

in connection with any such expansion, enlargement or addition, Authority may incur additional costs. FFB and Authority agree that Authority may enter into any such additional long-term water sales contracts and incur costs to expand, enlarge or add to the System to effect such sales so long as Authority has conducted detailed engineering studies to accurately reflect the cost of the expansion, enlargement or addition. The reasonable and prudent costs incurred by Authority related to such expansion, enlargement or addition shall be costs of the System.

14. **CONSERVATION OF WATER.** It is the intent of the parties to this Agreement to provide to the maximum extent practicable for the conservation of water, and FFB agrees that it is a condition of this Agreement that it shall maintain and operate its facilities in a manner that will prevent unnecessary waste of water. Authority, in accordance with applicable law or regulation, may from time to time adopt reasonable rules and regulations relating to water conservation. If required by applicable law or regulation or by Authority, FFB agrees to implement a water conservation and drought management program in accordance with a water conservation plan and that the water diverted by FFB pursuant to this Agreement will be used in accordance with such conservation plan. If required by applicable law or regulation FFB agrees that, in the event FFB furnishes water or water services to a third party that in turn will furnish the water or services to the ultimate consumer, the requirements relative to water conservation shall be met through contractual agreements between FFB and the third party providing

for the establishment and implementation of a water conservation program in compliance with such applicable law or regulation.

15. **WATER QUALITY.** As a further condition of this Agreement, FFB also agrees that it will comply with applicable water quality standards of the State in the diversion, use, reuse or discharge of water made available hereunder. Should FFB be determined by any competent legal authority to have degraded the quality of water of the State or to have violated any water quality standard established by law or lawfully adopted regulation, and subsequently fail to take action with reasonable diligence to correct such deficiency as directed by competent legal authority, such failure shall constitute an event of default under this Agreement.

Authority, in accordance with applicable law or regulation, may from time to time adopt reasonable rules and regulations relating to water quality protection. If required by applicable law or regulation, FFB agrees to implement appropriate water quality protection measures including, without limitation, a non-point source water pollution abatement program in accordance with a non-point source water pollution abatement plan.

16. **SURPLUS WATER.** FFB may not unilaterally cancel this Agreement or reduce the amounts of water it is obligated to pay for under the terms of Sections 4 and 6, above. However, should FFB ever determine that it has water surplus to its anticipated needs from water to be supplied by Authority under this

Agreement, and upon FFB's notification to Authority of the quantity of water FFB designates as surplus water, Authority will use reasonable efforts to find another party who is able and willing to purchase such surplus water upon terms and at a price not less favorable to Authority than the price and terms under this Agreement. Should Authority succeed in finding such a party and enter into a contract for sale of the surplus water at such price and upon such terms, then FFB's obligation to pay for such surplus water shall be cancelled, and the parties shall thereupon have no further obligations to one another with respect to such surplus water. Should Authority fail to find such a party at such price and on such terms, FFB may make a written request to Authority that Authority reduce the amounts of water for which FFB is obligated to pay. If such request is refused by Authority and if FFB is able to identify another party which is willing to buy any part of the water supply designated by FFB as surplus, Authority shall, unless it determines in good faith on the basis of judgment of the Board, reasonably exercised, that there are valid reasons not to do so, sell the water available as such surplus or the amounts thereof for which such party is willing to pay at such price or prices and for such periods of times as such party and FFB shall agree upon and shall apply all payments received from such party against FFB's obligations to make payments to Authority under the provisions of this Agreement. Except to the extent that FFB's obligations for payments to Authority under the provisions of this Agreement are discharged by application of payments from other parties pursuant to the sentence next preceding, or as a result of cancellation of part

of such obligation pursuant to this Section 16, FFB's obligations to make payments to Authority shall not be reduced by the provisions of this Section 16 unless Authority, in its sole discretion, grants FFB's request to reduce FFB's obligations under this Agreement. FFB agrees that if Authority shall in its discretion grant a request by any other purchaser of water from the System to reduce its obligations that FFB will not impose any objection of any nature thereto.

17. **WATER SALES BY FFB.** It is the understanding of the parties hereto that FFB is entering into this Agreement to obtain a supply of surface water for limited irrigation purposes, such as for golf courses, and to be treated by FFB and delivered to FFB's customers as potable water. FFB may not, without written consent of Authority, sell to others the water agreed to be supplied to it under this Agreement except as potable treated water or as water for irrigation purposes on lands within The Cliffs development (such area described in Appendix I, and Authority agrees to allow amendment of Appendix I to reflect any change to the area encompassed by The Cliffs development), provided, however, that if FFB desires to make all or a portion of the water available for resale as raw water on an interim basis prior to the time when it shall be needed by FFB, Authority will, upon written request from FFB, use reasonable efforts to sell such water and will apply the proceeds of any such sale in excess of Authority's costs in making such sale and any additional costs of supplying the water sold against the obligations of FFB to make payments to Authority under this

Agreement. If Authority fails to arrange such a sale within a reasonable time after receipt of such written request and FFB is able to identify another party which is willing to buy any part of the water which FFB desires to make available as raw water on an interim basis, Authority shall, unless it determines in good faith on the basis of the judgment of the Board, reasonably exercised, that there are valid reasons not to do so, sell such part of such interim surplus water as such party is willing to pay for at such price or prices and for such periods of time as such party and FFB agree upon and shall apply all payments received from such party against FFB's obligations to make payments to Authority under the provisions of this Agreement. Except to the extent that FFB's obligations for payments under this Agreement are discharged by application of payments received from other parties pursuant to the sentence next preceding, FFB's obligations to make payments to Authority shall not be released by the provisions of this Section 17. No interim sale will be made which will result in an increase in cost to FFB under this Agreement.

18. **INTERBASIN TRANSFER.** Water supplied under this Agreement shall not be transferred or used outside of the Brazos River Basin unless FFB obtains the express written consent of Authority and obtains all required governmental approvals.

19. **AVAILABILITY OF WATER; SHORTAGES AND YEARLY REPORTS.** Authority makes no guarantee that water will be available at any particular time or place or that Lake will be maintained at any

specific level at any particular time. It is fully understood by the parties hereto that the level of Lake will vary as a result of weather conditions beyond Authority's control, the use of water from Lake by other water customers of Authority and operational requirements of Authority, and that this instrument is merely an agreement to require Authority to make available water when and if water is present in said Lake, and to allow FFB to make withdrawals of the water subject to the general law on distribution and allocation of water during shortages of supply and in conformity with Authority's water rights from the Texas Water Commission and the System Operation Order.

Authority covenants that it will not sell or release any water from the storage space in Lake or other parts of the System which would impair the ability of Authority to furnish to FFB the quantities of water agreed to be provided herein. In the event of a drought of greater severity than that previously experienced, or if for any other reason water in Lake or the System becomes in short supply, Authority agrees, and FFB covenants, that Authority may fairly and equitably apportion and ration the available water supply from Lake or the System among all its several customers, including FFB.

Authority, if requested, agrees to provide to FFB on an annual basis, information indicating the amount of water that Authority has committed from Lake and the System and the amount of uncommitted water that Authority has available for contract on a long-term basis from Lake and the System. Additionally,

Authority, if requested, will provide to FFB copies of Authority's yearly audited financial reports and budgets as they are completed and approved and made available to Authority.

Unless otherwise required by emergency or urgent public necessity (as determined in the sole discretion of the Board, exercised in good faith), Authority shall provide reasonable notice, not to exceed 40 days, to FFB of any meeting of the Board to consider:

- (i) adopting annual budgets of Authority related to the System;
- (ii) changing the System Rate;
- (iii) authorizing the issuance of any bonds related to the System or expenditures for major capital improvements to the System if the issuance of such bonds or expenditures of monies for such capital improvements was not identified within the budgets or rate studies identified in (i) and (ii) above.

In connection with such notice, if requested in writing by FFB, Authority also shall promptly provide FFB with copies of any annual budgets, rate analyses, official statement or expenditure summary to be considered by the Board at such meeting.

20. **OPERATION OF SYSTEM.** The right of Authority to maintain and operate the System and at any and all times in the future to impound and release waters therefrom in any lawful manner and to any lawful extent Authority may see fit is recognized by FFB; and, except as otherwise provided herein, there shall be no obligation hereunder upon Authority to store or not to store or to release or not to release any impounded waters at any time or to maintain any waters at any specified level or to operate the System in any manner not in compliance with applicable laws or regulations, Authority's water rights and System Operation Order. Authority makes no representation as to the quality of the water in Lake or elsewhere in the System.

21. **FORCE MAJEURE.** Notwithstanding anything herein to the contrary, neither party hereto shall be under any liability or be deemed in default with respect to its obligations under this Agreement for any failure to perform or for delay in performing such party's obligations hereunder (except for the obligation to pay money) where such failure or delay is due to force majeure, while and to the extent that such performance is prevented by such cause. The term force majeure means acts of God, fire, storm, flood, war, riots, sabotage, drought, lack of availability of water due to sedimentation, low inflows of water to, or lack of water supply in Lake or other parts of the System, strikes or other differences with labor (whether or not within the power of the parties to settle same), decrees or orders of the courts or other governmental authority, or other similar or dissimilar causes not within the reasonable control of such party and not

due to negligence of such party. Each party shall use due diligence to resume performance of any obligation suspended by force majeure at the earliest practicable time.

