) that result in a reduction of labor force or work stoppage in order to comply with local, state, or national disaster orders, construction delays, shortages or unavailability of supplies, materials or labor, necessary condemnation proceedings, or any other circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not. If Developer, as a result of an Event(s) of Force Majeure, is delayed in the construction of Developer’s Work, then the deadlines for the Commencement of Construction and for Completion of Construction, respectively, shall be extended by the number of days equivalent to the number of days of such delay; provided, that in order for Developer to have the benefit of such extension right, then with respect to any particular Event of Force Majeure that may occur, Developer shall be required to deliver written notice thereof to City, no later than fifteen (15) days after the commencement of such applicable Event of Force Majeure, and, upon the conclusion of such Event of Force Majeure, Developer shall also deliver written notice, within fifteen (15) days after the conclusion thereof, confirming the total number of days of delay that resulted from such Event of Force Majeure, and the extended deadlines for the Commencement of Construction and for Completion of Construction, respectively, as a result thereof.

"Payment Request" means a written request for payment of an installment of the City Participation prepared by or at the direction of Developer which sets forth the amount of the City Participation to be paid for the work completed on construction of the Detention Facility.

"Property" means the real property depicted in Exhibit "A".

"Texas City" means the City of Texas City, a Texas home rule municipality located in Galveston County, Texas.

"Texas City Development Regulations" means the ordinances, regulations, and policies, adopted by Texas City, as presently in effect and as adopted or amended after the Effective Date, provisions of the Code of Texas City, as amended, applicable to the use and development of the Property including, but not limited to, (i) Chapter 159 "Subdivision," (ii) Chapter 160 "Zoning" and (iii) City of Texas City Approval of the Southlake Planned Unit Development dated August 18, 2021 and setting forth regulations relating to the use and development of the Property.

Article III

Design and Construction

3.1 Detention Facility to be Designed and Constructed. Subject to the terms and conditions set forth herein, Developer agrees to cause (i) plans and specifications for the Detention Facility to be prepared and submitted to City, Texas City, and the District for review and approval in accordance with the terms of this Agreement; (ii) Commencement of Construction to occur no later than twenty-four (24) months after the date that all conditions that are set forth in Section 3.8 below have been satisfied, (iii) Completion of the Construction of the Detention Facility, in substantial compliance with the Approved Plans and Texas City's most current version of its standard design and construction specifications applicable to drainage projects that are effective as of the Effective Date, to occur no later than twenty-four (24) months after the date of Commencement of Construction; and (iv) the engagement of all professionals and contractors necessary to accomplish the foregoing. Notwithstanding anything to the contrary contained herein, the City's right to approve plans and specifications submitted by Developer shall be limited to City's review and approval therefor for purposes of confirming that the plans and specifications satisfy the requirements for the City Detention Capacity as set forth herein, provided that all other aspects of approval of plans and specifications shall be reserved to Texas City and the District.

3.2 Bonding of Developer's Performance. Prior to the Commencement of Construction, Developer agrees to acquire and deliver to City a performance bond written by a surety authorized to conduct business in the State of Texas, the form of which must be approved by City's City Attorney (the "**Performance Bond**"), which (i) ensures completion of the Detention Facility in the amount of the City Participation, and (ii) if completion of the Detention Facility is not feasible or possible, ensure Developer's performance of Developer's other obligations pursuant to this Agreement, including, but not limited to, reimbursement of any portion of the City Participation funds as required by Section 3.7 below. City agrees to reimburse Developer for (1) the cost of the Performance Bond not later than thirty (30) days after receipt of a copy of the invoice from Developer's surety showing payment of the premium paid by Developer for the Performance Bond, and (2) any extension fees or premiums incurred by Developer related to the

Performance Bond caused by a City Delay not later than thirty (30) days of Developer's presentation to City of an invoice or supporting documentation thereof. The amounts paid by City to Developer pursuant to this Section 3.2 is in addition to and not a part of the City Participation.

