

AGREEMENT

MIDLAND AND GLADWIN COUNTIES and FOUR LAKES TASK FORCE

THIS AGREEMENT (“Agreement”) is made and entered into as of the 21st day of August, 2019, by and between the COUNTY OF MIDLAND, a Michigan constitutional corporation whose address is County Services Building, 220 W. Ellsworth Street, Midland, Michigan 48640, the COUNTY OF GLADWIN, a Michigan constitutional corporation, whose address is 401 W. Cedar Ave, Gladwin, Michigan 48624 (collectively referred as the “Counties”), and the FOUR LAKES TASK FORCE, a Michigan non-profit corporation whose address is 233 E. Larkin, Midland, Michigan 48640 (“Delegated Authority”).

In this Agreement, either the Counties and/or the Delegated Authority may also be referred to individually as a “Party” or jointly as “Parties.”

Recitals:

A. Wixom Lake, Sanford Lake, Smallwood Lake, and Secord Lake are inland lakes located in Gladwin and Midland Counties, created by the impoundment of the Tittabawassee River by four (4) hydroelectric dams that are currently privately owned and operated by Boyce Hydro Power, LLC (“Boyce Hydro”) and, with exception of the Edenville Dam on Wixom Lake, are currently regulated by the Federal Energy Regulatory Commission (“FERC”) which, among other things, includes terms and conditions concerning the water levels for each of the lakes, dam safety, property rights, water quality, public recreation and safety, and other areas of public concern.

B. Wixom Lake, Sanford Lake, Smallwood Lake, and Secord Lake (the “Lakes” or “Four Lakes”), are important resources in Gladwin and Midland Counties, and the continued operation of the dams are of paramount importance to the environment, recreation, property values of lake residents, and the public and economic health of Gladwin and Midland Counties.

C. Part 307 of the Michigan Natural Resources and Environmental Protection Act, “Inland Lake Levels”, MCL 324.30701 et seq. (“Part 307”) governs the process for the determination, establishment and maintenance of the water level of inland lakes, and authorizes counties to finance, construct, operate and maintain dams as necessary to maintain such levels as determined by the circuit court.

D. On October 9, 2018, the Gladwin County Board of Commissioners adopted Resolution #2018-034, finding that in order to protect the public’s health, safety, and welfare, to best preserve the natural resources of the state, and to preserve and protect the value of properties around the Lakes, that it was necessary to take all action to establish and maintain the normal lake level for the Lakes pursuant to Part 307 (the “Lake Level Project” or “Project”).

E. On October 16, 2018, the Midland County Board of Commissioners adopted a resolution, finding that in order to protect the public’s health, safety, and welfare, to best

preserve the natural resources of the state, and to preserve and protect the value of properties around the Lakes, that it was necessary to take all action to establish and maintain the normal lake level for the Lakes pursuant to Part 307 (the “Lake Level Project” or “Project”).

F. The Four Lakes Task Force (also known as the Sanford Lake Preservation Association), is a Michigan non-profit corporation and IRC 501(c)(3) organization comprised of representatives from all four lakes and lake associations, and is committed to assisting the Counties with the Part 307 process to ensure that the dams and lake levels of the Four Lakes will be sustained long-term.

G. Both the Gladwin County and Midland County resolutions appointed the Four Lakes Task Force, as the “Delegated Authority” as provided by Part 307, to act on behalf of the Counties to oversee the Lake Level Project, to prepare a Special Assessment District and Special Assessment Roll in accordance with the procedures set forth in Part 307, and to take all other actions as necessary and required by the Delegated Authority as provided in Part 307.

H. In February, 2019, the Counties filed petitions in the circuit courts of Gladwin and Midland counties pursuant to Part 307 requesting the determination of the normal levels of the Four Lakes, and approval of the boundaries of a special assessment district (*In the matter of Wixom Lake, Sanford Lake, Smallwood Lake and Secord Lake*, Midland Circuit Court Case #19-5980-PZ and Gladwin Circuit Court Case #19-009892-PZ).

I. On May 28, 2019 following a hearing, Midland County Circuit Court Judge Stephen P. Carras entered an order in each of the above referenced Case files establishing the normal levels for each of the Four Lakes and approved the boundaries of the Four Lakes Special Assessment District.

J. The urban cooperation act of 1967, being MCL 124.501, et. seq. (“Act 7 of 1967”), authorizes a political subdivision to exercise jointly with any other political subdivision any power, privilege or authority which such political subdivisions share in common with which each might exercise separately.

K. Pursuant to Act 7 of 1967, and any other applicable laws of the State of Michigan, the Counties and the Delegated Authority enter into this Agreement to establish terms and conditions for the operation and maintenance of the Project.

L. All Parties agree that the Delegated Authority is working on the good faith assumption that the Counties will follow through on the implementation of Part 307 and subsequent approval of an acceptable assessment roll as prepared by the Delegated Authority in accordance with Part 307. It is also understood that since the adoption of the Midland and Gladwin county resolutions appointing the Delegated Authority, the Delegated Authority has or will have incurred costs and expenses prior to and during the Part 307 process in excess of \$1 Million (related to legal, engineering and related Part 307 expenses). In addition, the costs to acquire the Part 307 Facilities (as hereinafter defined) may require up to \$10 million of interim financing prior to the finalization and approval of the assessment roll, and will require the Counties cooperation regarding the same within their constitutional and statutory authority; provided, however, and except as otherwise set forth in Section 11 “Consideration”, that the

Counties have no obligation and retain all discretion, to incur debt or pledge their credit for the debt incurred by the Four Lakes Special Assessment District or other entity. It is the intention of the Parties that Part 307 costs and/or any debt incurred by the Delegated Authority shall be reimbursed and defrayed by special assessments or obligations issued by the Four Lakes Task Force special assessment district that are secured by special assessments.