22. **WAIVER.** Any waiver at any time by any party of its rights with respect to default under this Agreement shall not be deemed a waiver of such rights with respect to any subsequent default or matter.

23. **NOTICES AND CERTIFICATIONS.** Notices and certifications provided for in this Agreement shall be in writing. The same shall be delivered by mailing certified mail, postage paid, return receipt requested, to the respective parties at the following addresses:

Authority: Brazos River Authority
P.O. Box 7555
Waco, Texas 76714-7555

FFB: Franklin Federal Bancorp.
c/o P.M. Development Company, Inc.
Star Route, Box 19
Graford, Texas 76449

Either party may change its address as shown above by written notice to the other party. Notices shall be deemed to have been delivered on the business day following their deposit in the United States mail, postage paid and properly addressed and certified.

24. **OTHER REQUIREMENTS.** This Agreement is subject to all conditions, provisions and limitations included in Authority's water rights from the Texas Water Commission and the System Operation Order. Further, this Agreement is subject to all applicable Federal, State and local laws, and any applicable ordinances, rules, orders and regulations of any local, State or Federal governmental authority having jurisdiction. However, nothing contained in this Agreement shall be construed as a waiver of any right to question or contest any law, ordinance, order, rule or regulation of any governmental authority.

25. **SEVERABILITY.** The provisions of this Agreement are severable, and if for any reason any one or more of the provisions contained in this Agreement shall be held to be invalid, illegal or unenforceable in any respect, the invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement and this Agreement shall remain in effect and be construed as if the invalid, illegal or unenforceable provision had never been contained in the Agreement.

26. **ASSIGNMENT.** This Agreement may be assigned by FFB only with the written consent of Authority, which consent shall not be unreasonably withheld or delayed.

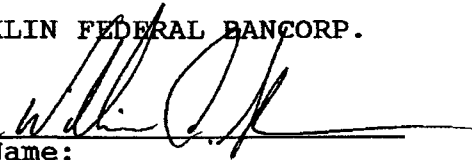
27. **TERM OF AGREEMENT.** The term of this Agreement shall be for a period ending December 31, 2034. This Agreement shall be extended thereafter at the written request of FFB for so long as,


and to the extent that, Authority continues to have the right and ability to use storage in Lake for water supply purposes sufficient to supply the amount of water to be made available to FFB hereunder.

28. SPECIAL PROVISION. Because of the nature of water usage in The Cliffs development, with high seasonal peaks, the water to be made available to FFB under this Agreement may be diverted from Lake at daily rates desired by FFB provided that Authority shall not be required to make water available for diversion by FFB at a daily rate in excess of six times the average daily rate which would result in diversion during a Calendar Year of the total number of acre-feet of water per year then agreed to be made available for diversion by FFB.

FRANKLIN FEDERAL BANCORP.

BRAZOS RIVER AUTHORITY

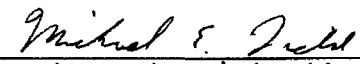
By: 
Name:
Title:

By: 
Roy A. Roberts, P.E.
General Manager

ATTEST:

ATTEST:




Secretary (Assistant)

APPROVED AS TO FORM:

Attorney for Franklin
Federal Bancorp.

APPROVED AS TO FORM:



David B. Kultgen, (Attorney
for Brazos River Authority

839.083 ACRES
GARCIA, MONTEZ & DURAN SURVEY
A. J. BERRY SURVEY
W. J. WESLEY SURVEY
A. B. & M. SURVEY NO. 1
A. B. & M. SURVEY NO. 2
A. B. & M. SURVEY NO. 3
A. B. & M. SURVEY NO. 4
PALO PINTO COUNTY, TEXAS

BEING 839.083 acres of land lying in the A. J. Berry Survey, Abstract No. 1315, the W. J. Wesley Survey, Abstract No. 1086, the A. B. & M. Survey No. 1, Abstract No. 10, the A. B. & M. Survey No. 2, Abstract No. 1816, the A. B. & M. Survey No. 3, Abstract No. 98, the A. B. & M. Survey No. 4, Abstract No. 1814 and the Garcia, Montez & Duran Survey, Abstract No. 1540, Palo Pinto County, Texas, same being a part of a 1223.82 acre tract of land described by deed recorded in volume 420, pages 8-13, Deed Records of Palo Pinto County, Texas, and described more particularly as follows;

BEGINNING at a nail set in a fence post in the west right-of-way of State Highway 16 (120 foot wide right-of-way) for the most southerly corner, same being the most southerly corner of the aforementioned 1223.82 acres, same also being the most southerly corner of a 651.503 acre tract of land described by deed recorded in volume 622, pages 293-306, Deed Records of Palo Pinto, County, Texas;

THENCE along the west boundary of the aforementioned 1223.82 acres and the west boundary of the aforementioned 651.503 acres, N 9° 24' 41" W a distance of 845.78 feet to a nail set in a fence post for an interior corner, same being an interior corner of the said 651.503 acres, same lying in the south line of a boundary line agreement recorded in volume 417, pages 339-342, Deed Records of Palo Pinto County, Texas;

THENCE along the south line of the aforementioned 1223.82 acres, the south line of the aforementioned 651.503 acres and the south line of the aforementioned Boundary Line Agreement, N 89° 44' 56" W a distance of 3459.01 feet to an iron rod set for the most southerly southwest corner;

THENCE along the east line of the remaining portion of the aforementioned 1223.82 acres, N 8° 31' 29" E a distance of 721.04 feet to an iron rod set, N 7° 25' 50" W a distance of 250.00 feet to an iron rod set and N 14° 30' 13" W a distance of 1127.30 feet to an iron rod set for an interior corner;

THENCE along the south line of the aforementioned 651.503 acres and the north line of the remaining portion of the aforementioned 1223.82 acres, N 89° 44' 56" W a distance of 549.93 feet to an iron rod set for the most westerly southwest corner, same being the most westerly southwest corner of the said 651.503 acres;

THENCE along the west line of the aforementioned 651.503 acres and the east line of the remaining portion of the aforementioned 1223.82 acres, N 7° 25' 50" W a distance of 721.78 feet to an iron rod set for a northwest corner, same lying on the 1000 foot contour line of Possom Kingdom Lake;

THENCE along the aforementioned 1000 foot contour line as follows:

N 64° 24' 36" E a distance of 97.42 feet to an iron rod set,
 N 69° 46' 19" E a distance of 97.64 feet to an iron rod set,
 N 47° 51' 10" E a distance of 99.97 feet to an iron rod set,
 N 31° 32' 46" E a distance of 71.74 feet to an iron rod set,
 S 52° 31' 31" W a distance of 56.21 feet to an iron rod set,
 S 57° 19' 41" W a distance of 113.23 feet to an iron rod set,
 S 70° 27' 46" W a distance of 52.58 feet to an iron rod set,
 S 79° 13' 59" W a distance of 114.69 feet to an iron rod set,
 S 89° 35' 21" W a distance of 84.67 feet to an iron rod set,
 N 73° 22' 58" W a distance of 55.41 feet to an iron rod set,
 N 51° 55' 09" W a distance of 49.40 feet to an iron rod set,
 N 12° 01' 23" W a distance of 181.44 feet to an iron rod set,

N 01° 04' 08" W a distance of 151.49 feet to an iron rod set,
N 14° 48' 58" W a distance of 100.12 feet to an iron rod set,
N 32° 15' 36" W a distance of 240.90 feet to an iron rod set,
N 54° 39' 49" W a distance of 104.01 feet to an iron rod set,
N 62° 56' 49" W a distance of 330.14 feet to an iron rod set,
N 51° 59' 59" W a distance of 120.98 feet to an iron rod set,
N 27° 36' 17" W a distance of 100.15 feet to an iron rod set,
N 25° 30' 20" E a distance of 30.97 feet to an iron rod set,
S 83° 57' 50" E a distance of 83.62 feet to an iron rod set,
S 86° 43' 16" E a distance of 99.47 feet to an iron rod set,
N 54° 10' 41" E a distance of 99.17 feet to an iron rod set,
N 50° 30' 27" E a distance of 83.85 feet to an iron rod set,
S 69° 22' 25" W a distance of 140.85 feet to an iron rod set,
N 85° 43' 05" W a distance of 48.22 feet to an iron rod set,
N 49° 00' 33" W a distance of 104.08 feet to an iron rod set,
N 75° 14' 34" W a distance of 200.50 feet to an iron rod set,
N 59° 25' 38" W a distance of 53.33 feet to an iron rod set,
N 45° 00' 35" W a distance of 96.92 feet to an iron rod set,
N 34° 37' 59" W a distance of 120.12 feet to an iron rod set,
N 35° 37' 39" W a distance of 89.14 feet to an iron rod set,
N 47° 44' 09" W a distance of 228.25 feet to an iron rod set,
N 41° 57' 05" W a distance of 189.71 feet to an iron rod set,
N 51° 47' 11" W a distance of 85.63 feet to an iron rod set,
N 53° 39' 37" W a distance of 157.10 feet to an iron rod set,
N 48° 07' 20" W a distance of 71.76 feet to an iron rod set,

