

LAND LEASE AGREEMENT

THIS LAND LEASE AGREEMENT ("Lease") is made and entered into this 22nd day of August, 2023 (the "Commencement Date"), by and among FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 46, a body politic and corporate and governmental agency of the State of Texas, operating under the provisions of Chapters 49 and 54, Texas Water Code, as amended (hereinafter referred to as "Lessor"), and Colony Lakes Homeowners Association, Inc. (hereinafter referred to as "Lessee").

WITNESSETH:

I.

WHEREAS, Lessor is the owner of that certain tract of real property situated in Fort Bend County, Texas, which real property is described more particularly on Exhibit "A" attached hereto and made a part hereof (the "Land") (said Land, together with all fixtures, equipment and improvements now or hereafter located thereon) (the "Improvements") and all rights, benefits, privileges, easements, tenements, hereditaments, and appurtenances relating thereto, if any, being hereinafter and sometimes collectively referred to as the "Premises"); and

WHEREAS, Lessor, for Ten and No/100 Dollars and other good and valuable consideration paid by Lessor and the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept, and performed, has leased to Lessee and by these presents does hereby lease to the said Lessee, and Lessee does hereby take and hire, upon and subject to the terms and conditions hereinafter expressed, the property described on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Leased Premises").

II.

TERM: Unless sooner terminated under the provisions hereof, this Lease shall be and continue in full force and effect for a term of twenty (20) years, commencing on September 1, 2023, and continuing until August 31, 2043 (the "Term").

III.

BASE RENT: Concurrently, with the execution and delivery of this Lease, Lessee shall pay to Lessor the sum of Ten and No/100 Dollars (\$10.00) in cash as base rental for the Term (the "Base Rental"). Regardless of whether this Lease terminates prior to the expiration of the Term, none of such payment of Base Rental shall be refunded to Lessee.

This Lease shall be deemed and considered to be a "Net Lease" to Lessor such that the Base Rental hereunder shall be absolutely net to Lessor and that Lessor shall not bear any cost or expenses related to the Premises that it would not have borne if Lessee were the owner of fee simple title to the Premises. As additional rental hereunder, Lessee shall otherwise pay, perform and satisfy all other rental, costs, expenses, obligations and payments set forth herein or otherwise with respect to

the Premises as if Lessee were the owner thereof, free of any charges, assessments, or deductions of any kind and without notice, demand, abatement or offset and Lessee shall save, defend, indemnify and hold harmless Lessor from and against the same. Without limiting the foregoing, Lessee shall be fully responsible for any of the following items applicable to the Premises during the Term hereof: (a) standby fees, ad valorem taxes and real estate assessments ; (b) association dues, assessments, and the like, if any; and (c) costs associated with the occupancy, maintenance and use of the Premises and all other Improvements, landscaping and related amenities constructed or placed in, on, under or about the Premises.

IV.

USE: Throughout the Term, Lessee covenants to continuously operate the Premises as a park and recreational center, and to operate in the same manner as prudent owners and operators of similar properties would operate their properties, and to comply in all respects with all applicable Legal Requirements. Lessee shall keep the Premises in orderly condition and shall use best efforts to cause the land to be mowed, all refuse, rubbish, and debris to be deposited in containers and to empty such containers. In addition, Lessee covenants and agrees to mow the Premises at least once per month throughout the term during a period that begins in April and ends in October.

V.

CONVEYANCE: Lessee shall not assign, convey, or sell this Lease or, sell or sublet the Leased Premises, or any part thereof, or use or permit the same to be used for any purpose other than as stated in the use clause hereof without the prior written consent of Lessor, which may be withheld in Lessor's sole discretion.

VI.

TERMINATION/ABANDONMENT: THE LEASED PREMISES ARE BEING LEASED "AS IS, WHERE IS, WITH ALL FAULTS AND DEFECTS AND WITH LESSEE ACCEPTING ALL FAULTS AND DEFECTS, IF ANY. LESSEE MAKES NO REPRESENTATIONS OR WARRANTY OF ANY KIND (AS TO THE LEASED PREMISES OR OTHERWISE), EXPRESS OR IMPLIED, ORAL OR WRITTEN, ARISING BY OPERATION OF LAW OR CUSTOMS OR USAGES OF TRADE, OR OTHERWISE. WITHOUT LIMITATION, LESSOR DISCLAIMS AND LESSEE WAIVES AND RELINQUISHES ANY AND ALL SUCH REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT, IF AND TO THE EXTENT APPLICABLE), WITH RESPECT TO THE LEASED PREMISES (OR OTHERWISE) AND WITHOUT LIMITATION, LESSOR MAKES NO REPRESENTATION OR WARRANTY AS TO THE HABITABILITY, FITNESS OR SUSTAINABILITY OF THE LEASED PREMISES FOR ANY PARTICULAR PURPOSE.