3.3 Inspection and Acceptance of the Detention Facility. The Parties understand, acknowledge, and agree that Texas City has primary jurisdiction over the inspection and approval of the Detention Facility in accordance with the Approved Plans and the Texas City Development Regulations, and City shall defer to Texas City's approval, as well as enter into any agreements with Texas City or the District necessary to allow for City's use of the Detention Facility. Notwithstanding the foregoing, Developer shall grant City access to the Property for purposes of inspection of the Detention Facility while under construction and confirming the state of progress of construction.

3.4 Effect of Approval of Construction Documents. No approval of designs, plans, and specifications by City shall be construed as representing or implying that the improvements built in accordance therewith shall be free of defects, and any such approvals shall in no event be construed as representing or guaranteeing that any improvements built in accordance therewith will be designed or built in a good and workmanlike manner. Neither City nor its elected officials, officers, employees, contractors, and/or agents shall be responsible or liable for damages or otherwise to anyone submitting plans and specifications for approval by City for any defects in any plans or specifications submitted, revised, or approved, any loss or damages to any person arising out of approval or disapproval or failure to approve or disapprove any plans or specifications, nor any defects in construction undertaken pursuant to such plans and specifications.

3.5 Design Defects. Approval by the Director or other City employee, officer, or consultant of any plans, designs or specifications submitted by Developer under this Agreement shall not constitute or be deemed to be a release of the responsibility and liability of Developer, its engineers, contractors, employees, officers, or agents for the accuracy and competency of their design and specifications. Such approval shall not be deemed to be an assumption of such responsibility or liability by City for any defect in the design and specifications prepared by developer's consulting engineer, its officers, agents, servants, or employees, it being the intent of the Parties that approval by the Director or other City employee, officer or consultant signifies City approval of only the general design concept of the improvements to be constructed. **Developer shall indemnify and hold harmless City, its officers, agents, and employees, from any loss, damage, liability or expense on account of damage to property and injuries, including death, to any and all persons which may arise directly out of any defect or deficiency in the Detention Facility directly related to the designs and specifications set forth in the Approved Plans, but only to the extent prepared or caused to be prepared by Developer and incorporated into any improvements constructed by Developer in accordance therewith, and Developer shall defend at Developer's own expense any suits or other proceedings brought against City, its officers, agents, employees, or any of them, on account thereof, to pay all reasonable expenses and satisfy all judgments which may be incurred by or rendered against them, collectively or individually, personally or in their official capacity, in connection herewith.**

3.6 Intentionally Deleted.

3.7 Payment. City agrees to pay Developer the City Participation based on the following milestones:

(a) A portion of the City Participation equal to ten percent (10%) thereof (\$484,000.00) shall be paid and disbursed by City to Developer no later than thirty (30) days after the date of full execution of this Agreement.

(b) A portion of the City Participation equal to twenty-five percent (25%) thereof (\$1,210,000.00) shall be paid and disbursed by City to Developer no later than thirty (30) days after Commencement of Construction pursuant to this Agreement.

(c) A portion of the City Participation equal to twenty-five percent (25%) thereof (\$1,210,000.00) shall be paid and disbursed by City to Developer no later than thirty (30) days after City's receipt from Developer of written confirmation from the District's engineer certifying that no less than fifty percent (50%) of Developer's Work has been substantially completed in accordance with the Approved Plans for such portion of Developer's Work.

(d) A portion of the City Participation equal to thirty percent (30%) thereof (\$1,452,000.00) shall be paid and disbursed by City to Developer no later than thirty (30) days after City's receipt from Developer of written confirmation from the District's engineer certifying that Developer's Work has been substantially completed in accordance with the Approved Plans.

(e) A portion of the Purchase Price equal to ten percent (10%) thereof (\$484,000.00) shall be paid and disbursed by City to Developer no later than thirty (30) days after the date that City has received written confirmation from the District that the District has accepted the Detention Facility pursuant to this Agreement.

