

PARK MAINTENANCE AGREEMENT BETWEEN
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 23 AND
LAKES OF HIGHLAND GLEN COMMUNITY ASSOCIATION, INC.

THE STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §

This Agreement (this "Agreement") is made and entered into as of the 13 day of January, 2010, by and between Brazoria County Municipal Utility District No. 23 (the "District"), a political subdivision of the State of Texas, and Lakes of Highland Glen Community Association, Inc. (the "Association"), a Texas non-profit corporation.

RECITALS

WHEREAS, the District was created and organized for the purpose of providing water, wastewater, and drainage facilities to serve the areas within its boundaries, as well as the additional purpose of providing recreational facilities to serve members of the public; and

WHEREAS, the Association was created and organized for the purpose of providing services to the residents of the Lakes of Highland Glen subdivision located within the boundaries of the District;

WHEREAS, the District is authorized under Sections 49.463 and 49.464 of the Texas Water Code to improve public lands for public recreational purposes;

WHEREAS, the Association has conveyed to the District a public recreational easement attached hereto as **Exhibit A** for the construction, installation, maintenance, repair, replacement and operation of a park and recreational facilities at Restricted Reserve E of Lakes of Highland Glen, Section 2 (the "Park Site") owned by the Association.

WHEREAS, the Board of Directors of the District hereby finds that the improvement of the Park Site as provided herein is necessary and desirable to enhance the beneficial use of the Park Site for public recreational purposes and has determined to construct certain landscaping, hardscaping and recreational improvements to the Park Site; and

WHEREAS, the District is authorized under Section 49.227 of the Texas Water Code to contract for the joint operation of any of its facilities; and

WHEREAS, the District and Association have agreed to operate and maintain the Park Site, including any and all improvements thereto, jointly as set forth herein.

AGREEMENT

Now therefore, for and in consideration of the mutual promises, covenants, benefits, and obligations herein set forth, the District and the Association hereby agree and contract as follows:

Section 1. Construction of Park Facilities. The Association hereby grants the District the right to construct and install, at the District's sole expense, the landscaping, hardscaping and other recreational improvements at the Park Site (the "Park Facilities"). The Association shall have the right to review all plans and specification for the Park Facilities prior to award of the construction contract by the District. The Association shall have 30 days from the date of receipt of the plans and specification to object or request revisions in writing to any of Park Facilities and thereafter shall be deemed to have approved such plans and specifications without any further action by either party. The District shall be solely responsible for entering into and administering the contract for construction of the Park Facilities. Upon completion of the Park Facilities, the Association will assume responsibility for operation and maintenance of the Park Facilities and the Park Site as described herein.

The District shall have the right, but not the obligation, to construct additional improvements to the Park Site at its sole cost; provided, however, prior to any construction, the District must receive written consent from the Association and must provide the Association the following information in writing: (i) plans and specifications of the proposed structure or facility to be constructed; (ii) the proposed date on which installation or construction will begin; and (iii) the anticipated completion date of the installation or construction. Within thirty (30) days of receipt of the information from the District, the Association shall provide the District with written consent to or denial of the proposed facilities. In the event the Association fails to respond within the specified time frame, consent shall be deemed granted. The Association shall not unreasonably withhold its consent.

Section 2. Maintenance. During the term of this Agreement, the Association shall be responsible for the operation and maintenance of the Park Facilities and shall manage the grounds-keeping and landscaping maintenance needed on the Park Site. The scope of the Associations' operation and maintenance responsibilities include the following:

- a. operating and maintaining the Park Facilities in good repair and in a safe manner;

- b. maintaining, replacing and repairing any landscaping, trees or irrigation on the Park Site;
- c. mowing, overseeding, fertilizing, cleaning, and other work needed to maintain and control vegetation and/or landscaping in and around the Park Site to master-planned community standards; and
- d. any other maintenance, repairs, improvements or other work the Association, in its sole discretion, deems necessary to maintain the Park Site and Park Facilities in a safe and productive manner.

The District shall at all times cooperate fully with the Association to allow the Association to exercise its rights associated with the Park Facilities and the Park Site. The District shall have the right but not the obligation, at its sole expense, to perform any of such improvements, maintenance, repairs or modifications in lieu of, or in addition to, the Association performing any of same.