Upon termination of this Lease, Lessee, at Lessee's sole expense, shall return the Leased Premises to its as-is, where-is condition. Upon termination of this Lease for any reason, Lessor shall

have the right to re-enter and resume possession of the Premises and all Improvements placed in, on, under or about the Premises shall be and become the property of Lessor.

VII.

DEFAULT: Lessor may terminate this Lease and Lessee shall remove its property and improvements from the Leased Premises within thirty (30) days after such termination in the event any of the following occur and Lessee fails to cure such default within ten (10) days of notice thereof:

- (i) Lessee abandons the Leased Premises; or
- (ii) Lessee fails to keep or perform or comply with any term, covenant or condition of this Lease within the time specified; or
- (iii) Lessee makes a general assignment for the benefit of creditors; or
- (iv) Lessee petitions or applies to any tribunal for the appointment of a trustee or receiver of the business or assets or of any substantial part of the business or assets of Lessee or commences any proceedings under any bankruptcy, reorganization or liquidation law of any jurisdiction, whether now or hereafter in effect; or
- (v) Any such petition or application is filed or such proceedings are commenced against Lessee and Lessee by any act indicates approval thereof, consents thereto, or acquiesces therein, or any order is entered appointing any such trustee or receiver, or adjudicating Lessee bankrupt or insolvent, or approving the petition in any such proceedings, and such order remains in effect for more than sixty (60) days.

VIII.

IMPROVEMENTS: Lessee may, without prior consent of Lessor, place temporary equipment and Improvements of a temporary nature on the Premises, including, but not limited to, back stops, benches, soccer goals, playground equipment, jogging trails and landscaping. All other Improvements and Improvements of a permanent nature may not be constructed without Lessors prior written consent, which may be withheld in Lessor's sole discretion. Subject to the previous sentence, all Improvements constructed on the Premises by Lessee and all additions, alterations and Improvements thereto shall remain the exclusive property of Lessee during the Term. Prior to the expiration of this Lease, Lessee shall remove all additions or alterations to the Premises or Improvements made by Lessee and shall, at Lessee's sole cost and expense, make any repairs to the Premises or Improvements caused by Lessee during the removal of the alterations, additions or Improvements. At the expiration of this Lease any Improvements, alterations or additions that have not been removed by Lessee shall become the property of Lessor and there then condition and title to

same shall be deemed to be conveyed to Lessor without further action of the parties, and Lessee shall not be obligated to restore, replace or repair any of the Improvements to any prior condition thereof.

IX.

ENCUMBRANCES: Lessee shall have no right, power or authority to create, permit or place any lien upon the Leased Premises or Lessor's interest therein, nor in any way to bind Lessor, and any attempt to do so shall be void and of no effect and shall constitute a breach of this Lease. If, for any reason, any lien, claim, affidavit or order for the payment of money shall be filed against Lessor or the Leased Premises or any portion thereof as a result of Lessee's actions or inactions, whether or not such lien, claim, affidavit or order is valid or enforceable, Lessee shall, at his own cost and expense, cause the same to be discharged of record by payment or otherwise prior to the foreclosure thereof, but in no event later than fifteen (15) days after notice to Lessee of the filing thereof, and Lessee shall fully indemnify and hold Lessor harmless from any and all costs, expenses and liabilities resulting therefrom.

X.

UTILITIES: Lessee will promptly pay all charges for water, gas, electricity, and all other utilities furnished to, or used in or upon the Leased Premises, including all charges for installation, termination, and relocation of such service. Lessor, at its option, may require Lessee to furnish Lessor with evidence of payment of such charges.

XI.