N 37° 11' 08" W a distance of 45.14 feet to an iron rod set,
N 55° 14' 57" W a distance of 77.73 feet to an iron rod set,
N 48° 27' 32" W a distance of 51.93 feet to an iron rod set,
N 42° 55' 47" W a distance of 99.35 feet to an iron rod set,
N 43° 31' 45" W a distance of 81.76 feet to an iron rod set,
N 37° 39' 23" W a distance of 129.48 feet to an iron rod set,
N 27° 20' 23" W a distance of 133.08 feet to an iron rod set,
N 17° 09' 46" W a distance of 121.26 feet to an iron rod set,
N 04° 20' 06" W a distance of 57.21 feet to an iron rod set,
N 16° 10' 03" E a distance of 50.48 feet to an iron rod set,
N 38° 08' 10" E a distance of 68.69 feet to an iron rod set,
N 07° 52' 23" E a distance of 88.71 feet to an iron rod set,
N 28° 44' 06" E a distance of 79.10 feet to an iron rod set,
N 46° 13' 01" E a distance of 128.98 feet to an iron rod set,
N 12° 02' 56" E a distance of 57.45 feet to an iron rod set,
N 63° 49' 37" E a distance of 58.09 feet to an iron rod set,
N 33° 40' 47" E a distance of 48.27 feet to an iron rod set,
N 40° 09' 37" E a distance of 69.36 feet to an iron rod set,
N 29° 11' 22" E a distance of 111.98 feet to an iron rod set,
N 17° 30' 56" E a distance of 75.75 feet to an iron rod set,
N 33° 40' 32" E a distance of 69.16 feet to an iron rod set,
N 50° 58' 12" E a distance of 64.35 feet to an iron rod set,
N 82° 16' 13" E a distance of 139.04 feet to an iron rod set,
N 73° 16' 35" E a distance of 73.66 feet to an iron rod set,
S 86° 55' 09" E a distance of 76.15 feet to an iron rod set,
S 54° 24' 03" E a distance of 196.77 feet to an iron rod set,

S 43° 19' 59" E a distance of 88.84 feet to an iron
 rod set,
 S 40° 51' 13" E a distance of 116.91 feet to an iron
 rod set,
 S 60° 20' 24" E a distance of 84.72 feet to an iron
 rod set,
 S 43° 38' 24" E a distance of 133.57 feet to an iron
 rod set,
 N 18° 40' 41" W a distance of 93.58 feet to an iron
 rod set,
 N 27° 12' 19" W a distance of 30.64 feet to an iron
 rod set,
 N 41° 56' 02" W a distance of 123.56 feet to an iron
 rod set,
 N 18° 27' 35" W a distance of 127.22 feet to an iron
 rod set,
 N 01° 23' 24" E a distance of 25.13 feet to an iron
 rod set,
 N 36° 36' 54" E a distance of 49.59 feet to an iron
 rod set,
 N 09° 15' 17" E a distance of 34.02 feet to an iron
 rod set,
 N 63° 29' 36" E a distance of 55.86 feet to an iron
 rod set,
 N 62° 13' 03" E a distance of 75.55 feet to an iron
 rod set,
 N 63° 35' 16" E a distance of 226.94 feet to an iron
 rod set,
 N 55° 57' 53" E a distance of 313.63 feet to an iron
 rod set,
 N 87° 08' 39" E a distance of 113.03 feet to an iron
 rod set,
 S 37° 38' 59" E a distance of 420.82 feet to an iron
 rod set,
 S 33° 05' 50" E a distance of 112.43 feet to an iron
 rod set,
 S 57° 16' 23" E a distance of 383.86 feet to an iron
 rod set,
 S 81° 49' 00" E a distance of 97.55 feet to an iron
 rod set,
 S 55° 12' 02" E a distance of 88.47 feet to an iron
 rod set,
 S 49° 10' 39" E a distance of 216.79 feet to an iron
 rod set,
 S 52° 24' 40" E a distance of 376.12 feet to an iron
 rod set,
 S 42° 17' 31" E a distance of 232.93 feet to an iron
 rod set,
 S 33° 26' 11" E a distance of 154.96 feet to an iron
 rod set,
 S 59° 39' 41" E a distance of 268.56 feet to an iron
 rod set,

S 52° 16' 49" E a distance of 167.50 feet to an iron
 rod set,
 S 71° 16' 53" E a distance of 180.84 feet to an iron
 rod set,
 S 48° 26' 53" E a distance of 53.54 feet to an iron
 rod set,
 N 07° 35' 51" W a distance of 111.54 feet to an iron
 rod set,
 N 29° 34' 54" E a distance of 33.68 feet to an iron
 rod set,
 N 68° 48' 10" E a distance of 35.86 feet to an iron
 rod set,
 S 87° 28' 41" E a distance of 39.58 feet to an iron
 rod set,
 S 86° 31' 23" E a distance of 171.29 feet to an iron
 rod set,
 S 84° 07' 32" E a distance of 473.93 feet to an iron
 rod set,
 S 89° 51' 04" E a distance of 346.00 feet to an iron
 rod set,
 N 66° 40' 26" E a distance of 41.10 feet to an iron
 rod set,
 N 78° 50' 06" E a distance of 238.24 feet to an iron
 rod set,
 S 86° 38' 19" E a distance of 180.64 feet to an iron
 rod set,
 N 54° 49' 54" E a distance of 66.86 feet to an iron
 rod set,
 N 72° 19' 30" E a distance of 280.73 feet to an iron
 rod set,
 N 79° 48' 33" E a distance of 196.82 feet to an iron
 rod set,
 S 52° 52' 10" E a distance of 91.97 feet to an iron
 rod set,
 S 30° 03' 47" E a distance of 82.94 feet to an iron
 rod set,
 N 13° 41' 46" E a distance of 46.17 feet to an iron
 rod set,
 N 36° 58' 59" E a distance of 114.14 feet to an iron
 rod set,
 N 08° 36' 41" E a distance of 101.18 feet to an iron
 rod set,
 N 50° 24' 03" E a distance of 265.34 feet to an iron
 rod set,
 N 73° 15' 33" E a distance of 48.36 feet to an iron
 rod set,
 N 54° 13' 51" E a distance of 160.39 feet to an iron
 rod set,
 N 44° 50' 11" E a distance of 611.15 feet to an iron
 rod set,
 N 27° 53' 40" E a distance of 354.65 feet to an iron
 rod set,

N 05° 43' 15" W a distance of 43.27 feet to an iron rod set,
 N 38° 09' 08" E a distance of 155.19 feet to an iron rod set,

and N 30° 26' 24" E a distance of 83.24 feet to an iron rod set for a northwest corner, same lying in the north line of the aforementioned 651.503 acres and the north line of the aforementioned 1223.82 acres, same also lying in the south line of a 423.43 acre tract of land described by deed recorded in Volume 172, Page 314, Deed Records of Palo Pinto County, Texas;

THENCE along the north line of the aforementioned 651.503 acres, the north line of the aforementioned 1223.82 acres and the south line of the aforementioned 423.43 acres, S 88° 50' 23" E a distance of 1150.81 feet to a brass disc in concrete, N 85° 07' 08" E a distance of 909.59 feet to a brass disc in concrete and N 71° 03' 24" E, passing a brass disc in concrete at 2194.45 feet, a total distance of 2758.56 feet to an iron rod set for the most northerly corner, same being the most northerly corner of the said 651.503 acres, same lying on the west bank of the Brazos River;

THENCE along the east line of the aforementioned 651.503 acres and the west bank of the aforementioned Brazos River, S 29° 12' 25" E a distance of 248.68 feet to iron rod set in the northwest right-of-way of the aforementioned State Highway 16 for the most easterly corner, same being the most easterly corner of the said 651.503 acres;

THENCE along the east line of the aforementioned 651.503 acres and the west right-of-way of the aforementioned State Highway 16, S 54° 36' 16" W a distance 370.00 feet to an iron rod set for the point of curvature of a curve to the right having a radius of 2804.93 feet, a central angle of 8° 11' 00" and a chord which bears S 58° 41' 46" W 400.28 feet;

THENCE continuing an arc distance of 400.62 feet to an iron rod set for a point of tangency and S 62° 47' 16" W a distance of 2049.00 feet to an iron rod set for the point of curvature of a curve to the left having a radius of 2924.93 feet, a central angle of 8° 11' 00" and a chord which bears S 58° 41' 46" W 417.40 feet;

THENCE continuing an arc distance of 417.76 feet to an iron rod set for the point of tangency and S 54° 36' 16" W a distance of 854.90 feet to an iron rod set for the point of curvature of a curve to the left having a radius of 1492.70 feet, a central angle of 27° 19' 00" and a chord which bears S 40° 56' 46" W 704.95 feet;

THENCE continuing an arc distance of 711.67 to an iron rod set for the point of tangency and S 27° 17' 16" W a distance of 978.20 feet to an iron rod set for a point of curvature of a curve to the left, having a radius of 2352.00 feet, a central angle of 34° 16' 00" and a chord which bears S 10° 09' 16" W 1385.78 feet;

THENCE continuing an arc distance of 1406.65 feet to an iron rod set for a point of tangency and S 6° 58' 44" E a distance of 1241.60 feet to an iron rod set for the point of curvature of a curve to the right having a radius of 2232.00 feet, a central angle of 44° 11' 00" and a chord which bears S 15° 06' 46" W 1678.86 feet;

THENCE continuing an arc distance of 1721.19 feet to an iron rod set for a point of tangency and S 37° 12' 16" W a distance of 668.93 feet to the PLACE OF BEGINNING containing 839.083 acres of land.