M. The purpose of this Agreement is to establish terms and conditions between the Counties, and the Delegated Authority with respect to the acquisition of the Part 307 Facilities; the administration, operation, maintenance, repair, replacement and improvements to the Part 307 Facilities; and other actions as necessary and required by the Delegated Authority, as provided in Part 307.

N. The charter and governance structure of the Delegated Authority, is set forth in Attachment A.

NOW, THEREFORE, in consideration of these premises and the mutual promises, representations, and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Counties and the Delegated Authority mutually agree as follows:

1. Appointment and Authority. Pursuant to the urban cooperation act of 1967, Part 307 and any other applicable laws of the State of Michigan, the Counties and the Delegated Authority enter into this Agreement to establish terms and conditions for the operation and maintenance of the Project. Each Party agrees to take all actions reasonably necessary to effectuate the objectives set forth in this Agreement consistent with Part 307. In addition, the Counties hereby reaffirm their appointment of the Four Lakes Task Force as the Counties' Delegated Authority pursuant to Part 307 with the authority and responsibilities, set forth in Part 307, and in accordance with the terms and conditions set forth in this Agreement.
2. Operation and Maintenance of Normal Level of Four Lakes; Costs/Special Assessments. It is understood the Delegated Authority or duly appointed successor Delegated Authority, shall be responsible for maintaining the normal lake levels in accordance with the Circuit Court order (under such terms and conditions as determined by the Circuit Court), and Part 307. Any costs associated with the establishment, acquisition of rights in the dams, the acquisition, operation, maintenance, repair, replacement and improvement of dams, shall be defrayed by special assessments for the benefits derived against privately owned parcels of land, political subdivisions of the state, and state owned lands as determined by the Delegated Authority in compliance with Part 307. In addition, it is understood that the Delegated Authority can accept grants and donations from public and private sources to help reduce assessments, or provide other benefits related to lake enjoyment beyond the acquisition, operation, maintenance, repair, replacement and improvement of any Part 307 Facilities. Except as otherwise agreed by the Parties, under no circumstances shall the Counties' general fund be responsible for the acquisition, operation, maintenance, repair, replacement and improvement of any Part 307 Facilities.

3. Boyce Hydro and Acquisition of Lake Level Assets.

- a. It is understood by the Parties that the four (4) hydroelectric dams are privately owned and operated by Boyce Hydro Power, LLC or affiliates (“Boyce Hydro”) and, with exception of the Edenville Dam on Wixom Lake, are currently regulated by FERC.
- b. It is also understood that the Delegated Authority is negotiating a definitive agreement, memorialized by an executed letter of understanding with representatives of Boyce Hydro to acquire the necessary rights that would enable the Delegated Authority to maintain the normal lake levels in accordance with the circuit court enter order establishing the normal lake levels.
- c. The negotiations between the Delegated Authority and Boyce Hydro, contemplates the acquisition of all four dams, powerhouses, spillways, bottomlands, real and personal property, permits, licenses, and other appurtenances. In addition the negotiations between the Delegated Authority and Boyce Hydro contemplate identifying, acquiring and separating lake level facilities (the facilities required to maintain the legal level of the four lakes pursuant to the circuit court order; hereinafter referred to as “Part 307 Facilities”), from those facilities required for power generation (the facilities required to generate power (hereinafter referred to as “Power Generation Facilities”). The Part 307 Facilities shall be defined as and include everything identified in Schedule 3(c) except that which is identified as the Power Generation Facilities. The cost of acquisition of the Part 307 Facilities will be defrayed by special assessments as provided herein and in accordance with Part 307 and funds from other sources. In addition, the proposed transaction contemplates that Boyce would retain the Power Generation Facilities and FERC licenses for a finite period of time before transferring these assets to another party. It is further proposed that Boyce would continue to receive revenue from the sale of electricity in accordance with third-party agreement with an electrical provider until such time that the Power Generation Assets are transferred.
- d. The Delegated Authority shall have an option to acquire the Power Generation Facilities for transfer to a party other than Boyce Hydro. For this option to be viable, the Delegated Authority will provide funds in order to renew FERC licenses on all four dams (including the Wixom Lake (Edenville) dam if the FERC license is reinstated or a new license is issued), three of which expire in 2028. Without FERC licenses the operational costs to the assessment district will significantly increase. Under no circumstances shall the Counties’ general fund or funds received through special assessments be responsible for or used in the acquisition, operation, maintenance of the Power Generation Facilities. The accounting and management of any costs, expenses and revenue related to Power Generation Facilities and FERC Licenses shall be kept separate and open for review by the Counties in the same as Part 307 Facilities and costs and expenses.