INDEMNITY AND INSURANCE:

(a) LESSEE HEREBY COVENANTS AND AGREES TO DEFEND, INDEMNIFY AND SAVE HARMLESS LESSOR FROM ANY AND ALL FINES, SUITS, CLAIMS, DEMANDS, LOSSES, EXPENSES AND ACTIONS OF ANY KIND BY REASON OF ANY BREACH, VIOLATION OR NONPERFORMANCE OF ANY CONDITION HEREOF ON THE PART OF LESSEE OR ITS AGENTS. THE PARTIES FURTHER COVENANT AND AGREE THAT LESSOR SHALL NOT BE LIABLE FOR ANY INJURY, DEATH, OR DAMAGE TO PERSONS OR DAMAGE TO PROPERTY HAPPENING IN OR ABOUT THE LEASED PREMISES THAT DIRECTLY OR INDIRECTLY MAY BE CAUSED BY OR RESULT FROM LESSEE'S OCCUPANCY AND USE OF SAID PROPERTY OR FROM THE ACTIONS OF LESSEE OR ITS AGENTS ON, IN OR ABOUT THE SAME, AND LESSEE AGREES TO DEFEND, INDEMNIFY AND SAVE HARMLESS LESSOR FROM ALL COSTS AND EXPENSES (INCLUDING LEGAL FEES) AND ALL DAMAGES OR LIABILITY FOR ANYTHING ARISING FROM OR OUT OF, OR IN ANY WAY CONNECTED TO, SUCH USE OR ACTIONS, EXCEPT CLAIMS ARISING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LESSOR OR ITS AGENTS.

(b) At all times after taking possession of the Leased Premises, Lessee shall carry, at its sole cost and expense, "comprehensive general liability insurance" with an insurance company authorized to do business in the state in which the Leased Premises is located naming itself and

Lessor as co-insured for the protection and defense of itself and Lessor against any and all liability, claims, demands and causes of action that may be asserted against it or Lessor arising from the Leased Premises during the term of this Lease. Insurance coverage shall be written as primary policy coverage and not contributing with or excess of any coverage, which Lessor may carry, and Lessor shall be named as an additional insured with respect to Commercial General Liability, including any Umbrella or Excess policies. Lessee shall furnish at the inception of this Lease a Certificate of Insurance evidencing that all such insurance is in effect. Lessee agrees to have the company or agency issuing such policy certify to Lessor as to the policy and its coverage of Lessor, as well as the policy expiration date, and to agree to give at least thirty (30) days written notice to Lessor prior to cancellation or reduction thereof. The policy limits shall not be less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence, Two Million and No/100 Dollars (\$2,000,000.00) annual aggregate, and One Hundred Thousand and No/100 Dollars (\$100,000.00) Fire Damage Liability.

XII.

A. COMPLIANCE WITH LAWS: Lessee agrees to comply with any valid law, statute, rule, regulation or ordinance of the United States, the State of Texas, the County of Fort Bend and the City of Missouri City, or other lawful authority having jurisdiction which is applicable to the Premises with any restrictions, covenants or easements applicable to the Premises (collectively, the "Legal Requirements"), including without limitations all Legal Requirements pertaining to the elimination of barriers to the handicapped and all Legal Requirements relating to the protection of the environment and the keeping, use and disposition of environmentally hazardous materials, substances or wastes presently in effect or hereafter adopted; provided, however, that Lessee shall not be responsible for any hazardous materials, substances or waste placed or released in, on or under the Premises before the Effective Date. Lessee shall indemnify, defend and hold Lessor harmless from and against all claims, fines, penalties, liabilities, losses, damages, costs and expenses (including reasonable attorney's fees, expert witness fees and other costs of defense) arising from the failure of Lessee to comply with its obligations under this Section. Lessee agrees that' so long as neither Lessor nor any portion of the Premises will be subjected to any liability, loss, penalty, or forfeiture and Lessee shall furnish to Lessor a security bond or other security reasonably satisfactory to Lessor, Lessee may at its sole cost, expense and in good faith contest the alleged violation or validity, enforceability or applicability of any Legal Requirements.

B. MAINTENANCE: Lessee shall maintain the Premises, at Lessee's sole cost and expense, in a state of good condition and shall keep any Improvements that from time to time may be on, under, in or about the Premises maintained and in a state of good condition and repair; and upon termination of this Lease, Lessee shall deliver up the Premises in good condition, except for reasonable wear and tear. Under no circumstances shall Lessor have any obligation to maintain, make any repairs to, or replace or restore any such Improvements, whether structural, non-structural, foreseen, unforeseen or to comply with any Legal Requirements applicable thereto.