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

THE STATE OF TEXAS
County of Palo Pinto

I, Bobbie Smith, Clerk of the County Court in and for said County do hereby

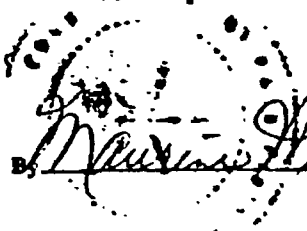
certify that the above instrument in writing, with its certificate of authentication, was filed for record in my office

on the 5 day of Jul A.D. 19 87 at 1 o'clock P M. and recorded the 6 day

of Jul A.D. 19 87 in the Deed Records of said County

in Volume 682 Pages 586

Witness my hand and official seal in Palo Pinto, Texas, the day and year last above written.


Maurice H. Hurloughy Deputy

Bobbie Smith
County Clerk, Palo Pinto County, Texas

0809

145 pd

FILED
7
O'Clock

FEB 5 1987
Clerk of the County Court
Polk County, Iowa
[Signature]

Assignment of Water Supply Contract
By and Between
Brazos River Authority
and
Duwe Properties Company

WHEREAS, BRAZOS RIVER AUTHORITY ("Authority"), a river authority of the State of Texas, and DUWE PROPERTIES COMPANY ("Duwe") are parties to a contract dated January 16, 1984, said contract being further identified by Texas Department of Water Resources as Water Contract No. 1386 under which Authority has agreed to sell water to Duwe; and

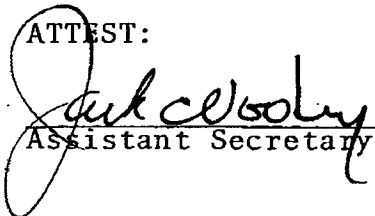
WHEREAS, Duwe desires to assign to Cliffs Development LTD., all of its rights and obligations under said contract; and

WHEREAS, Cliffs Development LTD., is agreeable to such assignment by Duwe;

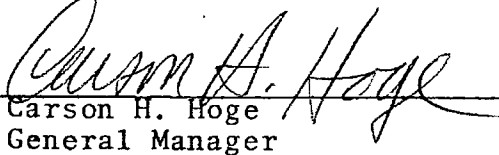
NOW, THEREFORE, in consideration of the agreement of all parties, each of the parties agrees that as of May 1, 1985, said contract, with all of the rights and obligations thereunder, shall be held by Cliffs Development LTD.

DATED as of the 3 day of June, 1985.

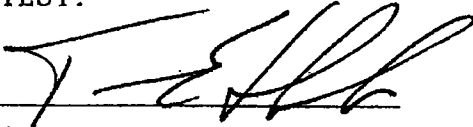
ATTEST:


Assistant Secretary

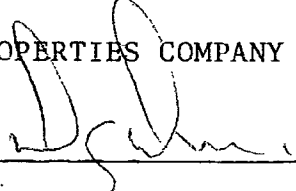
BRAZOS RIVER AUTHORITY

By: 
Carson H. Hoge
General Manager

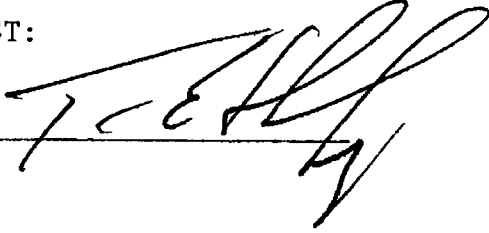
ATTEST:



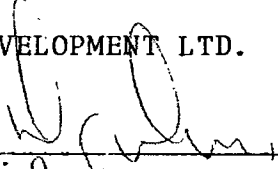
DUWE PROPERTIES COMPANY

By: 

ATTEST:



CLIFFS DEVELOPMENT LTD.

By: 
Title: Partner

WATER SUPPLY CONTRACT
BY AND BETWEEN
BRAZOS RIVER AUTHORITY
AND
DUWE PROPERTIES COMPANY

Brazos River Authority ("Authority"), a river authority of the State of Texas, and Duwe Properties Company (Duwe), of Travis County, Texas contract as follows:

I.

RECITALS

Authority is authorized by the State of Texas to store State waters in Authority owned and operated Possum Kingdom Lake (Lake) and to make such waters available for beneficial use. As a result of its authorization from the State of Texas, the Authority has water in Lake which can be made available for use by Duwe. Duwe has need of water from Lake to supply the needs of its service area. The purpose of this contract is to provide for Authority to make available to Duwe from Lake water which Duwe needs and for Duwe to purchase and pay for such water.

II.

SALES AND PURCHASE

The term "Contract Year", as used in this contract means a period of one year beginning on the first day of January and ending on the 31st day of December. Beginning with the Contract Year which begins on January 1, 1984, Authority agrees to make available for withdrawal from Lake by Duwe and Duwe agrees to purchase 1,000 acre-feet of water per Contract Year for municipal water supply. Duwe shall pay for the entire 1,000 acre-feet of water per year it has the right to withdraw from Lake, whether it is actually being withdrawn or not, in accordance with the terms outlined in Article III of this contract. Duwe will give Authority written notice at least 30 days in advance of the first date on which Duwe wishes to begin withdrawals from Lake.

III.
PRICE FOR WATER

The price for water under this Contract shall be \$23.64 per acre-foot or such adjusted price as may be established by Authority from time to time in accordance with the following procedure:

Let A equal \$23.64 per acre-foot

Let X equal the Consumer Price Index for Urban Wage Earners and Clerical Workers for the month of November 1983 (1967 Index = 100);

Let Y equal Index for the month of November immediately preceding the Contract Year for which the adjusted price for water is established.

Then the adjusted price for water under this Contract shall be equal to A times Y/X.

Should Index cease to be published, the parties shall select another index, which, among the indices then available for such purposes, most nearly resembles Index for the purpose of adjusting the price for water in accordance with the above procedure.

On or before January 1, 1985, and on or before January 1 of each Contract Year thereafter during the term of this contract, Authority shall notify Duwe of the price, established in accordance with the procedure outlined above, for water during such Contract Year. On or before 15 days after February 1, 1984, and on or before 15 days after January 1 of each Contract Year thereafter during the term of this contract, Duwe shall pay Authority for the entire 1,000 acre-feet of water at the price for water set forth in the last preceding notice from Authority. Such payment shall be due whether or not Duwe withdraws any water from Lake.

IV.
IMPOSED COSTS

In addition to the adjustments in price for the water as described in Section III, above, any additional direct cost(s) or expense(s) which may be imposed on Authority in connection with fulfillment

of its obligations under this Contract by taxation or as the result of regulations or requirements lawfully imposed by the State, the United States or any State or Federal agency subsequent to execution of this Contract shall be passed through Authority to Duwe in like amount(s) and shall be included in the adjusted price for water made available by Authority to Duwe under the terms of this Contract.

V.

COMPLIANCE WITH STATE RULES

Authority and Duwe agree that the effectiveness of this Contract is dependent upon Authority's and/or Duwe's compliance with Rules 156.02.50.003, 156.02.50.004, 156.02.50.005 and 156.02.50.006 of the Rules of the Texas Water Development Board (Texas Administrative Code Sections 303.112-116).

VI.

CONSERVATION OF WATER

It is the intent of the parties of this Contract to provide to the maximum extent practicable for the conservation of water and Duwe agrees that it is a condition of this Contract that it shall maintain and operate its facilities in a manner that will prevent unnecessary waste of water.

VII.

INTEREST ON PAST DUE PAYMENT

In the event of failure of Duwe to make any payment to Authority provided to be made in this Contract at the time when same shall be due, the past due payment shall bear interest at the rate of 18% per annum.

VIII.

CANCELLATION FOR NONPAYMENT

Should Duwe fail to make payment to Authority when due hereunder, Authority may, by written notice of such nonpayment delivered to Duwe on or before 30 days before the date specified in said notice

for cancellation, provided that the nonpayment with respect to which notice has been given shall not be cured by the date thus specified in such notice, cancel this Contract.

IX.