- e. The respective Counties, by this Agreement, do not object to the Delegated Authority negotiating and acquiring the Part 307 Facilities in its own name (but subject to future assignment to the Counties and leaseback to the Delegated Authority as provided in this Agreement), under such terms and conditions as may be agreed upon by the Parties. The rights acquired, at a minimum shall include the rights necessary to enable the Delegated Authority to operate, maintain, repair, replace or improve the Part 307 Facilities in accordance with Part 307. However, it is understood that no public funds are intended to be used or expended to acquire the assets required for power generation.
 - f. Once the Part 307 Facilities are acquired, within one hundred eighty (180) days of acquisition or as otherwise agreed between the Parties, the Delegated Authority will transfer, assign and convey said Part 307 Facilities to the Counties, and the Counties agree to leaseback the facilities to the designated Delegated Authority for \$1.00 per year for the term set forth in this Agreement or a term as otherwise agreed between the Parties in writing.
4. Delegated Authority Responsibilities. The Delegated Authority shall be responsible for maintaining the normal levels of the Four Lakes in accordance with the Circuit Court Order dated May 28, 2019 (or as otherwise subsequently amended) and Part 307. The Delegated Authority shall have the following responsibilities:
- a. Prepare and submit an Annual Budget to the Counties. The annual budget shall provide in detail reasonably acceptable to the Counties, an itemized estimate of the amount of the operating expenses to be incurred in the implementation of the operating plan for managing the normal levels of the lakes in accordance with the circuit court order. In addition, the Delegated Authority will provide a 3-year Budget forecast based on the facts known for that year.
 - b. Annual Progress Report. Prepare an annual report on progress, open issues, and that includes current board members, officers, governance changes that would be reflected in an update of Attachment A to be reviewed by the Counties.
 - c. Operation and Maintenance. Supervise, manage, direct and control all aspects of the day-to-day operation and maintenance of the Part 307 Facilities. The Delegated Authority is authorized to utilize its own employees, if any, or engage a third-party operator (contractor) to provide the day-to-day operations and maintenance of the Part 307 Facilities.
 - d. Annual Operating Plan. Prepare an annual operating plan for each fiscal year and submitting the same to Counties for review and comment.
 - e. Government Approvals. Obtain all government approvals required to be held on behalf of the Counties as the interests appear, in the name of Delegated Authority and/or lake level operator for the performance of operation and maintenance obligations specified in this Agreement.

- f. Indemnification. Except as otherwise provided in this Agreement, the Delegated Authority shall indemnify, defend and hold the Counties harmless from any and all Claims (as defined herein) that are incurred by or asserted against Counties by any person, entity or governmental agency, and alleged to have been caused or found to arise, from the acts, performances, errors, or omissions of the Delegated Authority or Delegated Authority's agent in the operations of the Part 307 Facilities and the Power Generation Facilities. The Delegated Authority shall also require all contractors to include this indemnity provision indemnifying the Counties, and shall also require such contractors, to include an endorsement naming the Counties as an additional insured on the policies of such contractors, with minimum insurance requirements acceptable by the Counties' legal representative. For purposes of this section, "Claims" shall mean any order, any investigation announced or performed by a governmental entity (i.e. any federal, state, county, city, municipality and any subdivision thereof, court, administrative or regulatory agency, commission, department or body or other governmental authority or instrumentality pertaining to government), or, any actual or alleged, complaints, claims or charges, demands for relief or damages, suits, hearings, causes of action, proceedings or litigation, which the Parties hereto may become legally and/or contractually obligated to pay or defend against, whether direct, indirect or consequential, whether based upon any alleged violation of the federal or the state constitution, any federal or state statute, rule, regulation, or any alleged violation of federal or state common law, whether any such claims are brought in law or equity, tort, contract, or otherwise, and/or whether commenced or threatened that are related in any way to the Delegated Authorities responsibilities under this Agreement. This section ("Indemnification") shall not apply in any action brought by one or more of the Parties against the other Party or Parties, to enforce the provisions of this Agreement or breach of this Agreement.
- g. Privileges and Immunities. Notwithstanding anything contained in this Agreement, including the indemnification provided in Section 4(f), nothing in this Agreement shall constitute a waiver of governmental immunity afforded to the Parties as provided by law. All privileged and immunities as provided by law are hereby and expressly preserved.
- h. Insurance. At least thirty (30) days prior to acquiring or obtaining control of the Part 307 Facilities, the Delegated Authority and the Counties shall meet and confer to discuss such insurance coverage or types of coverage as may reasonably be required and commercially available to protect the Parties from Claims (as defined in this Agreement). The Delegated Authority shall not acquire or obtain control of the Part 307 Facilities until such time that the Parties agree as to insurance coverage or types of coverage. Once the Parties agree as to insurance coverage or types of coverage, and terms related thereto, the Delegated Authority will be responsible for obtaining and maintaining the insurance required throughout the term of this Agreement. It is understood that the cost of insurance and Claims shall be a cost to the Four Lakes Special Assessment District and

defrayed by special assessments. Insurance coverage or types of coverage shall be reviewed annually by the Parties and revised as necessary.