3.8 Conditions for Commencement of Construction: Notwithstanding anything to the contrary contained herein, Commencement of Construction shall not occur until:

(a) Developer has solicited competitive sealed bids or proposals for the construction of the Detention Facility in a manner that complies with Chapter 252 of the Texas Local Government Code or Chapter 2269 of the Texas Government Code;

(b) Developer has entered into a contract with a contractor for the construction of the Detention Facility following the selection of a contractor pursuant to Section 3.8(a) above, and delivered a fully executed copy of such contract to City.

(c) Developer has delivered the Performance Bond to City.

(d) City has provided Developer written notice that they have received consent from Texas City therefor for Developer to proceed with Commencement of Construction.

3.9 Responsibility for Permits. Except as provided in Section 3.10, Developer shall be solely responsible, at Developer's cost, to obtain all necessary permits and permissions relating to the construction of the Detention Facility.

3.10 City Obligations. City understands, acknowledges, and agrees that in addition to the City Participation, City shall be responsible for the following at City's sole costs, which costs are not to be charged against the City Participation:

(a) Preparation of a drainage analysis study, subject to the approval of Texas City, the District, and any other applicable governmental authority with jurisdiction over the subject matter, which includes an analysis of the drainage basin that generates the conveyance of the City Detention Capacity into the Detention Facility, taking into consideration the developed flows coming from the Property on a fully developed basis considering all ultimate fill components of the Property;

(b) Permitting and construction within or on the banks of Gum Bayou necessary to direct storm water into the Detention Facility or for any other use;

(c) Negotiating and execution of any agreements with Texas City and/or the District in relation to City's ownership and use of the City Detention Capacity; and

(d) Design, approval and construction of the weir and/or other inlet structure necessary to bring storm water into the Detention Facility from Gum Bayou; design of the weir or inlet structure shall be approved by Texas City, the District, developer, and any other Governmental authority;

(e) Reimbursement of Developer for the cost of the Performance Bond required to be obtained pursuant to Section 3.2.

3.11 Operation and Maintenance of the Detention Facility. Upon Completion of Construction, Developer shall use its best efforts to cause ownership of the Detention Facility to be accepted and operated by the District such that the District will be the party solely responsible for the maintenance thereof. Notwithstanding the foregoing, Developer agrees to include in the restrictive covenants encumbering the Property in association with the development of the Property provisions establishing a mandatory homeowner's association ("**HOA**") that comply with Section 159.024(G) of the Code of Texas City, specifically identifying the operation, maintenance, and repair of the Detention Facility as an obligation of the HOA if the District is not otherwise performing such operation, maintenance, or repairs, authorizing the HOA to assess the owners of lots within the Property for the costs of such operation, maintenance, and/or repairs, and granting to City and Texas City the right to enforce such obligations and/or levy such assessments. Developer acknowledges, understands, and agrees that nothing in this Agreement shall be construed as obligating City to operate, maintain, or repair the Detention Facility, City's payment of the City Participation being, in part, consideration for the release from any liability or obligation to Developer or its successors to title in the Property to participate in the cost of operating, maintaining, and/or repairing the Detention Facility.

Article IV Allocation of City Funds

City represents that, prior to the Effective Date, City has appropriated current funds in an amount sufficient to pay the full amount of the City Participation. Not later than ten (10) business days after the Effective Date, City agrees to establish on its books of account a fund to be called the "Bay Ridge Phase 4 Project Fund" and transfer the amount of the City Participation to said fund. City may commingle the funds in the Bay Ridge Phase 4 Project Fund with City's deposit and/or investment accounts, provided City agrees to separately account for the Bay Ridge Phase 4 Project Fund on City's financial records. Upon written request from Developer, which request shall not be made more often than once during any ninety (90) day period, City will deliver to Developer a written accounting detailing all amounts paid out by City from the Bay Ridge Phase 4 Project Fund. City also agrees to provide to Developer the current balance remaining in the Bay Ridge Phase 4 Project Fund at the time of making a payment pursuant to a Payment Request; provided, however, City's failure to provide such balance shall not be a default of this Agreement. City shall not be required to pay Developer any interest or income generated by and attributable to City's deposit or investment of the funds in the Bay Ridge Phase 4 Project Fund, any such interest being solely City's property.