C. CASUALTY OR CONDEMNATION: If the improvements on the Leased Premises are damaged or destroyed by fire or other casualty such that they may not be occupied or if all or substantially all of the Leased Premises shall be taken or condemned for any public purpose, then the term of this Lease shall forthwith terminate. All awards in connection with a taking shall belong exclusively to Lessor.

D. AMENDMENT: This Lease may not be altered, changed or amended, except by instrument in writing, signed by Lessor or Lessee.

E. ASSIGNMENT: Lessor shall have the right to transfer and assign, in whole or in part, each and every feature of its respective rights and obligations hereunder and in the Leased Premises and such transfers and assignments shall be in all things respected and recognized by Lessee. In the event that Lessor shall transfer or assign any of its rights and obligations hereunder in the Leased Premises, then Lessor shall thereupon be automatically free and relieved of any and all liability of any type for the performance of any acts and from any damages accruing subsequent t the date of such assignment, it being intended that the covenants and liabilities of Lessor hereunder, if any, shall be binding upon Lessor, its successors and assigns, only during and with regard to the respective periods of ownership of the Leased Premises.

F. NOTICE: Any notice or communication provided for or permitted under the terms of this agreement shall be in writing and shall be forwarded by registered or certified United States Mail, postage prepaid, addressed to the respective parties as follows:

To Lessor: Fort Bend County Municipal Utility District No. 46
c/o Coats Rose, P.C.
Attn: Hicham Chiali
9 Greenway Plaza, Suite 1000
Houston, Texas 77046

To Lessee: Colony Lakes Homeowners Association

Any notice given in accordance with the foregoing provision shall be conclusively presumed to have been delivered and received by the party to whom it is addressed on the day next following the date upon which such notice is placed in the United States Mail. Notice given in any other manner shall be effective only when received by the party for whom the same was intended. Either party may at any time designate a new or different address for the purpose of receiving notices by giving notice thereof to the other party in the manner set forth above.

G. CAPTIONS: The captions or headings of this Lease are solely for purposes of identification and/or location of specific provisions and the same shall not add to or diminish in any way the substance of any provision of this Lease.

H. INSPECTION AND SAFETY: No party, other than Lessor's designated firm or other firm approved in writing in advance by Lessor, shall have any right to enter upon the Leased Premises to inspect or issue any report in respect of accessibility or regulatory issues. Lessee shall notify Lessor and shall send to Lessor a copy of any notice, order, inspection report, or other

document issued by any governmental authorities relevant to environmental or health and safety laws and regulations, including, without limitation, results of fire, sprinkler, and back flow inspections and report, and Lessee's compliance status therewith. Lessee agrees to immediately notify Lessor of any malfunctions involving locks and life-safety building components and of any fire department activation or law enforcement calls onto the Leased Premises.

XIII.

TAXES, CHARGES AND ASSESSMENTS: Lessee shall pay directly all taxes, assessments, excises, levies, fees, and charges (and any tax, assessment, excise, levy, fee, or charge levied wholly or partly in lieu thereof, or as a substitute therefor, or as an addition thereto) of every kind and description, general or special, ordinary or extraordinary, foreseen or unforeseen, secured or unsecured, regardless of whether now customary or within the contemplation of Lessor and Lessee, that are levied, assessed, charged, confirmed, or imposed on or against, or otherwise with respect to, the Leased Premises, or any part thereof, or any personal property used in connection with the Leased Premises.

XIV.

QUIET, ENJOYMENT: Except during any period in which Lessee is in default hereunder or as otherwise provided in this Lease, Lessor hereby warrants and represents to Lessee the quiet enjoyment and peaceful possession of the Premises against hindrance or disturbance by Lessor or any person claiming by through or under Lessor, but not otherwise, except as to such portion of the Premises if any and shall be taken under the power of eminent domain.

