

ASSIGNMENT AND ASSUMPTION AGREEMENT

(Detention Facility Development Agreement: Bayridge Flood Reduction Phase 4 (Gum Bayou)
Project DR1904)

This ASSIGNMENT AND ASSUMPTION AGREEMENT (“Agreement”) is made by and among, Lakeside Bayou, LLC, a Texas limited liability company (“Assignor”); Land Strategies Management, LLC, d/b/a Starwood Land, a Florida limited liability company (“Assignee”); and the City of League City, Texas, a Texas home-rule municipality (“City”) on the date set forth below. Assignor, Assignee, and City are sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, on September 24, 2024, the City Council of the City of League City approved Resolution No. 2024-179, authorizing a Detention Facility Development Agreement (the “Development Agreement”) between the City and Lakeside Bayou, LLC for the design and construction of a 200-acre-foot detention facility related to the Bayridge Flood Reduction Phase 4 (Gum Bayou) Project (DR1904); and

WHEREAS, the Development Agreement established the City’s participation amount at \$4,840,000, representing the City’s purchase of 200 acre-feet of detention capacity within the Lakeside Bayou development, and set forth requirements for design, construction, bonding, and conveyance of the drainage capacity easement; and

WHEREAS, the detention facility is a key element of the City’s drainage improvements within the Gum Bayou watershed, providing flood mitigation benefits for Bay Ridge, Hidden Lakes, Whispering Lakes, and the CCISD Educational Village; and

WHEREAS, Lakeside Bayou, LLC has completed the sale of the property and related development interests to Land Strategies Management, LLC, d/b/a Starwood Land, and has provided the City with a copy of the recorded deed confirming transfer of ownership; and

WHEREAS, Assignee desires to assume all rights, duties, and obligations of Assignor under the Development Agreement, and the City is willing to consent to such assignment and assumption on the terms set forth herein; and

WHEREAS, the City Council, by Resolution No. 2025-____, authorized the City Manager to execute this Assignment and Assumption Agreement to document the transfer of rights and obligations from Lakeside Bayou, LLC to Land Strategies Management, LLC, d/b/a Starwood Land.

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

TERMS AND CONDITIONS

1. **Incorporation of Recitals and Development Agreement:** The foregoing recitals are incorporated into this Agreement as material terms and representations of the Parties. The Detention Facility Development Agreement authorized by Resolution No. 2024-179 is incorporated herein by reference as if fully set forth, and all obligations, covenants, and conditions therein remain binding and enforceable against the Assignee.
2. **Assignment by Lakeside Bayou, LLC:** Assignor hereby assigns, transfers, and conveys to Assignee all of Assignor's right, title, and interest in and to the Detention Facility Development Agreement approved under Resolution No. 2024-179, including all benefits, duties, and obligations arising thereunder.
3. **Assumption by Land Strategies Management, LLC, d/b/a Starwood Land:** Assignee hereby accepts the foregoing assignment and expressly assumes, covenants, and agrees to perform and discharge all obligations, covenants, indemnities, duties, and liabilities of Assignor under the Development Agreement, as if Assignee were the original "Developer" thereunder. Assignee further acknowledges and agrees to honor the City's participation and payment schedule, maintain the required performance bond in the full amount of \$4,840,000 as required under Section 3.2 of the Development Agreement, and execute and record, upon completion of construction, the drainage capacity easement required under Article VI of the Development Agreement.
4. **Consent by the City of League City:** The City hereby consents to this Assignment and Assumption Agreement and acknowledges Land Strategies Management, LLC, d/b/a Starwood Land as the "Developer" under the Development Agreement, with all corresponding rights and obligations. This consent does not waive or alter any terms, conditions, or protections afforded to the City under the Development Agreement, which remains in full force and effect.
5. **Notices:** All notices, communications, and documents required or permitted under this Agreement shall be delivered in accordance with Section 8.1 of the Development Agreement. For the purposes of such notices, the current addresses are as follows (subject to change by written notice):

If to Assignor:

Lakeside Bayou, LLC

2201 West Royal Lane, Suite 240

Irving, Texas 75063

Attn: Becky Collins

Email: bcollins@star-plex.com

If to Assignee:

Land Strategies Management, LLC, d/b/a Starwood Land

[Insert address and contact information here]

Attn: _____

Email: _____

If to City:

City of League City, Texas

300 W. Walker Street

League City, Texas 77573

Attn: City Manager

Email: john.baumgartner@leaguecitytx.gov

with a copy to:

City Attorney

City of League City, Texas

300 W. Walker Street

League City, Texas 77573

Email: michelle.villarreal@leaguecitytx.gov

6. **Continuing Liability of Assignor:** Assignor shall remain liable for all obligations and liabilities under the Development Agreement arising or accruing prior to the effective date of this Assignment.
7. **No Further Assignment Without City Consent:** No further assignment or transfer of the Development Agreement, in whole or in part, shall be valid without the prior written consent of the City Council of the City of League City, as required by Section 8.3 of the Development Agreement.
8. **Representations and Warranties:** Each Party represents and warrants that it has full authority to enter into and perform this Agreement, that this Agreement constitutes a valid and binding obligation, and that execution of this Agreement has been duly authorized by all required corporate or municipal action. Each individual executing this Agreement represents and warrants that he or she has been duly authorized to execute this Agreement on behalf of the entity indicated.
9. **Miscellaneous:** This Agreement shall be governed by and construed under the laws of the State of Texas, with venue in Galveston County, Texas. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together constitute one instrument. Electronic signatures and scanned copies shall be deemed originals for all purposes.
10. **Effective Date:** This Agreement shall become effective on the date of execution by the last Party to sign

ASSIGNOR: LAKESIDE BAYOU, LLC

A Texas limited liability company

By: LD Equity Three, LLC
a Texas limited liability company
its Managing Member

By: United Development Funding III, L.P.
a Delaware Limited Partnership
its Managing Member

By: UMTI Land Development, L.P.
a Delaware limited partnership
its sole General Partner

By: _____
Name: _____
Its: _____

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 2025, by _____, the _____ of Lakeside Bayou, LLC, a Texas limited liability company, on behalf of said company.

Notary Public, State of Texas
My Commission Expires: _____

ASSIGNEE: Land Strategies Management, LLC

A Florida limited liability company

By: _____
Name: _____
Its: _____

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 2025, by _____, the _____ of Land Strategies Management, LLC, d/b/a Starwood Land, a Florida limited liability company, on behalf of said company.

Notary Public, State of Texas
My Commission Expires: _____

CITY OF LEAGUE CITY, TEXAS

John Baumgartner, City Manager

STATE OF TEXAS

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COUNTY OF GALVESTON

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This instrument was acknowledged before me on this ____ day of _____, 2025, by John Baumgartner, City Manager of the City of League City, Texas, on behalf of said municipality.

Notary Public, State of Texas

My Commission Expires: _____

Attest:

Diana Stapp, City Secretary

Approved as to Form:

Michelle L. Villarreal, City Attorney