FORCE MAJEURE

Neither party hereto shall be under any liability or be deemed in default with respect to its obligations under this Contract for any failure to perform or for delay in performing such party's obligations hereunder where such failure or delay is due to acts of God, fire, storm, flood, war, riots, sabotage, drought, low inflows of water to Lake, strikes or other differences with labor (whether or not within the power of the parties to settle same), decrees or orders of the courts or other governmental authority, or other similar or dissimilar causes not within the reasonable control of such party and not due to the negligence of such party, while and to the extent that the performance is prevented by such cause (Force Majeure) and due diligence is being used to resume performance at the earliest practicable time.

X.

WAIVER

Any waiver at any time by any party of its rights with respect to default under this Contract shall not be deemed a waiver of such rights with respect to any subsequent default or matter.

XI.

REMEDIES

Nothing in this Contract shall be so construed as, in any manner to abridge, limit or deprive either party hereunto of any means which it would otherwise have of enforcing any right or remedy either in law or in equity for breach of any of the provisions hereof, provided that this Section XI shall not be construed as excusing the parties from submitting disputes to arbitration per the provisions of Section XII, below.

XII.

ARBITRATION

Disputes between the parties arising under this Contract shall be submitted to arbitration under the rules of the American Arbitration Association.

XIII.

PLACE OF PAYMENT

All payments to be made under this Contract shall be made at Authority's office in Waco, McLennan County, Texas.

XIV.

WITHDRAWAL FACILITIES

The provision of facilities for withdrawal from Lake of the water agreed to be made available by Authority to Duwe hereunder shall be the responsibility of Duwe. Authority agrees to grant easement for such purposes over Authority land subject to the conditions that the design and location of such facilities shall be approved by the Authority, that Duwe shall prepare and furnish all documents necessary for approving the easement including a map of convenient size locating the point of diversion by course and distance from a survey corner or other identifiable point, which map shall at that time be made a part of this Contract as Appendix I, and that Duwe shall operate the facilities located on Authority lands in a manner acceptable to Authority.

XV.

METERING

Duwe agrees that it shall install, operate and maintain meters for the accurate measurement of all water withdrawn from Lake. Further, such meter or meters shall be tested and calibrated for accuracy by and at the expense of Duwe once each calendar year at intervals of approximately 12 months and a report of such test and calibration shall be furnished to Authority. Authority shall be given at least two days prior notice of the time of any test and

calibration of Duwe's meters, or any of them, and Authority shall have the right to have a representative present at each test to observe the test and any calibrations found thereby to be necessary. Authority shall have the right to inspect and check the accuracy of Duwe's meters at any time during usual business hours after not less than one nor more than five days notice. In the event any question arises at any time as to the accuracy of any such meter, such meter shall be tested promptly upon demand of the Authority, the expense of such test to be borne by Authority if the meter is found to be correct and by Duwe if it is found to be incorrect. Readings within 2% of accuracy, plus or minus, shall be considered correct. If, as a result of any test, any meter is found to be registering inaccurately (i.e., in excess of 2% of accuracy, plus or minus), the readings of such meter shall be corrected at the rate of its inaccuracy for any period which is definitely known and agreed upon, but in case the period is not definitely known and agreed upon, then the shorter of the following periods shall be used as the basis for correction:

- (a) a period extending back either 60 days from the date of demand for the test or, if no demand for the test was made, 60 days from the date of the test,
- (b) a period extending back half of the time elapsed since the last previous test;

and the records of readings shall be adjusted accordingly. Following each test of a meter, the same shall be calibrated by Duwe to register accurately.

XVI. REPORTING

Duwe agrees that it will keep accurate records of the daily readings from the meter or meters installed pursuant to Section XV, above. These records shall be subject to inspection by Authority at reasonable times and places. Duwe shall submit reports to Authority by the 10th day of each month showing the amount of water pumped each day during the preceding month.

XVII.

TERM OF CONTRACT

The term of this Contract shall be for a period of 50 years from January 1, 1984 and the Contract shall be extended at the written request of Duwe for so long as Authority continues to own and operate Lake for water supply purposes.

XVIII.

NOTICES AND CERTIFICATIONS

Notices and certifications provided for in this Contract shall be in writing. The same shall be delivered by mailing certified mail, postage paid, return receipt requested, to the respective parties at the following addresses:

Authority: Brazos River Authority
P.O. Box 7555
Waco, Texas 76710

Duwe Properties Company: Duwe Properties Company
1509B West 6th Street
Austin, Texas 78703

Either party may change its address as shown above by the written notice to the other party. Notices shall be deemed to have been delivered on the business day following their deposit in the United States mail, postage paid and properly addressed and certified.

DATED THIS THE 16TH day of JANUARY 1984.

BRAZOS RIVER AUTHORITY

By Carson H. Hoge
Carson H. Hoge, General Manager

ATTEST:

Jack Woody

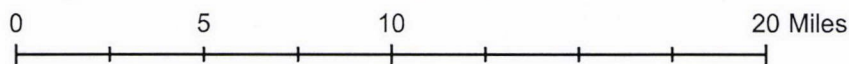
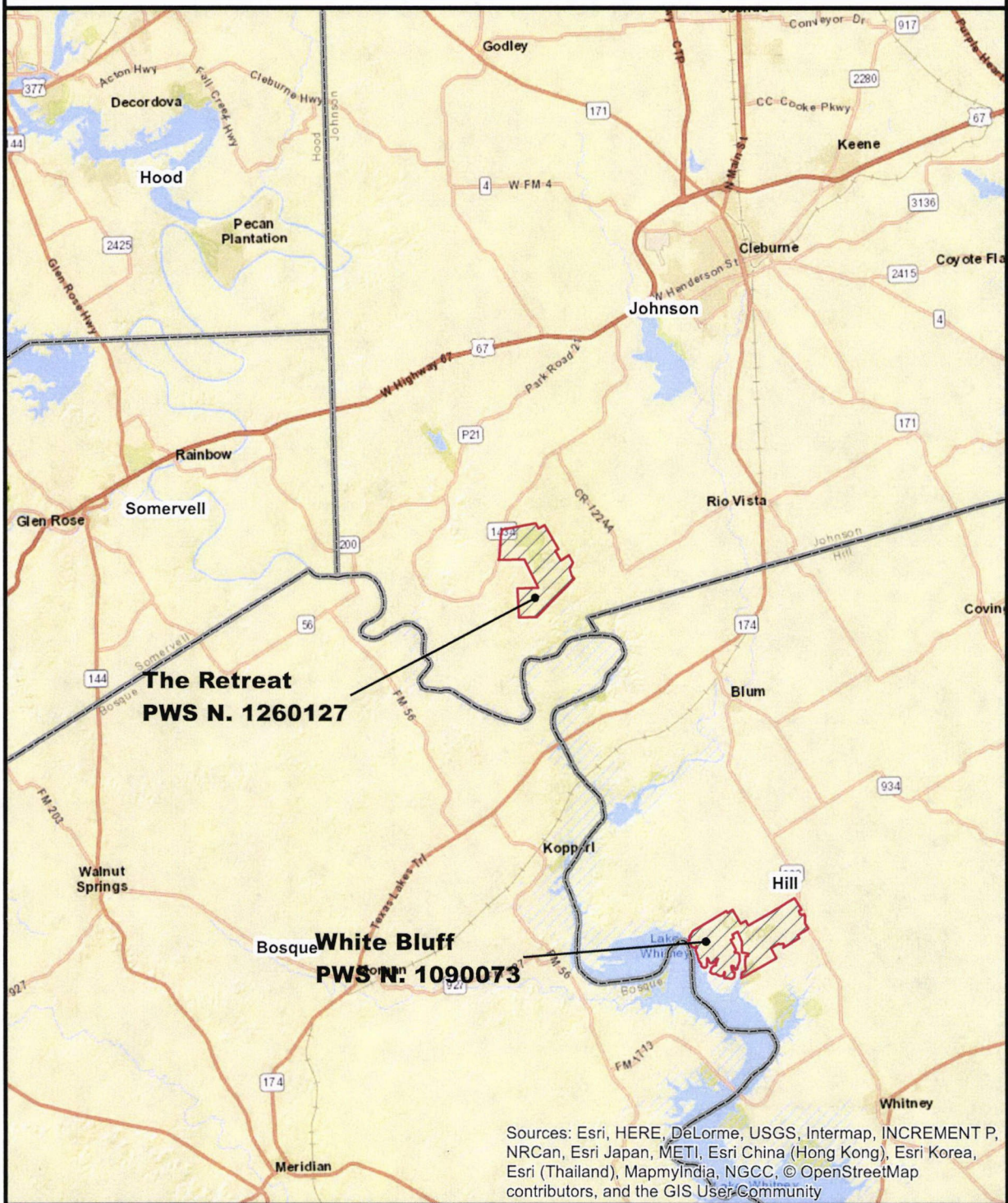
DUWE PROPERTIES COMPANY

By Doug Duwe
Doug Duwe

ATTEST:

Charlotte Willis

APPLICATION OF MIDWAY WATER UTILITIES, INC. TO ACQUIRE CCN 12087 FROM DOUBLE DIAMOND UTILITIES CO. IN HILL AND JOHNSON COUNTY

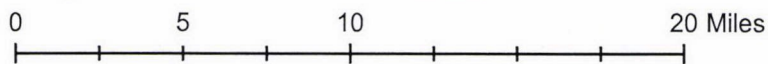


APPLICATION OF MIDWAY WATER UTILITIES, INC. TO ACQUIRE CCN 12087 FROM DOUBLE DIAMOND UTILITIES CO. IN PALO PINTO COUNTY



REQUESTED AREA TO BE TRANSFERED

 DOUBLE DIAMOND UTILITIES CO.