Section 3. Notice. All notices shall be in writing and given by certified mail with return receipt requested, with receipt as of the date of the signed receipt. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purpose of notice, the addresses of the parties shall, unless changed in writing, be as shown on the signature page of this Agreement. The parties shall have the right to change their respective addresses and each shall have the right to specify their respective new addresses by at least 15 days written notice to the other party.

Section 4: Insurance. The Association shall, at its sole expense, secure and keep current comprehensive general liability insurance coverage relating to the use of the Park Site and the Park Facilities in the minimum amount of \$1,000,000 per person and \$1,000,000 per occurrence. The Association shall, at its expense, cause the District to be named as an additional insured under such insurance. The Association shall maintain such coverage current and shall, contemporaneously with the execution of this Agreement and on each anniversary thereafter, provide the District with a copy of the insurance certificate. The District shall have the right to terminate this agreement if the Association fails to maintain such insurance. The District shall also have the right, at its sole option, to purchase additional liability insurance coverage relating to the use of the Park Site and the Park Facilities.

Section 5: INDEMNIFICATION. THE ASSOCIATION AGREES TO FULLY AND COMPLETELY DEFEND, INDEMNIFY AND HOLD THE DISTRICT HARMLESS FROM EVERY CLAIM, ACTUAL LOSS, DAMAGE, INJURY, COST, EXPENSE, JUDGMENT, OR LIABILITY SUSTAINED OR INCURRED BY OR BROUGHT AGAINST THE DISTRICT, OF EVERY KIND OR CHARACTER WHATSOEVER, IN CONTRACT, TORT, OR OTHERWISE, DIRECT OR INDIRECT,

INCLUDING INCIDENTAL, SPECIAL AND CONSEQUENTIAL DAMAGES, FOR BODILY INJURY, DEATH, PROPERTY DAMAGE, OR ECONOMIC LOSS IN CONNECTION WITH THE USE OF THE PARK FACILITIES OR IN CONNECTION WITH THIS MAINTENANCE AGREEMENT. THIS INDEMNITY IS INTENDED TO INCLUDE AND COVER, WITHOUT LIMITATION, ANY ACT, OMISSION, NEGLIGENCE OR GROSS NEGLIGENCE OF THE ASSOCIATION, THE DISTRICT, AND/OR ANY OF THEIR AGENTS OR EMPLOYEES.

Section 6: No Third Party Benefit. This Agreement shall be for the sole and exclusive benefit of the District and the Association and shall not be construed to confer any benefit or right upon any customers, residents, or members of the District or the Association, or on any other party.

Section 7: Assignment. This Agreement is not assignable by any party hereto except with the prior written consent of the other party.

Section 8: Modification. Except as provided in this Agreement, this Agreement shall be subject to change or modification only with the written mutual consent of the parties hereto.

Section 9: Entire Agreement. This Agreement constitutes the entire agreement between the parties relative to the subject matter hereof. There have been and are no agreements, covenants, representations, or warranties between the parties other than those expressly stated or provided for herein.

Section 10: Term and Effect of Termination. This Agreement shall be in force for a period of forty (40) years beginning upon the effective date of set forth above in this Agreement. The term of this Agreement shall be automatically renewed for additional one (1) year terms thereafter unless either party shall give written notice of termination to the other party at least sixty (60) days prior to the termination of the initial term or any renewal term.


Section 11: No Waiver Implied. The failure of either party hereto to insist, in any one or more instances, upon performance of any terms, covenants or conditions of this Agreement, shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant or condition by the other party hereto, but the obligation of such other party with respect to such future performance shall continue in full force and effect.

Section 12: Injunction. In addition to any other available remedies, the parties hereto shall have the right to injunctive relief in the event a party hereto violates any term of this Agreement.

[EXECUTION PAGES FOLLOW]

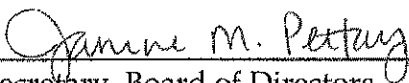
IN WITNESS WHEREOF, the parties have executed this Agreement in multiple copies, each of which shall be deemed an original as of the date and year first written above.