Article V Waiver of Immunity

The Parties understand, acknowledge, and agree that this Agreement constitutes a contract for goods and/or services between the Parties as defined in Tex. Loc. Govt. Code §271.151(2)(A) such that sovereign immunity is waived with respect to a breach of the terms of this Agreement by City in accordance with Tex. Loc. Govt. Code §271.152.

Article VI Grant of Drainage Capacity Easement

Developer, for the consideration paid herein including, but not limited to, the City Participation, upon the Completion of Construction, shall grant to the City on behalf of the public, a non-exclusive perpetual capacity easement (the "**Drainage Capacity Easement**") on and over the Detention Facility Property, in the form attached hereto as **Exhibit "C"**, and incorporated herein for all purposes.

Article VII Defaults

In the event of a default by a Party of any of its covenants, agreements, or obligations under this Agreement, the non-defaulting Party hereto shall have any and all rights and remedies at law or in equity in connection therewith. In the event of any such default, the non-defaulting Party shall, prior to pursuing or exercising any such remedies, deliver written notice of default thereof to the defaulting Party, describing with reasonable particularity the nature of the default hereunder ("**Notice of Default**"). For any monetary default, upon receipt of a Notice of Default, the defaulting Party shall have a period of fifteen (15) days thereafter within which to cure such monetary default.

For any non-monetary default, upon receipt of a Notice of Default, the defaulting Party shall have a period of sixty (60) days thereafter within which to commence to cure such non-monetary default, and so long as the defaulting Party commences to cure within such sixty (60) day period, then the defaulting Party shall have all such additional time as is reasonably necessary under the circumstances to prosecute such cure to completion. In the event that, after receipt of a Notice of Default, the defaulting Party does not cure or commence to cure any such default within the applicable periods provided in the foregoing sentences, as applicable, then an event of default shall be deemed to have occurred hereunder, and the non-defaulting Party may then proceed to pursue any remedies available to it at law or in equity in connection therewith, including recovery of reasonable attorney's fees and court costs incurred pursuant thereto.

Article VIII Miscellaneous

8.1 Notices. Any notices given under this Agreement must be in writing and will be given to each of the Parties at that Party's address set forth below. Notice may be given by personal delivery, by email (with a copy sent by another method permitted by this paragraph), by overnight delivery, or by certified United States mail, postage prepaid, return receipt requested.

If intended for Developer to:

Lakeside Bayou, LLC
2201 West Royal Lane, Suite 240
Irving, Texas 75063
Attn: Jeff Gilpatrick and Becky Collins
E-mail: jgilpatrick@star-plex.com and
bcollins@star-plex.com

With Copies to:

Liechty McGinnis Berryman & Bowen, LLP
11910 Greenville Avenue, Suite 400
Dallas, Texas 75243
Attn: Nathan Entsminger, Esq.
Email: nentsminger@lmlawyers.com

In intended for City to:

City of League City, Texas
Attn: City Manager
300 W. Walker
League City, Texas 77573
Email: john.baumgartner@leaguecitytx.gov

With Copies to:

City of League City, Texas
Attn: City Attorney
300 W. Walker
League City, Texas 77573
Email: michelle.villarreal@leaguecitytx.gov

Notice will be deemed received on (i) the date of actual receipt of such notice if the notice is personally delivered, (ii) the date of delivery if sent by email (however, any email transmission sent after 5:00 p.m. or on a non-business day will be deemed received on the next business day), (iii) the date delivered by an overnight delivery service for "next day" delivery if sent by such service, or (iv) the date of actual receipt or two (2) days after the postmark date, whichever is sooner, if sent by certified mail. A Party will have the right from time to time to change its address for purposes of notice by written notice to the other Party.

8.2 Binding Effect. This Agreement shall be binding on and inure to the benefit of the Parties and their respective successors and permitted assigns.