APPLICATION OF MIDWAY WATER UTILITIES, INC. TO ACQUIRE CCN 13235 FROM DOUBLE DIAMOND PROPERTIES CONSTRUCTION CO. IN GRAYSON COUNTY

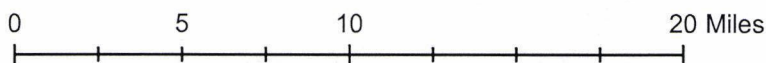


Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community



REQUESTED AREA TO BE TRANSFERRED

 DOUBLE DIAMOND PROPERTIES CONSTRUCTION CO.

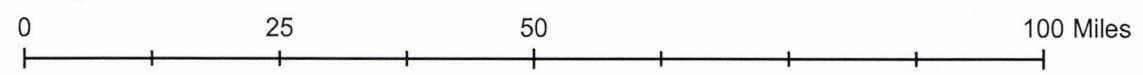


APPLICATION OF MIDWAY WATER UTILITIES, INC. TO ACQUIRE CCN 20705 FROM DOUBLE DIAMOND UTILITIES CO. IN HILL COUNTY, GRAYSON COUNTY, JOHNSON COUNTY, AND PALO PINTO COUNTY

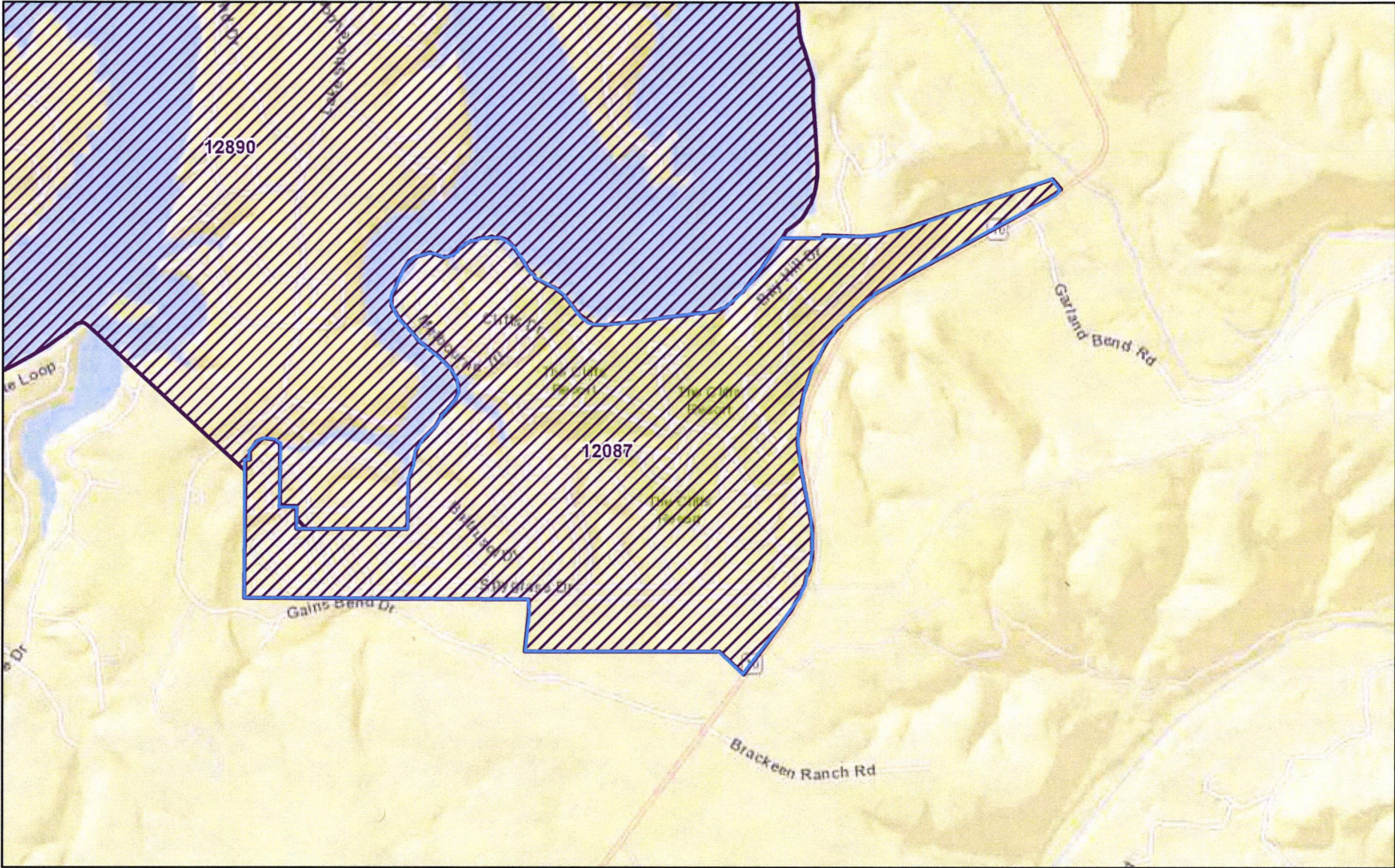


REQUESTED AREA TO BE TRANSFERRED

 DOUBLE DIAMOND UTILITIES CO.

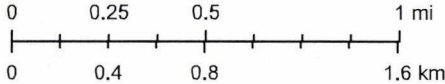


CCN 12087 The Cliffs



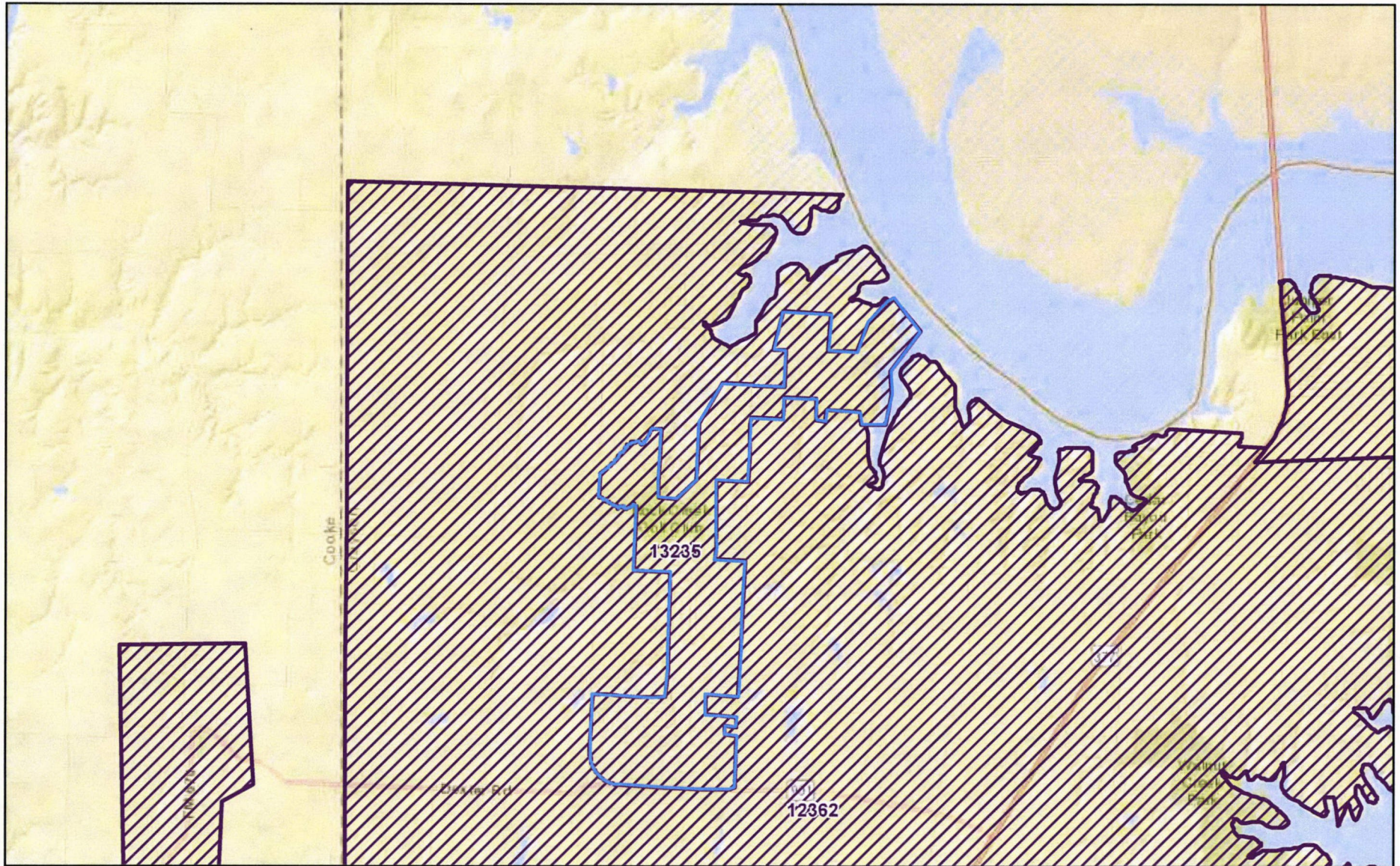
September 9, 2019

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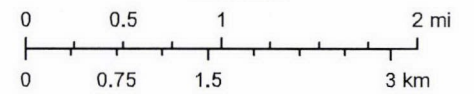
Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan.