CONDITION OF PREMISE: Lessee agrees that the Premises have been leased after such examination of the same as Lessee considers proper and that Lessee knows the location and condition of the Premises and has agreed to accept the condition of the Premises as satisfactory for the purposes of this Lease, without any representation on the part of Lessor as to the condition thereof. It is agreed that Lessor shall not be responsible at any time or in any event to Lessee or to anyone claiming any right under Lessee or using the Premises by virtue of any right or privilege claimed by Lessee, on account of any defect, latent or otherwise, in the Premises or any deterioration or change in the condition of the Premises or any Improvements on the Premises, or for the condition of the Premises or of any such Improvements. If on the date hereof, the Premises failed to comply in any respect with any Legal Requirement, Lessee shall have to take such measures as shall be necessary to cure the violation. Without limiting the generality of the foregoing, Lessee hereby agrees that the Premises are being leased in their "AS-IS" "WHERE-IS" condition and with all faults and hereby unconditionally waives any implied warranty of suitability.

XV.

HOLDING OVER: If Lessee continues to hold the Premises after the termination of this Lease, whether the termination occurs by lapse of time or otherwise, such holding over shall, unless otherwise agreed by Lessor in writing constitute and be construed as a tenancy from month-to-month at a monthly rental equal to twice the amount of the then fair market monthly rental value of the

Premises and upon and subject to all the terms, provisions, covenants and agreements set forth herein.

EXISTING ENCUMBRANCES: The execution of this Lease and the conveyance of all rights granted herein are subject to all matters of record in which affect the Leased Premises. Neither this Lease nor a memorandum hereof shall be recorded by Lessee in any public records or this Lease shall automatically terminate.

[signature pages follow]

IN WITNESS WHEREOF, the Parties hereto have executed this Lease Agreement in multiple counterparts, each of which shall be deemed to be an original, effective as of the date and year first written above.

FORT BEND COUNTY MUNICIPAL
UTILITY DISTRICT NO. 46



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(SEAL)



COLONY LAKES HOMEOWNERS
ASSOCIATION

David Howdeshell
President, Board of Directors

ATTEST:

Angela Wang
Secretary, Board of Directors

(SEAL)

EXHIBIT "A"

NOV-19-2003 15:38
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COATS ROSE YALE RYMAM,LEE
CENTURY ENGINEERING, INC.

TEL:713 780 7662

P.02/03
P. 002

"EXHIBIT A"

FIELD NOTE DESCRIPTION OF 3.4591 ACRES (150,676 SQUARE FEET) OF LAND OUT OF RESERVE "C" (CALLED 3.8888 AC.) OF COLONY LAKES SECTION EIGHT, AS RECORDED IN SLIDE NO. 2390-B & 2391-A F.B.C.P.R. AND ALSO BEING A PART OF EXXON SURFACE SITE NO. 2 (3.5 AC.) RECORDED IN VOLUME 2609, PAGE 879, F.B.C.D.R. AND LOCATED IN THE DAVID BRIGHT LEAGUE, ABSTRACT 13, FORT BEND COUNTY, TEXAS, SAID 3.4591 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a point marking the East corner of Lot 26, Block 2 of Colony Lakes Section Eight, as recorded in Slide No. 2390-B & 2391-A F.B.C.P.R., said point marks the North corner of said Exxon Surface Site No. 2, said Reserve "C" and the herein described tract;

THENCE, South 36°01'23" East, a distance of 423.50 feet to a point for the East corner of said Reserve "C" and the herein described tract;

THENCE, South 52°09'34" West, a distance of 295.56 feet to a point for corner, said point falling in the North right-of-way line of Shady Bay Lane;

THENCE, North 88°09'10" West, along said North line, a distance of 63.15 feet to a point for the Point of Curvature of a curve to the Right;

THENCE, Westerly, along said North line, with said curve to the Right, having a radius of 470.00 feet, a central angle of 02°16'22", an arc length of 18.64 feet and a chord bearing N 87°00'59" W for a distance of 18.64 feet to a point for corner;

THENCE, North 36°01'23" West, a distance of 370.96 feet to a point for the West corner of said Reserve "C" and the herein described tract;