8.3 Assignment. Developer shall not assign or transfer its rights or obligations under this Agreement in whole or in part to any other person or entity without the prior written consent of City, which consent will not be unreasonably withheld or delayed. Any assignment or transfer of any of the obligations under this Agreement by Developer will constitute an assumption by the assignee of such assigned obligations, without amendment, from and after the date of such assignment. Developer acknowledges and agrees that Developer shall remain responsible for the duties and obligations accruing to Developer prior to the date of any such assignment. City shall not assign or transfer its rights or obligations under this Agreement in whole or in part to any other person or entity without the prior written consent of Developer, which consent will not be unreasonably withheld or delayed.

8.4 Severability. If any section, subsection, paragraph, sentence, phrase or word herein is held invalid, illegal or unconstitutional, the balance of this Agreement shall be enforceable and shall be enforced as if the Parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

8.5 Governing Law. The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be in a State Court of competent jurisdiction in Galveston County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

8.6 Entire Agreement. This Agreement embodies the entire Agreement between the Parties and supersedes all prior Agreements, understandings, if any, relating to the Property and the matters addressed herein and may be amended or supplemented only by written instrument executed by the Party against whom enforcement is sought.

8.7 Recitals. The Recitals to this Agreement are incorporated herein as part of this Agreement.

8.8 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

8.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

8.10 Headings. The headings of this Agreement are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereto.

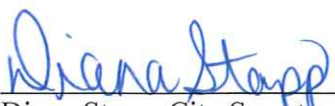
(Signature Page to Follow)

SIGNED AND AGREED this 14th day of October, 2024.

CITY OF LEAGUE CITY, TEXAS

By: 
John Baumgartner, City Manager

ATTEST:


Diana Stapp, City Secretary

APPROVED AS TO FORM:

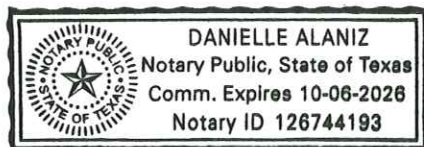

Michelle L. Villarreal, City Attorney

STATE OF TEXAS

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COUNTY OF GALVESTON

Acknowledged before me, the undersigned authority, this 14th day of October, 2024, by John Baumgartner, City Manager of the City of League City, a Texas home rule municipality, for and on behalf of said municipality.




Notary Public, State of Texas

SIGNED AND AGREED this 2nd day of OCTOBER, 2024.

DEVELOPER:

**LAKESIDE BAYOU, LLC,
a Texas limited liability company**

By: United Development Funding, L.P., a
Delaware limited partnership, its Managing
Member

By: United Development Funding, Inc., a
Delaware Corporation, its General Partner

By: [Signature]

Name: JIM KENNEY

Title: VICE PRESIDENT

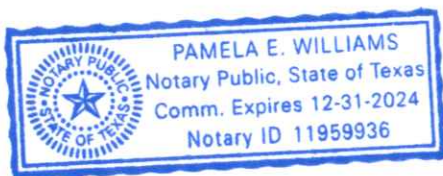
STATE OF TEXAS

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COUNTY OF DALLAS

Acknowledged before me, the undersigned authority, this 2nd day of OCTOBER, 2024, by JIM KENNEY, VICE PRES of United Development Funding, Inc., a Delaware Corporation and General Partner of United Development Funding, L.P., a Delaware limited partnership and Managing Member of LAKESIDE BAYOU, LLC, a Texas limited liability company, for and on behalf of said company.

[Signature]
Notary Public, State of Texas



**Exhibit “A”
Depiction of the Property**

See attached.



a schematic development plan for
LAKEVIEW BAYOU
 +438.3 ACRES OF LAND

META
 METROLOGICAL ENGINEERS

28375 Eury Freeway, Ste. 300
 Bay, Texas 77594
 Tel: 281-813-1423

SCALE: 1" = 100' MET 55001
 16 of 26 sheets 28, 3023

THIS DOCUMENT IS A SCHEMATIC DEVELOPMENT PLAN FOR THE PROPOSED LAKESIDE BAYOU. IT IS NOT A FINAL ENGINEERING OR ARCHITECTURAL DRAWING. THE INFORMATION CONTAINED HEREIN IS FOR INFORMATIONAL PURPOSES ONLY. THE USER OF THIS DOCUMENT SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES. THE USER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES. THE USER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.