- i. Performance Tests. Carrying out such periodic performance tests of the Part 307 Facilities as Delegated Authority may determine and carry out any remedial action the Delegated Authority considers necessary to correct any operational deficiencies arising from the analysis of test results or otherwise revealed during operation of the Part 307 Facilities.
- j. Contract Administration. Causing to be performed, or contract for and oversee the performance of periodic overhauls and scheduled and unscheduled maintenance required for the Part 307 Facilities.
- k. Managing Consultants. Managing, organizing and supervising such contracted and subcontracted maintenance, repair and testing services as shall be required to carry out scheduled inspections, periodic overhauls, unscheduled maintenance and any major breakdown repairs.
- l. Notice to Counties of Force Majeure Events. Promptly providing Notice to the Counties of the likelihood or occurrence of any event including a force majeure event that may materially adversely affecting operation of the Part 307 Facilities. "Force Majeure Event" means any circumstance or event beyond the reasonable control of a Delegated Authority including the following events: (1) explosion, fire, nuclear radiation or chemical or biological contamination, hurricane, tropical storm, tornado, lightning, earthquake, flood, unusually severe weather, natural disaster, epidemic, any other act of God, and any other similar circumstance; (2) war and other hostilities (whether declared or not), revolution, public disorder, insurrection, rebellion, sabotage, or terrorist action; (3) failure of any third party supplier, where the failure is due to an event which constitutes force majeure under Delegated Authority's or operator's contract with that party; (4) any action taken by any government authority after the date of this Agreement, including any order, legislation, enactment, judgment, ruling, or decision thereof; (5) labor disputes; and (6) major equipment failure.
- m. Site Maintenance. Cause to be maintained: (i) All roads, yards, walkways, platforms, railings, mitigation areas, landscaping and utilities at the Part 307 Facilities, (ii) Site access control, maintenance and supervision of public access sites, and other public access requirements as specified in licensing, regulatory and other permits.
- n. Security. Cause adequate security to be provided for the Part 307 Facilities and develop such systems to cause Emergency situations to be promptly and adequately responded to.
- o. Partial Open Meetings Act Compliance. With respect to the affairs relating to the responsibilities under this Agreement and more particularly, Part 307, the Delegated Authority will provide notice and conduct meetings of its board in

accordance with the Michigan Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended, MCL 15.261 et seq.), and prepare and maintain minutes of such meetings, and make available to the public as required.

5. Operation on Non-profit Basis. It is understood that the Delegated Authority will operate the Part 307 Facilities on a non-profit basis for the benefit of the Four Lakes Special Assessment District, and therefore is without funds to finance, operate and maintain the Part 307 Facilities except for the funds derived and received from donations, grants and revenue from special assessments and funds received from power generation, if any. Accordingly, it is also understood that the Delegated Authority shall be reimbursed for all costs and expenses as provided in Part 307. Should the Delegated Authority's acquisition of the Part 307 Facilities include rights to receive a portion of the revenue from the Power Generation Assets, all such funds received from power generation shall first be utilized to pay any and all costs necessary to maintain the licenses to continue to receive revenue from power generation, followed by (and in this order of priority) with respect to Part 307 Facilities: (a) annual operating costs for Part 307; (b) principal and interest on any debt issued for the purpose of acquisition, operation, maintenance, repair, replacement and improvement to the Part 307 Facilities; and (c) the remainder set aside for a repair and replacement reserve as determined by the Delegated Authority.
6. Expenditure Authorization. It is understood that inspections were undertaken of the Part 307 Facilities showing the necessity for the maintenance, repair and improvement. By this Agreement, the Delegated Authority is directed to take all necessary action and is authorized to expend funds for the acquisition, operation, maintenance, repair, replacement and improvement of the Part 307 Facilities as set forth in the Lake Level Study (April, 2019) prepared by Spicer Group, Inc., consulting engineers. In addition, all expenditures in furtherance of the Part 307 Project, as provided in Section 30712 of Part 307, MCL 324.301712, are hereby authorized.
7. Accounting and Audits. It is understood that the Delegated Authority will comply with applicable laws and governmental accounting standards in the keeping, management, administration, use and auditing of funds and revenue collected for the administration, acquisition, operation, maintenance, repair, replacement and improvement of the Project. The Delegated Authority will provide the Counties with an annual audit report concerning such financial matters for the Counties' review in accordance with each Counties fiscal year. Upon request, the Delegated Authority will allow either County to audit the Four Lakes Special Assessment District accounts, books and statements, and provide such County with supporting documentation and copies of such materials if requested.
8. Liability of Four Lake Special Assessment District. Except as provided in Section 11, infra, the Parties understand and agree, all costs and expenses, including Claims (as previously defined in this Agreement), associated with the operating and maintaining the lake levels, and permitted under Part 307, shall be the responsibility of the Four Lakes Special Assessment District established and shall be defrayed by special assessments, gifts or grants, if any, pursuant to Part 307.