BRAZORIA COUNTY MUNICIPAL UTILITY
DISTRICT NO. 23



President, Board of Directors

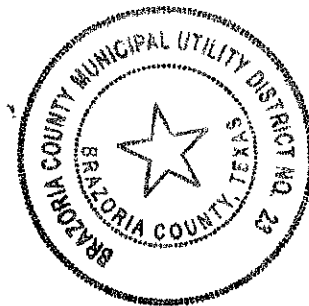
ATTEST:



Secretary, Board of Directors

(SEAL)

Address: c/o Allen, Boone & Humphries, LLP
3200 Southwest Freeway, 26th Floor
Houston, Texas 77027



Certificate of Corporate Resolution Adopted
By Unanimous Written Consent
Of the Board of Directors for
The Lakes at Highland Glen Community Association, Inc.

Consent to Act

The undersigned, as members of the Board of Directors of The Lakes at Highland Glen Community Association, Inc. a Texas Non-Profit Corporation, being all of the present Directors of the corporation, individually and collectively consent hereby to take the following actions, to adopt the following resolutions, and to transact the following business of the corporation.

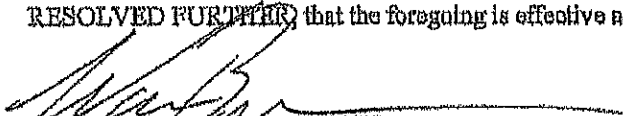
Approve the Brazoria County MUD 23 Plans for Park/Playground Improvements & Execute Park Maintenance Agreement Between Brazoria County Municipal Utility District No. 23 and Lakes at Highland Glen Homeowner's Association, Inc.

RESOLVED, THAT THE ATTACHED PARK/PLAYGROUND IMPROVEMENT PLANS AND PARK MAINTENANCE AGREEMENT IS APPROVED.

We direct that this consent be filed with the minutes of the proceedings of the Board of Directors of the corporation.

This consent is executed pursuant to Article 1396-9.10 (A) of the Texas Non-Profit Corporation Act and the Bylaws of this corporation which authorize the taking by the Board of Directors by unanimous written consent is not restricted by the Articles of Incorporation of the corporation.

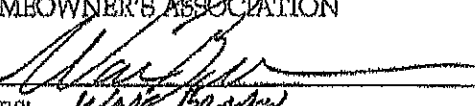
RESOLVED FURTHER, that the foregoing is effective as of February 4, 2010.


Wade Bradow, President


Greg Coleman, Vice President


Marc Birtelsel, Secretary/Treasurer

LAKES OF HIGHLAND GLEN
HOMEOWNER'S ASSOCIATION

By: 
Name: Walter Brundage
Title: President

Address: c/o MMC, Inc.
3880 Greenhouse Road
Houston, TX 77084-6792

POLICY CHANGES ENDORSEMENT DESCRIPTION

Added:

Additional Insured:

Brazoria County Municipal Utility District #23
3200 Southwest Fwy, Ste 2600
Houston, TX 77027-7597

With respects to the agreement between the Insured and County
Forms CG2026 - Additional Insured-Designated Person or Organization and
CG2404 - Waiver of Transfer of Rights of Recovery Against Other, applies
Per attached schedule

REMOVAL PERMIT

If this policy includes the Commercial Property Coverage Part, or the Capital Assets Program (Output Policy) Coverage Part with all property scheduled on the Scheduled Location Endorsement **OP 14 01**, the following applies with respect to that Coverage Part:

If Covered Property is removed to a new location that is described on this Policy Change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change; after that, this insurance does not apply at the previous location.

Philadelphia Indemnity Insurance Company

Additional Insured Schedule

Policy Number: PHPK441406

Additional Insured

Brazoria County Municipal Utility
District #23
3200 Southwest Fwy Ste 2600
Houston, TX 77027-7537

CG2026 - TX - Loc #ALL - MANUAL PREMIUM - Additional Insured

POLICY NUMBER: PHPK441406

COMMERCIAL GENERAL LIABILITY
CG 24 04 10 93

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY
AGAINST OTHERS TO US**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization:

Brazoria County Municipal Utility District #23

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section IV -- COMMERCIAL GENERAL LIABILITY CONDITIONS) is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.