Exhibit "B"
Depiction of the Detention Facility Property

See attached.



Exhibit "C"
Form of Drainage Capacity Easement Agreement

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

DETENTION CAPACITY EASEMENT AGREEMENT

This Detention Capacity Easement Agreement (this "Agreement") is made between Lakeside Bayou LLC, a Texas limited liability company ("LB") and City of League City, Texas ("Grantee").

RECITALS

- a. LB is the owner of a 438 acre, more or less, tract of land that is described by metes and bounds on Exhibit A attached hereto and made a part hereof (the "LB Land").
- b. Grantee needs regional storm water detention in a volume sufficient under all regulatory requirements, calculated as **200** acre-feet of storage, to serve the storm water detention needs of Grantee (the "Needed Capacity").
- c. Pursuant to a certain Detention Facility Development Agreement between LB and Grantee, dated _____, 2024 (the "Development Agreement"), LB has completed the construction of a "Detention Facility" that is located on the LB Land in the location shown on Exhibit B attached hereto (the "Detention Facility"), and is in a position to, and is willing to, provide the Needed Capacity in the Detention Facility in accordance with the terms of this Agreement.
- d. Grantee joins in the execution of this Agreement to evidence its agreement to the terms and provisions hereof.

AGREEMENT:

In consideration of the premises and Ten Dollars and other good and valuable consideration as set forth in the Development Agreement, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Grant of Detention Capacity. LB hereby TRANSFERS, BARGAINS, GRANTS, SELLS, CONVEYS and ASSIGNS to Grantee a perpetual non-exclusive right of use (the "Detention Rights") in and to the Detention Facility for the purpose of providing storm water detention capacity in a volume of **200** acre-feet (same being the Needed Capacity).
2. Maintenance of the Detention Facility. The Detention Facility is located within the boundaries of Galveston County Municipal Utility District No. 53 (the "District"), and has been accepted by the District for purposes of maintenance and repair thereof pursuant to that certain acceptance letter attached hereto as Exhibit C and incorporated herein by reference. Accordingly, neither LB nor Grantee shall have any maintenance obligations

with respect to the Detention Facility. Notwithstanding the foregoing, Grantee shall have the right, but not the obligation, to enter onto the portion of the LB Land containing the Detention Facility for the purpose of maintaining, repairing, replacing, and/or removing any lines, pipes, conduits and other equipment, improvements, and appurtenances, if any, used in City's collection and direction of surface water, deemed necessary thereto by City, over, along, across, under, into and through the LB Land.

3. Non-Exclusive Provisions. LB reserves on behalf of it and the Galveston County Municipal Utility District No. 53, the right to use and enjoy the Detention Facility and the land upon which same is constructed and maintained (together with the balance of the LB Land) for any purposes as long as such use and enjoyment does not unreasonably interfere with the rights herein granted to Grantee and as long as the Needed Capacity in favor of Grantee is maintained and made available in the Detention Facility at all times. Subject to the limitations set forth in the preceding sentence of this Agreement, LB, on behalf of itself and the Galveston County Municipal Utility District No. 53,, specifically reserves the right to use, and to convey or transfer to others the right to use, other or additional detention or water storage capacity in the Detention Facility, and the right to expand, enlarge or otherwise modify the Detention Facility.
4. Effect of Invalidation. If any term or condition of this Agreement is held to be invalid or unenforceable by any court or other body with appropriate jurisdiction, the invalidity or unenforceability of such term or condition shall not affect the validity of the remaining terms and conditions of the Agreement.
5. Term of Agreement. The term of this Agreement shall be perpetual.
6. Successors and Assigns. The rights, interests and obligations of Grantee or LB under this Agreement may not be sold, assigned or transferred by Grantee or LB without any approval or consent of the other party to this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns and shall run with the land affected hereby. The terms of this Agreement constitute covenants running with the Land binding on all future owners of the LB Land.
7. Title Warranty. LB covenants that on the Effective Date, LB is the owner of the LB Land, that LB has the right to enter into this Agreement and convey the rights described herein, and that title to the LB Land is free and clear of any encumbrances which would interfere with the ability to grant the rights described herein. TO HAVE AND TO HOLD the Detention Rights for the Needed Capacity, together with all and singular the rights and appurtenances thereto in anywise belonging unto Grantee, its successors and assigns, forever; and LB does hereby bind LB and LB's successors and assigns to WARRANT AND FOREVER DEFEND, all and singular, the Detention Rights for the Needed Capacity unto Grantee, and its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through and under LB but not otherwise, subject to all matters of record and all matters that a true and correct survey or a visual inspection of the Detention Facility or the LB Land would reveal, to the extent same are currently in existence and affect the Detention Facility or the LB Land; provided, however, that LB warrants and represents to Grantee that there are no deed of trust liens or any other consensual liens affecting the Detention Facility or the LB Land.