9. Independent Contractor. At all times and for all purposes under the terms of this Agreement, the legal status and relationship of the Delegated Authority to the Counties shall be that of an independent contractor with such privileges and immunities as provided by law.
10. Standard of Care; Waiver of Warranty and Consequential Damages. The Delegated Authority will perform the services under this Agreement in accordance with the standard of care and diligence normally provided by other professional firms providing similar services. However, the Delegated Authority makes no warranty, express or implied, with respect to any services provided. SPECIFICALLY, NO WARRANTY IS MADE OR TO BE IMPLIED BY THE DELEGATED AUTHORITY WITH RESPECT TO SERVICES PROVIDED UNDER THIS AGREEMENT. NOTWITHSTANDING, ANY PROVISION CONTAINED IN THIS AGREEMENT, IN NO EVENT SHALL THE DELEGATED AUTHORITY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHATSOEVER UNDER CONTRACT, TORT OR OTHERWISE.
11. Effective Date; Term; and Termination.
 - a. Agreement Approval; Amendments; and Effective Date. Except as otherwise provided herein, this Agreement, and/or any subsequent amendments thereto, shall not become effective prior to the approval by resolutions of both the Counties and Delegated Authority. The Effective Date of this Agreement, and any amendments hereto, shall be the date the last Party to approve and sign the Agreement and shall be reflected in the opening paragraph of this Agreement.
 - b. Term. Unless otherwise agreed between the Parties, this Agreement shall have an initial term and terminate on the December 31, 2025 (“Initial Term”). This Agreement shall automatically be extended for an additional five (5) year term beyond the Initial Term, unless terminated as provided herein.
 - c. Termination. Following the Initial Term, this Agreement may be terminated by either both Counties acting jointly, or by the Delegated Authority upon a minimum three hundred sixty-five (365) calendar days’ written notice to each of the other Parties to this Agreement. The notice shall indicate the effective date of the termination. Notwithstanding the foregoing, this Agreement may be terminated at any time (or assigned to a successor delegated authority appointed by the Counties) in the event that both Counties, upon resolution approved by 2/3 of the elected members of each of their respective Boards of Commissioners, approve said resolution terminating this Agreement and/or reassigning same to a successor delegated authority. Any successor delegated authority shall have all of the benefits and responsibilities, including any and all liabilities, Claims (as previously defined herein), contractual obligations, and those responsibilities provided in Part 307.

- d. Automatic Termination. This Agreement shall terminate automatically in the event of the Delegated Authority's liquidation, dissolution, or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy law, or consent to the filing of any bankruptcy petition against it under any similar law.
 - e. Survival of Certain Terms and Conditions Following Termination or Expiration of Agreement. The Parties agree that record-keeping and audit requirements, any payment obligations to the other Party, and/or other related obligations provided for in this Agreement with regard to acts, occurrences, events, transactions, or Claim(s) (as previously defined herein) either occurring or having their basis in any events or transactions that occurred during the term of this Agreement, shall survive the termination or expiration of this Agreement.
 - f. Cooperation Following Termination of Agreement. In the event the Agreement is terminated as provided herein, the Parties agree to cooperate in all respects and assist in the wind down from the Delegated Authority's operation and maintenance of the Part 307 Facilities.
12. Consideration. In addition to the promises set forth in this agreement, it is understood, that the Delegated Authority is working on the good faith assumption that the Counties will follow through on the implementation of Part 307 and subsequent approval of an acceptable assessment roll as prepared by the Delegated Authority in accordance with Part 307. Except as provided herein, the Counties shall have no liability for the actions of the Delegated Authority until the contemplated special assessment roll is approved by each of them. If a constituent County acts to halt the implementation of the Part 307 special assessment process, that County (or the Counties in the event the action is jointly pursued), shall be liable for any and all reasonable and documented costs and expenses with respect to the Part 307 process and the acquisition of rights (including property rights necessary to acquire the Part 307 Facilities and to maintain the legal levels) incurred by the Delegated Authority taken before the action (to halt implementation of the Part 307 process) by that County, or jointly by the Counties.
13. Communication. There shall be an open and direct line of communication established and maintained between the Parties in order to promote the handling of both routine and emergency situations in a timely and cooperative manner according to the circumstances as they exist or become known. Each Party will designate a legal representative (an attorney) for such purposes, and will notify the other Party in writing if such designee(s) change in the future for communication purposes. In addition, after establishment of the Four Lakes Special Assessment District, the Delegated Authority agrees to amend its articles of incorporation and/or bylaws to include one (1) representative from each of the Counties to serve as a member of the Delegated Authority's board of directors. The representatives from each of the Counties shall be a county officer, such as a County Administrator, Drain Commissioner, or other elected or appointed county official or officer. The Counties will provide written notice to the Delegated Authority of their county representative. The Delegated Authority will provide written notice to the Counties of all members of the board of directors of the Four Lakes Task Force. Except

as otherwise provided by law, and to permit frank and open communication, there will be a non-disclosure agreement regulating the disclosure of information or documentation associated with the communication between the representatives from each of the Parties.

14. Legal Representation; Cost Reimbursement; Confidentiality. It is understood that the Midland County, Gladwin County and the Delegated Authority have engaged legal counsel to assist with the determination of the normal (legal) levels for the Four Lakes, and to confirm the boundaries of the Four Lakes Special Assessment District. At this time, the Counties and Four Lakes Task Force have identified the following as their respective legal counsel:

- a. For Gladwin County: Tara S. Hovey, Dreyer Hovey & Post, LLP
- b. For Midland County: Lawrence Wm Smith, Gilbert & Smith, P.C.
- c. For Four Lakes Task Force: Joseph W. Colaianne, Clark Hill, PLC
- d. The Parties reserve the right to engage additional legal counsel as necessary and/or replace designated counsel at any time, upon Notice to the other Parties, without the necessity of amending this Agreement.
- e. The Delegated Authority agrees to reimburse the Counties for reasonable attorney fees incurred with respect to the Counties' legal representation associated with the Part 307 process, the confirmation of the Four Lakes Special Assessment District, special assessment roll, and other matters directly related to the operation and maintenance of the normal level of the Four Lakes in accordance with the Part 307 and circuit court order. The process for reimbursement may include either: (1) an invoice or other notice from the County or, (2) invoice received directly from the Counties' legal counsel. Unless there is question concerning the invoice, the Delegated Authority will promptly pay the invoice. If there are questions concerning the invoice, the Delegated Authority shall first contact the respective county attorney to discuss and resolve any question or dispute. If not resolved, notify the respective County, and set aside the funds to pay the invoice until resolved. The Parties agree that the attorney fees and costs may be included in the computation of costs and assessed as a cost and reimbursed by the Four Lakes Special Assessment District.
- f. The reimbursement of attorney fees by the provided herein, shall not apply to disputes between the Parties to enforce the provisions of this Agreement.
- g. Nothing set forth herein, creates a duty on the part of the Gladwin County attorney or Midland County attorney to divulge any confidential information pertaining to their respective county, to represent Four Lakes Task Force, or to advocate or negotiate any particular position except as directed by their respective County Board of Commissioners.

