

**SECOND AMENDMENT TO
UTILITY AGREEMENT
BY AND BETWEEN
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 43,
JOHNSON DEVELOPMENT CORPORATION,
AND
THE CITY OF LEAGUE CITY, TEXAS**

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

THIS SECOND AMENDMENT (“Amendment”) to the Utility Agreement (the “Agreement”) By and Between Galveston County Municipal Utility District No. 43, Johnson Development Corporation, and the City of League City, Texas (the “Agreement”) made and entered into as of the 12th day of July, 2011 by and between GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 43, a body politic and corporate and governmental agency created and operating under the provisions of Chapters 49 and 54, Texas Water Code, and pursuant to Article XVI, Section 59, Texas Constitution (the “District”), JOHNSON DEVELOPMENT CORPORATION and the CITY OF LEAGUE CITY, TEXAS, a municipal corporation (the “City”).

W I T N E S S E T H

WHEREAS, the District, the City and Johnson Development Corporation have previously entered into the Agreement; and

WHEREAS, the Agreement was previously amended on February 13, 2007;

WHEREAS, the District wishes to issue its second series of Bonds in a principal amount not to exceed \$2,125,000 (the “Series 2011 Bonds”); and

WHEREAS, Section 6.06 of the Agreement provides minimum limit of \$2,500,000 of each series of Bonds the District is authorized by the City to issue; and

WHEREAS, the City is willing to amend the Agreement to allow the issuance of the Series 2011 Bonds by the District, subject to the terms of this Amendment.

NOW, THEREFORE, the parties hereto agree as follows:

A G R E E M E N T

For and in consideration of the mutual promises, obligations, covenants, and benefits set forth, the District and the City contract and agree as follows:

Section 1. Paragraph 3 of Section 6.06 entitled "Special Conditions" is hereby deleted and replaced as follows:

3. Bonds shall be issued in a series with a minimum limit on each series of Bonds being \$2,000,000.

Section 2. Except as provided in this Amendment, the Agreement remains in full force and effect and the terms and conditions of the Agreement have not be modified or amended. All capitalized terms used herein shall have the meanings assigned to them in the Agreement.

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment in multiple copies, each of which shall be deemed to be an original, this the ____ day of July, 2011.

THE CITY OF LEAGUE CITY, TEXAS

By: _____
Timothy Paulissen, Mayor

ATTEST:

By: _____
City Secretary

IN WITNESS WHEREOF, the parties hereto have executed this Amendment in multiple copies, each of which shall be deemed to be an original, this the ___th day of July 2011.

JOHNSON DEVELOPMENT CORPORATION

By: _____
Name: Robert B. Douglas, Jr.
Title:

IN WITNESS WHEREOF, the parties hereto have executed this Amendment in multiple copies, each of which shall be deemed to be an original, this the 5th day of July, 2011.

GALVESTON COUNTY MUNICIPAL
UTILITY DISTRICT NO. 43

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____