8. Notices. Any notice required or permitted to be given under this Agreement shall be in writing, and shall be deemed to have been given when delivered by hand delivery, or when deposited in the United States Post Office, registered or certified mail, postage prepaid, return receipt requested, if mailed. Notices shall be addressed as follows:

If to Grantee:

City of League City
Attn: City Manager
300 W. Walker
League City, Texas 77573
Email: john.baumgartner@leaguecitytx.com

If to LB:

Lakeside Bayou, LLC
2201 West Royal Lane, Suite 240
Irving, Texas 75063
Attention: Jeff Gilpatrick and Becky Collins
Email: bcollins@star-plex.com
jgilpatrick@star-plex.com

or such other address as either party from time to time shall specify in writing to the other in the manner set forth above.

9. Limitations. LB shall have no liability or responsibility for constructing or arranging for any drainage lines or other facilities to transport storm water from Gum Bayou into the Detention Facility, which shall be the sole responsibility of Grantee.
10. Default. In the event there is a breach by LB with respect to any of the provisions of this Agreement or its obligations hereunder, including a failure of LB to grant and/or provide Grantee's rights to its Needed Capacity, Grantee shall give LB written notice of such breach. After receipt of such written notice, LB shall have forty-eight (48) hours in which to cure any such breach, if such breach constitutes an emergency, or ten (10) days if such breach does not constitute an emergency. Should LB fail to cure such breach, upon the expiration of forty-eight (48) hours or ten (10) days (as the case may be) of LB's receipt of written notice thereof, describing such default in reasonable detail, Grantee shall have the right to enter upon the Land and make such modifications to the Detention Facility to prove the Needed Capacity or otherwise take any and all necessary actions necessary to cure such breach, and seek reimbursement from LB for any and all expenses reasonably related to curing the breach.

In the event of Grantee's default under this Agreement, LB will be entitled to seek any remedy in which may be available to LB at law or in equity, including the right to seek reasonable attorney's fees and court costs.

11. Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute a single instrument and the pages of which may be aggregated to form a single document.

[signature page follows]

Executed on the dates of the acknowledgments below, to be effective when executed and acknowledged by both parties hereto.

LB:

LAKESIDE BAYOU, LLC,
a Texas limited liability company

By: United Development Funding, L.P.,
a Delaware limited partnership
Its: Managing Member

By: United Development Funding, Inc.,
a Delaware Corporation
Its: General Partner

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this the ____ day of _____, 202__, by _____, the _____ of Lakeside Bayou, LLC, Texas limited liability company, on behalf of said limited liability company.

[seal]

Notary Public, State of Texas

Notary's printed name: _____

GRANTEE:

CITY OF LEAGUE CITY, TEXAS

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me on this the ____ day of _____, 202__, by _____, the _____ of City of League City, Texas, a _____, on behalf of said _____.

[seal]

Notary Public, State of Texas

Notary's printed name: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF THE LB LAND

[INSERT]

EXHIBIT "B"

LOCATION OF THE DETENTION FACILITY

[INSERT]

EXHIBIT "C"
DISTRICT ACCEPTANCE LETTER
[ATTACH]