15. Dispute Resolution. The Parties agree that any and all Claims (as defined in this Agreement) alleging a breach of this Agreement, shall first be submitted to an alternative dispute resolution process. Such an alternative dispute resolution process may include, but is not limited to, facilitation, binding arbitration, or non-binding arbitration. The Parties shall agree upon the form and procedures for the agreed upon alternative dispute resolution process. If the matter is not resolved through an alternative dispute resolution process, or if the Parties cannot agree upon the form and procedures for the alternative dispute resolution process, the Parties may seek legal recourse in a court of competent jurisdiction. For claims requiring immediate relief to prevent irreparable harm, either Party may seek relief directly from a court of competent jurisdiction without submitting the matter to the alternative dispute resolution process.

16. General Provisions.

- a. Governing Law. This Agreement is made and entered into in the State of Michigan and shall in all respects be interpreted, enforced and governed under the laws of the State of Michigan. The language of all parts of this Agreement is intended to and, in all cases, shall be construed as a whole according to its fair meaning, and not construed strictly for or against any party. As used in this Agreement, the singular or plural number, possessive or non-possessive shall be deemed to include the other whenever the context so suggests or requires.
- b. Reservation of Rights; Governmental Function. This Agreement does not, and is not intended to impair, divest, delegate, or contravene any constitutional, statutory, and/or other legal right, privilege, power, obligation, duty, or immunity of the Parties. In addition, the Parties maintain that the obligations set forth in this Agreement will be in the exercise or discharge of a governmental function.
- c. Severability. If any provision of this Agreement or the application to any person or circumstance is, to any extent, judicially determined to be invalid or unenforceable, the remainder of the Agreement, or the application of the provision of persons or circumstances other than those as to which it is invalid or unenforceable, is not affected and is enforceable, provided the invalid provision does not substantially alter the Agreement or make execution impractical.
- d. Binding Contract; Assignment; and Amendments. This Agreement will be binding upon and for the benefit of the Parties hereto and their respective successors and assigns, subject to any assignment requiring the prior written consent of the non-assigning Party by an amendment to this Agreement signed by all Parties, and the assignee binding the assignee to the terms and provisions of this Agreement.
- e. Captions. The section headings or titles and/or all section numbers contained in this Agreement are intended for the convenience of the reader and not intended to

have any substantive meaning and are not to be interpreted as part of this Agreement.

- f. Notices. Except as otherwise expressly provided for herein, any and all correspondence, invoices, and/or any other written notices required, permitted or provided for under this Agreement to be delivered to the following:

COUNTY OF MIDLAND:

Bridgette Gransden, CPA, CGFM, County Administrator or successor
220 W. Ellsworth Street
Midland, Michigan 48640
Phone: (989) 832-6797
E-Mail: BGransden@co.midland.mi.us
With cc: Midland County Attorney

COUNTY OF GLADWIN:

Laura Brandon-Maveal
Gladwin County Clerk
401 W. Cedar Ave,
Gladwin, Michigan 48624
Phone: (989) 832-6797
E-Mail: Laura B@gladwincountymi.gov
With cc: Gladwin County Attorney

FOUR LAKES TASK FORCE:

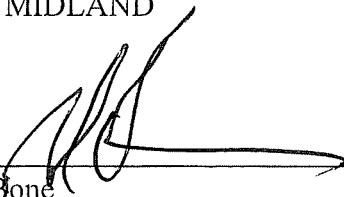
David Kepler or successor
Chairperson
233 E. Larkin, Midland, Michigan
Phone: (989) 941-3554
E-Mail: admin@fourlakes taskforce.org
With cc: FLTF Attorney

- g. Notice Delivery. Except with respect to notices of termination, all correspondence and written notices shall be considered delivered to a Party as of the date that such notice is deposited with sufficient postage with the U.S. Postal Service. Notices of termination shall be personally delivered or sent by certified mail, return receipt requested, and shall be considered delivered to a party on the date of receipt as represented by the return receipt or by a proof of personal service. The Parties reserve the right to modify as necessary and/or replace the person designated to receive Notice at any time, upon Notice to the other Parties, without the necessity of amending this Agreement.

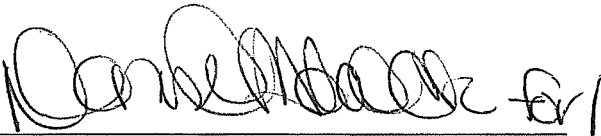
- h. Entire Agreement. This Agreement sets forth the entire agreement between the Counties and the Delegated Authority and fully supersedes any and all prior agreements or understandings between them in any way related to the subject matter hereof. It is further understood and agreed that the terms and conditions herein are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between the Counties and the Delegated Authority in any way related to the subject matter hereof, except as expressly stated herein. This Agreement shall not be changed or supplemented orally and may be amended only as otherwise provided herein.
- i. Counterparts. This Agreement may be executed in counterparts, each of which shall be considered an original, but all of which shall constitute one and the same instrument.
- j. Recitals. The recitals shall be considered an integral part of the Agreement.

