

**MEMORANDUM OF UNDERSTANDING
BETWEEN
GUADALUPE-BLANCO RIVER AUTHORITY
AND
MEADOW LAKE NOLTE DAM ASSOCIATION**

This MEMORANDUM OF UNDERSTANDING ("MOU") is hereby made and entered into this December 22, 2021 ('Effective Date') by and between Guadalupe-Blanco River Authority ("GBRA"), and the Meadow Lake Nolte Dam Association ("MLNDA"). This MOU sets forth the mutual intentions of GBRA and MLNDA regarding evaluation of possible rehabilitation and/or replacement solutions for the Nolte Dam. Although this is not a binding contract between the parties, it is intended to memorialize the current intentions and expectations of both parties.

WHEREAS, GBRA and MLNDA are both interested in evaluating possible solutions to rehabilitating and/or replacing Nolte Dam and its related facilities;

WHEREAS, GBRA will cooperate with MLNDA and the City of Seguin ("City") in allowing the City (in cooperation with MLNDA), to conduct a Comprehensive Engineering Study and cost estimate to be performed by Freese & Nichols, Inc. Cooperation will include allowing physical access to the facilities, as well as access to books and records regarding the operation of the Nolte hydroelectric and dam facilities.

WHEREAS, if a feasible dam rehabilitation solution is identified by the planned engineering study, MLNDA will work toward creating a WCID to assume ownership and operation of the dam, spillway gates, embankments, and hydroelectric generation facilities and associated assets currently owned by GBRA.

WHEREAS, after completion of the Comprehensive Engineering Study and cost estimate, MLNDA and/or the newly created WCID will determine whether it intends to move forward with dam rehabilitation and assuming ownership and operation of Nolte Dam.

WHEREAS, if MLNDA decides to move forward, MLNDA will develop an operations plan and cash flow projections for operations and maintenance going forward.

WHEREAS, MLNDA agrees and understands that the WCID will be obligated to comply with any and all TCEQ requirements regarding Nolte Dam construction, operation, and any required embankment hardening/improvements, on the schedule and timeline required by TCEQ.

WHEREAS, GBRA will consider transferring ownership of the Nolte Dam and some or all of the associated Nolte Dam hydroelectric assets to a legally established Meadow Lake WCID, pursuant to mutually negotiated and agreeable terms and conveyance documents.

WHEREAS, upon transfer of ownership to a legally established Meadow Lake WCID, the WCID will be entitled to receive revenues generated from the hydroelectric system at Nolte Dam.

IN WITNESS WHEREOF, the parties hereto have executed this understanding as of the last written date below.

Effective this 22nd day of December, 2021.

Meadow Lake Nolte Dam Association

By: _____

Andrew M. Taylor

Title: Vice President

Date: December 22, 2021

Guadalupe-Blanco River Authority

By: _____

Title: _____

Date: January 5, 2022