13235 Rock Creek



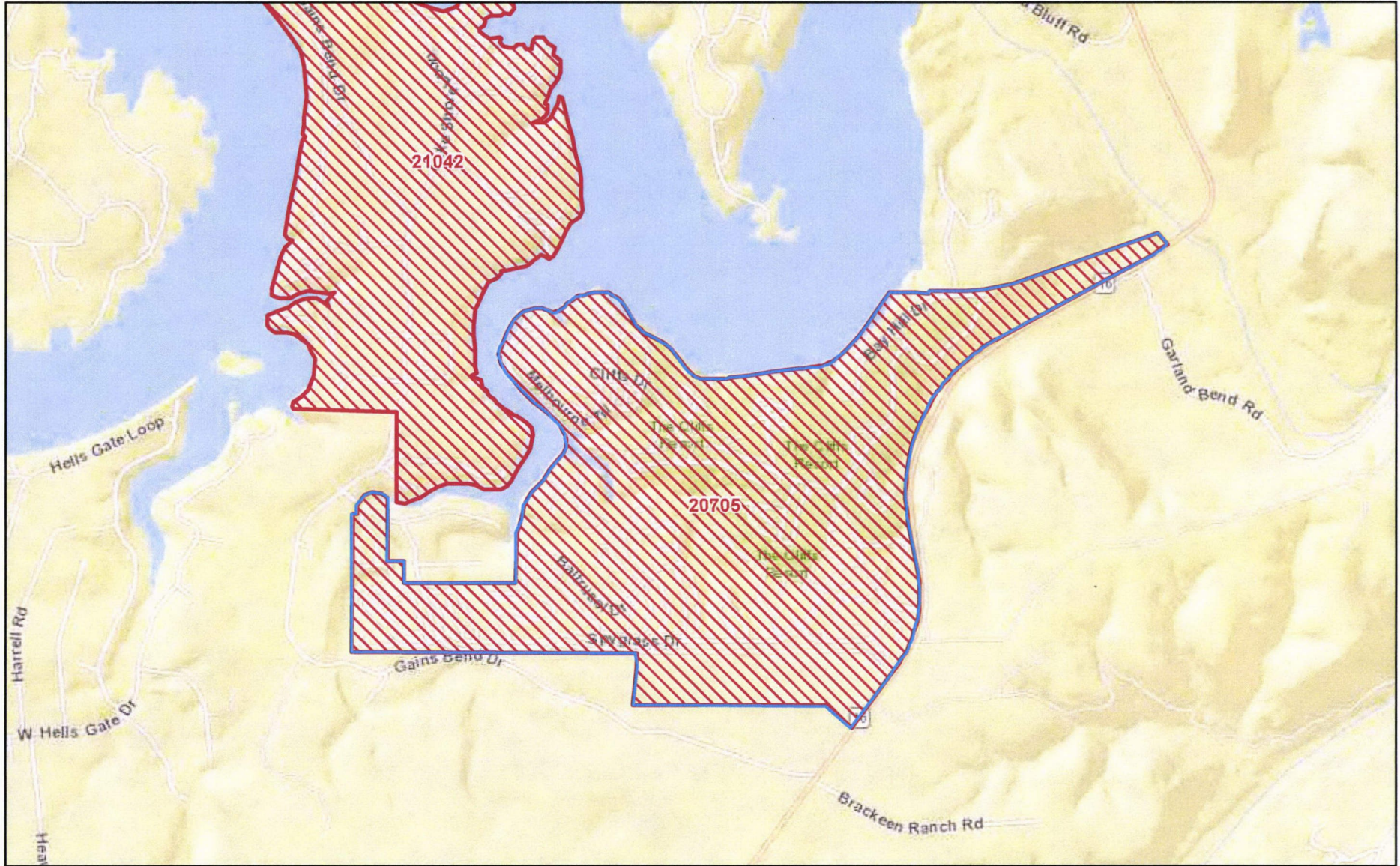
September 9, 2019

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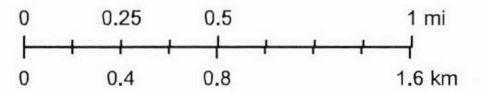
Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan,

20705 The Cliffs

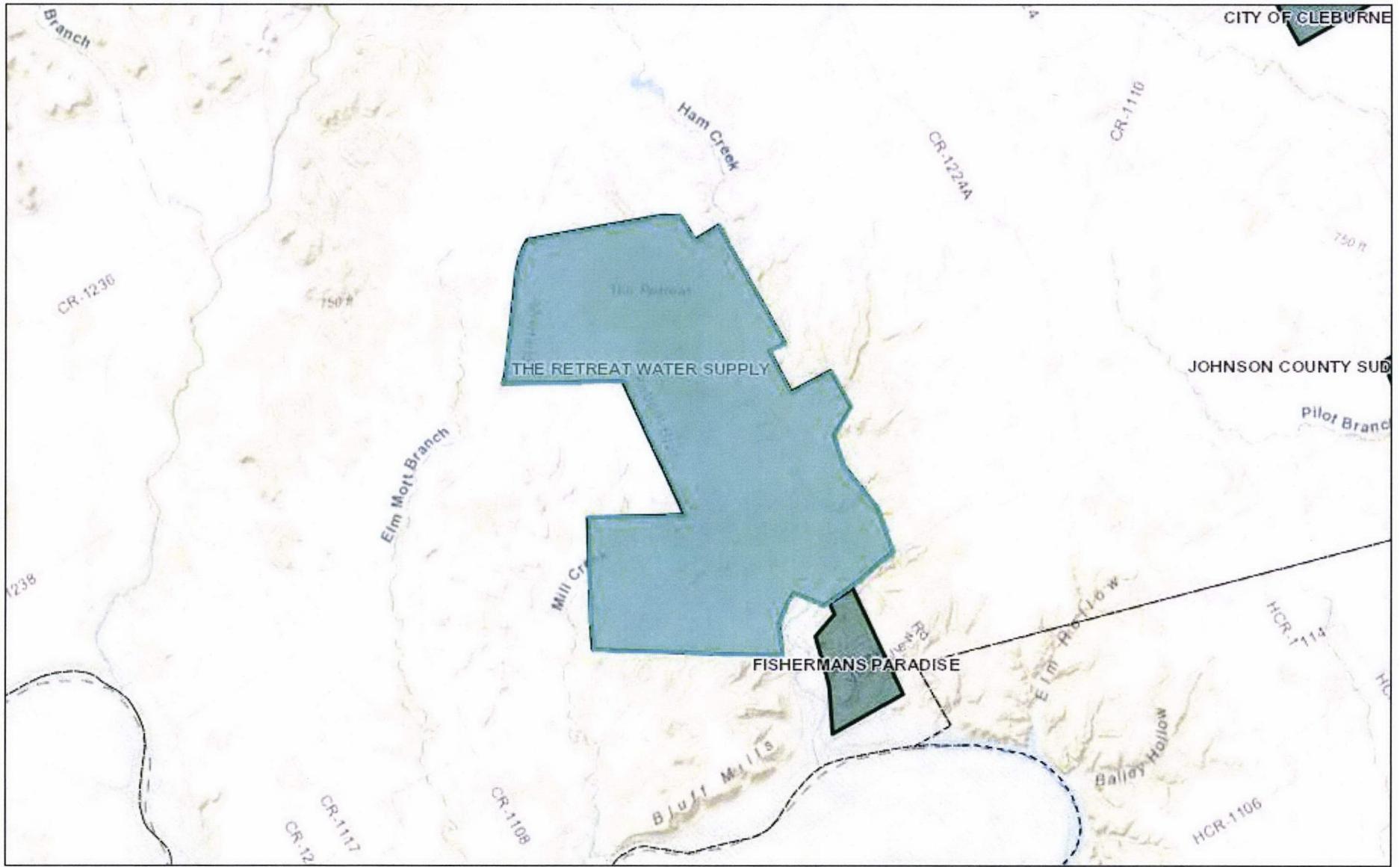


September 9, 2019

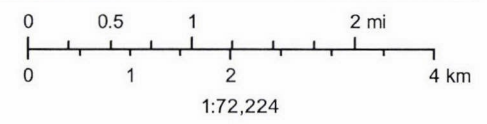
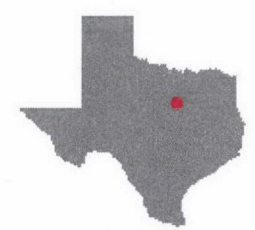
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Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan,