IN WITNESS WHEREOF, this Agreement if executed by the Parties on the date hereafter set forth in the opening paragraph of this Agreement.

COUNTY OF MIDLAND

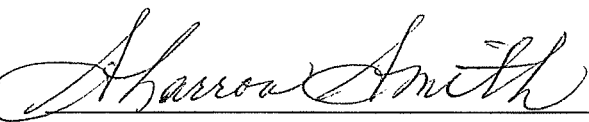
By: 
Mark Bone
Chairperson, Midland County Board of Commissioners

Dated: 8-20-19

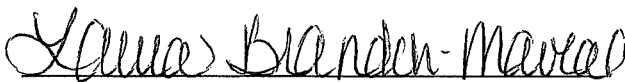
By: 
Ann Manary
Midland County Clerk

Dated: 8-20-19

COUNTY OF GLADWIN

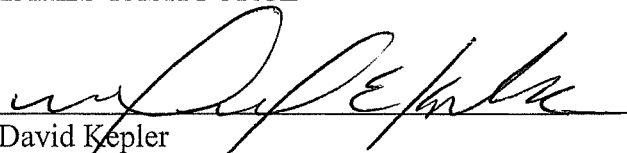
By: 
Sharron Smith
Chairperson, Gladwin County Board of Commissioners

Dated: 8-13-19

By: 
Laura Brandon-Maveal
Gladwin County Clerk

Dated: 8-13-19

FOUR LAKES TASK FORCE

By: 
David Kepler
Chairperson

Dated: 8-21-19

ATTACHMENT A
FOUR LAKES TASK FORCE CHARTER
AND GOVERNANCE STRUCTURE

The Four Lakes Task Force LLC

Governance

The Four Lakes Task Force (FLTF) is a 501(c)(3) non-profit LLC. FLTF will operate under the by-laws of the Sanford Lake Preservation Association, until such time as the Task Force is required to comply with the Michigan Open Meetings Act (OMA). At that time, the Board procedures and by-laws will be amended as necessary to achieve compliance with OMA.

Mission of the Board

The mission of the FLTF Board is to ensure a sustainable future for Sanford, Wixom, Smallwood and Secord lakes (“The Four Lakes”) and the respective dams, for the benefit of property values around the lakes, local businesses, recreational lake users and the economic welfare of Midland and Gladwin Counties.

2019 Goals of the FLTF

In order to accomplish the mission, the goals of the FLTF include:

1. The Establishments of State Lake Levels for The Four Lakes through the implementation of Part 307 of the Natural Resource and Environmental Protection Act (“ Part 307”)
2. An agreement with Boyce Hydro, LLC to acquire the Sanford, Edenville, Smallwood and Secord dams; the bottomlands of each lake; and related real estate.
3. Develop agreements with Midland and Gladwin Counties to serve as the Delegated Authority under Part 307.
4. Develop and implement a plan to repair, maintain and operate the four dams and lakes.
5. Develop and implement a financing plan to support the FLTF goals.

Responsibilities of the FLTF for the Sanford, Edenville, Smallwood and Secord Dams

Responsibilities

1. Serve as the principle communications conduit with the Counties, State of Michigan agencies and the public. FLTF Board will also communicate with FERC until Four Lakes Operations Board is functional.
2. Create a detailed plan for addressing repairs or improvements required by the current condition of the dams.
 - Identify costs to be paid by FLTF vs. others
3. Develop a 5-year cost estimate and 20-year financial plan for dam maintenance and operations.
4. Determine the amount needed to be financed by the Special Assessment District (SAD).
5. Develop the rules and procedures for assessing properties within the SAD created by the Part 307 Lake Level Order.
6. In consultation with bond counsel and the Counties, arrange for sale of bonds to be repaid from SAD revenue.
7. Develop interim financing to cover FLTF costs until SAD bond proceeds are in-hand.
8. Acquire the lake level control assets on the four dams.
9. Advise on the Creation of and Contract with Four Lakes Operations Corporation (FLO) to acquire and manage the power generation assets on the four dams.

10. Create and manage a contract with FLO for control of lake water levels and the lease of “Water Potential Energy Value”.
11. In cooperation with FLO, apportion repairs, improvements and management of the dams to FLTF or FLO in accordance with the Cost Sharing Agreement (TBD).

The Board

The FLTF began as a primarily privately funded non-profit corporation. It will evolve into a publicly funded, non-profit corporation acting as Midland and Gladwin County's Delegated Authority for the dams and lakes.

Board Membership: The Board membership shall be no more than 9. Diversity of the Board is important in all aspects, but with a least one member from each Lake Association. The participating Lake Associations are Sanford Lake Preservation Association, Sanford Lake Association, Wixom Lake Association, Smallwood Lake Association and Secord Lake Association. The Board is initially populated with volunteers from each of the lake associations.

Lake association members of FLTF Board and nominees must remain members of their respective lake associations. Lake association members may serve up to two (2) 3-year terms with approval of their association. Smallwood Lake Association will have at least 1 Board member, while Secord, Wixom and Sanford Lake Associations will have 2 Board members each.