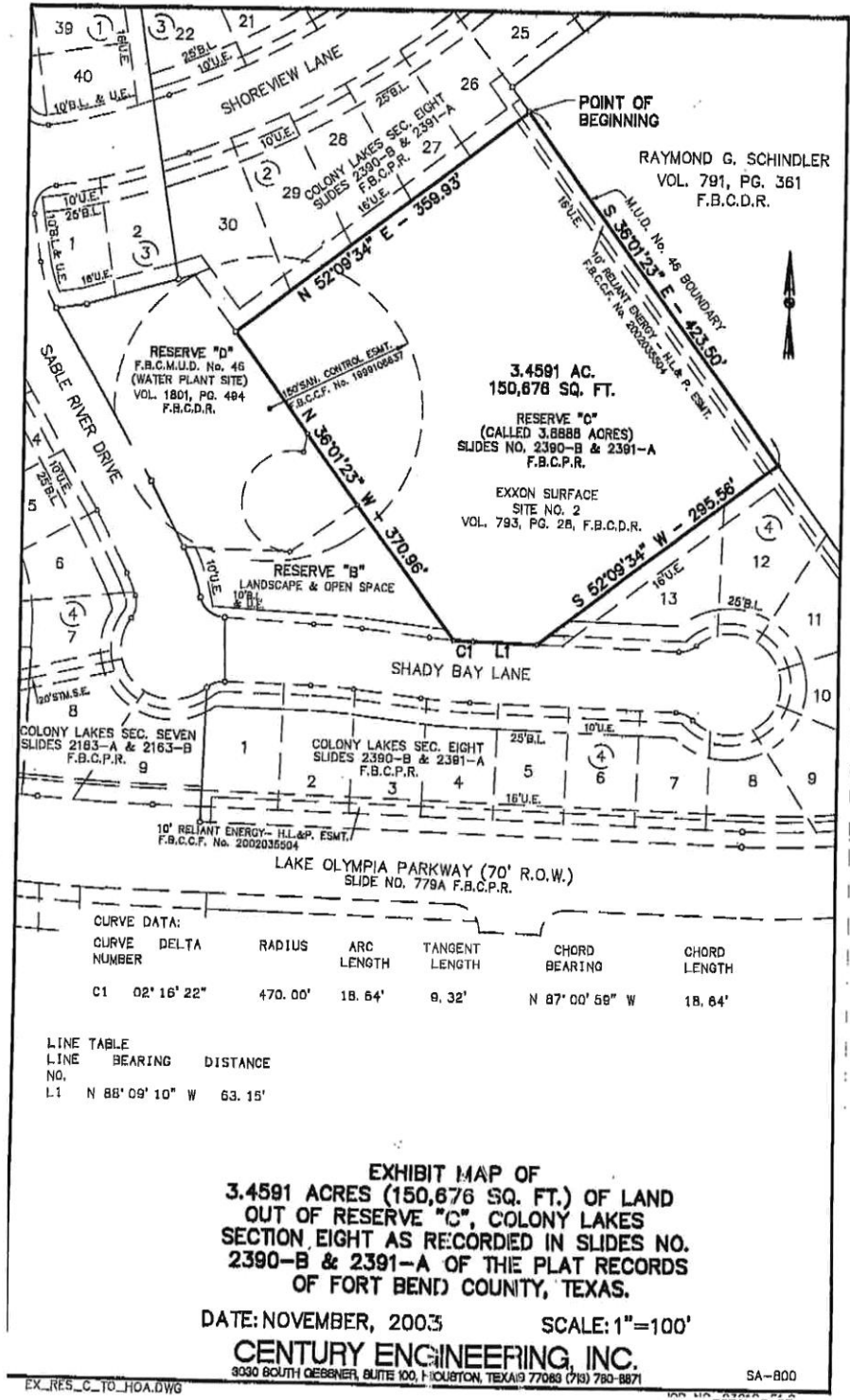
THENCE, North 52°09'34" East, along the South line of Lots 26 through 30 in said Block 2, a distance of 359.93 feet to the POINT OF BEGINNING and containing 3.4591 acres (150,676 square feet) of land more, or less.

CENTURY ENGINEERING, INC.
Dated this 19th day of November, 2003

Gerald E. Munger, Jr.
Gerald E. Munger, Jr.
Registered Professional Land Surveyor No. 3438



CEI Job No. 93018-51.0
(COLONY) SV drill3.t



CURVE DATA:

CURVE NUMBER	DELTA	RADIUS	ARC LENGTH	TANGENT LENGTH	CHORD BEARING	CHORD LENGTH
C1	02° 16' 22"	470.00'	18.64'	9.32'	N 87° 00' 58" W	18.64'

LINE TABLE

LINE NO.	BEARING	DISTANCE
L1	N 88° 09' 10" W	63.15'