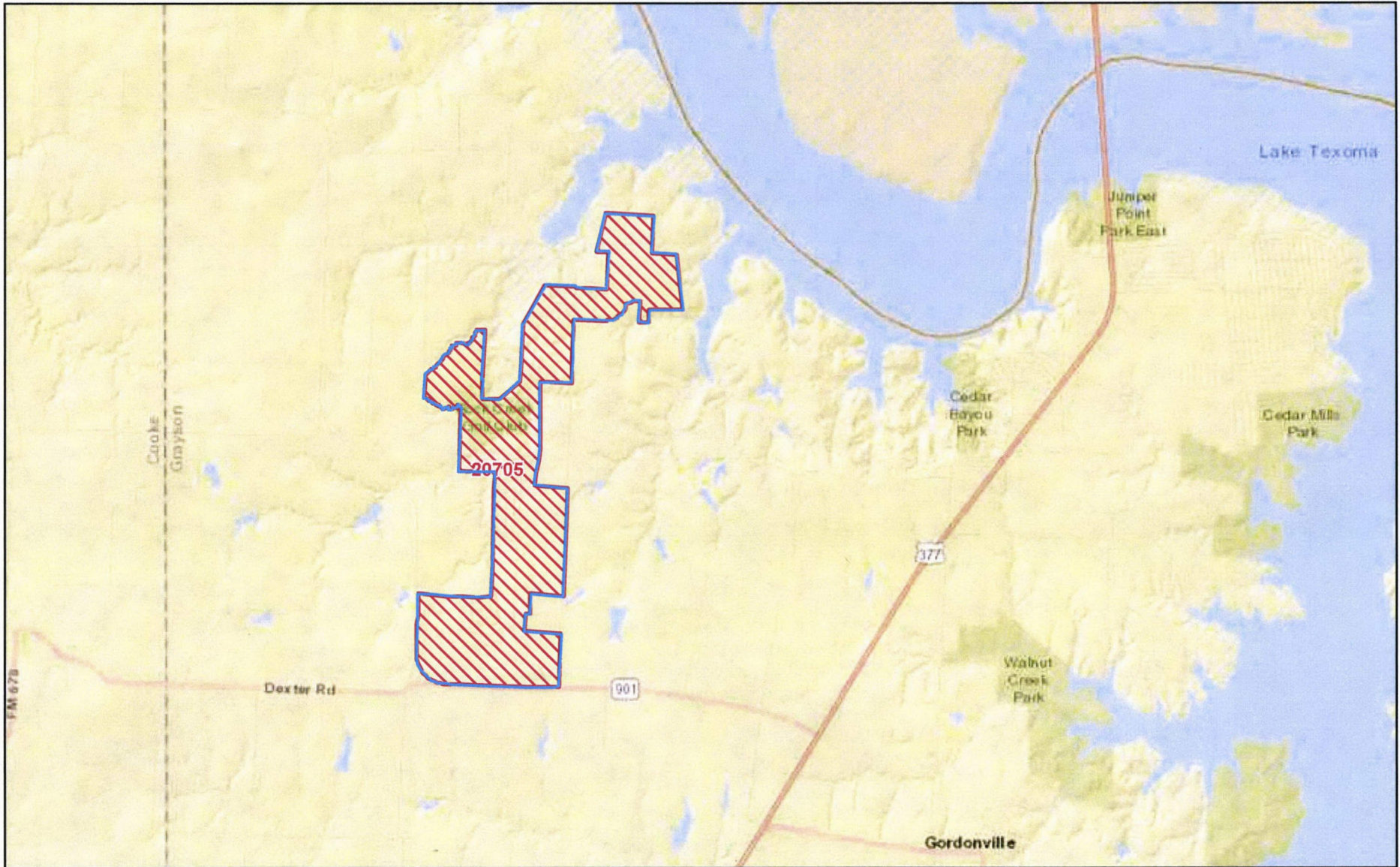
Texas Water Development Board
 September 11, 2019



The data in the Texas Water Service Boundary Viewer represents the best available information provided by the Texas Water Development Board (TWDB) and third-party cooperators of the TWDB and is believed to be accurate and reliable. However, the TWDB provides information via this web site as a public service. Neither the State of Texas nor the TWDB assumes any legal liability or responsibility or makes any guarantees or warranties as to the accuracy, completeness or suitability of the information or boundaries for any particular purpose. These service boundaries and info provided in the application do not alter legal boundaries as regulated by the Public Utility Commission and the Texas Commission on Environmental Quality. This material is based upon work supported by the U.S. Geological Survey under Cooperative Agreement No. G17AC00016.

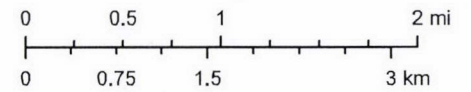
Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS TEXAS WATER DEVELOPMENT BOARD

20705 Rock Creek



September 9, 2019

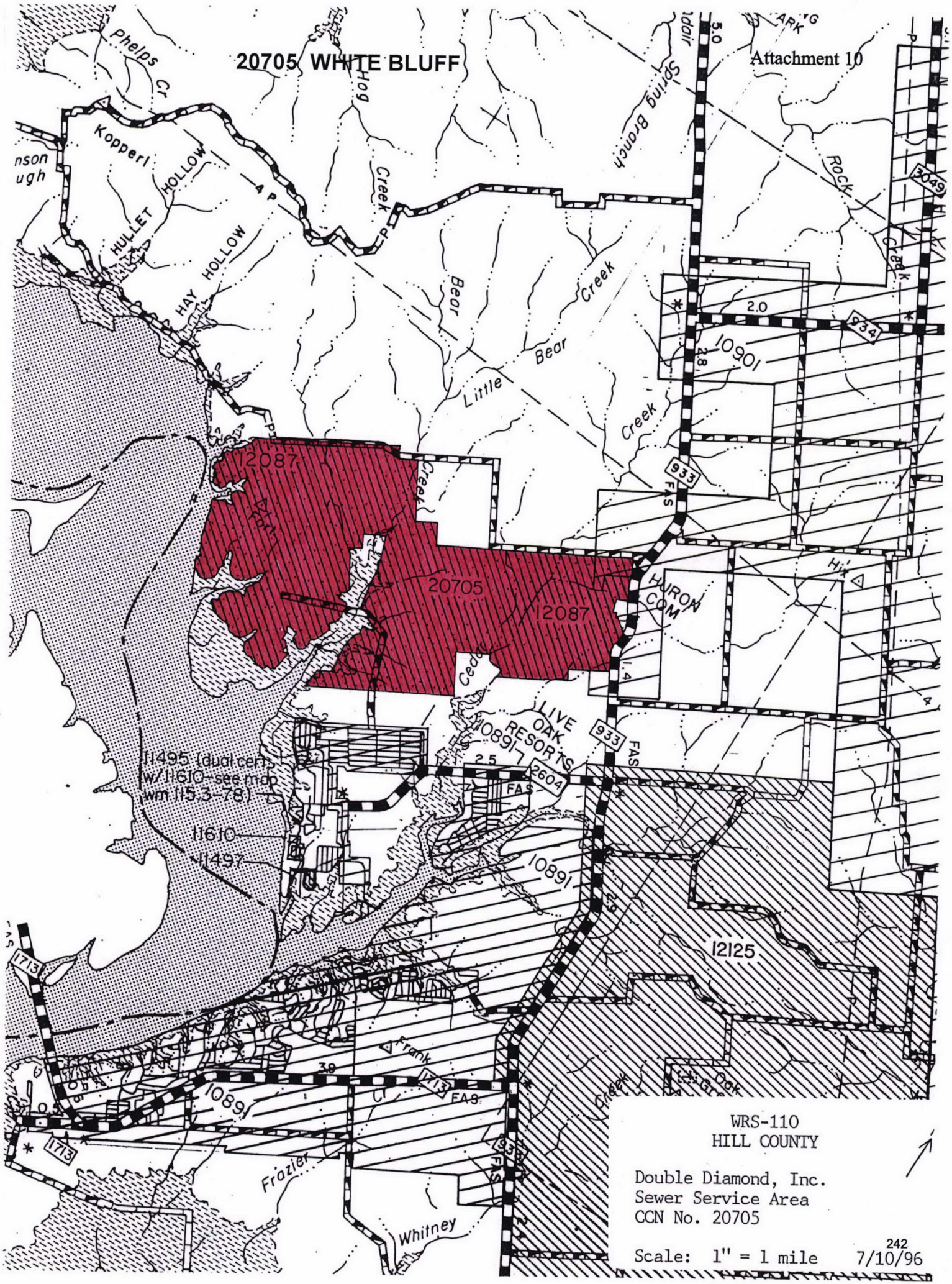
1:72,224



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCAn,

20705 WHITE BLUFF

Attachment 10



11495 (dual cert w/11610- see map w/1153-78)

11610
11497

LIVE OAK RESORTS
1089
2604

WRS-110
HILL COUNTY
Double Diamond, Inc.
Sewer Service Area
CCN No. 20705

Scale: 1" = 1 mile 7/10/96