County members of FLTF Board will serve a 2-year term or until that County Board member's County role changes.

The Board will strive for diversity in all aspects, with special focus on expertise and balance of county representation to ensure proper oversight.

The Board member serving in the Chairman role is selected from current board members

The President role is currently combined with the Chairman role. In the future it is expected that the Board will separate these roles and potentially one other officer may be nominated and approved by the Board.

At the time this document was originally written, the Board had no nominated members.

Board member terms begin Jan 1 of the year following their approval as new Board members and expire December 31 in the year of expiration. New Board members will be nominated and approved by the Board by October 1 of the previous year.

If a Board member resigns or is replaced, a new member will be nominated by his/her respective lake association or County and then approved by the Board. That new member's term will be the remaining portion of the year they are approved plus the next 3 years.

Transition in 2019

Given the need for continuity, initial board members will be assigned 2 to 4 year terms to maintain experience through the implementation period and to stagger the terms.

Recommended First Terms for Initial Board Members

To be approved at next board meeting and effective January 1, 2020. Meaning that current board members can serve from 4 to 7 more years beyond 2019 without special exception.

- * Secord
- * Phil Dast 2020-2023
- * Carl Kerr 2020-2021
- * Smallwood
- * Mark Mudge 2020-2021
- * Wixom
- * Don Zakett 2020-2022
- * David Rothman 2020-2023
- * Sanford
- * Adam Beebe 2020-2021
- * Dave Kepler 2020-2022

A lake association may nominate an alternate Board member to as an ad-hoc participant in the absence of the standing Board member. The Board member must provide 48 hour notice to the chairperson or Secretary, that they will be unable to attend, for an alternate Board member to attend.

The FLTF Board composition will change when the County Boards approve the cost and the special assessment roll by resolution. At that time, Midland and Gladwin County can each nominate a board member, to be approved by the majority of existing board members, provided they are elected officials or County officers nominated by the respective County Boards of Commissioners. Elected officials will not serve on Committees and will recuse themselves from voting on matters involving FLTF contracts with the Counties.

Recommended Membership qualifications and expectations documentation will be developed by October 1, 2019

The Board has standing committees for Governance and Accounting. The Board may, at its discretion, create task forces to address critical issues and report back to the Board at a regular Board meeting. A task force will include no more than 2 Board members.

FLTF GOVERNANCE COMMITTEE:

The Chair of the FLTF Board will nominate, and the Board will approve, the chair and members of the Governance Committee, consisting of up to 3 Board members and the FLTF attorney will be present. At all times, the majority and quorum of the Committee shall consist of Board members. The Committee will not have a enough FLTF Board members to constitute a quorum of the FLTF Board.

- The Committee reports to the Board.
- The Board Chairman will appoint the Committee chair.
- The Committee shall schedule quarterly meetings for the current year, plus additional meetings as needed or directed by the Board. Minutes will be kept of all meetings, approved by the Committee and made available for distribution to the Board.

Members- Kepler, Beebe, Rothman (Chair), and Gambrell as Attorney

Committee Charter

The Governance Committee is responsible for developing and maintaining the overall governance model for the FLTF. This Committee will provide oversight during the transition of the Task Force from asset acquisition to asset operations to ensure the structure meets the changing responsibilities of FLTF.

Primary Responsibilities are to:

- 1) Review and recommend updates to the Board on:
 - Board by-laws.
 - Committees and their Charters
 - Charters, Policies and Procedures for the FLTF.
- 2) Oversight of compliance with by-laws and applicable Law
- 3) Nominate Members of other Committees
- 4) Risk Management, Insurance
- 5) Review and sign off on Performance Based Milestones in the FLTF-Boyce contract(s).
- 6) Oversight of FLTF-Boyce Purchase Contract implementation

The Committee may engage consultants or other advisors in an advisory role, as needed to accomplish the Committee's business, with review of FLTF legal counsel and approval of Board.

Last Revised and Approved :

FLTF ACCOUNTING COMMITTEE:

The FLTF Governance Committee will appoint an Accounting Committee, consisting of at least 2 members, including the FLTF Board (“Board”) Treasurer. At all times, the majority and quorum of the Committee shall consist of Board members. The Committee will not have enough FLTF Board members to constitute a quorum of the FLTF Board.

- The Committee reports to the Board.
- The Treasurer shall facilitate the Committee meetings.
- The Committee shall schedule standing monthly meetings for the current year, plus additional meetings as needed or directed by the Board. Regularly scheduled meetings may be canceled if unnecessary. Minutes will be kept of all meetings, be approved by the Committee and made available for distribution to the Board.

Members- Mudge (Chair) - Treasurer, one more Board member, McGovern, Stryker

The Accounting Committee will track the financial performance and results of the FLTF; advise the Board of pending payments and income; and plan for future spending.

Financial Policies- To be developed by Yeo & Yeo and another outside firm (TBD).

Committee Charter

The Committee:

- monitors FLTF financial records; reviews and oversees the creation of accurate, complete, timely, and meaningful financial statements to be presented to the Board;
- reviews the annual budget and recommends it to the full Board for approval;
- monitors budget implementation and financial procedures, and anticipates financial problems;
- monitors and ensures safeguarding of assets;
- monitors compliance with federal, state, and other financial reporting requirements;
- helps the Board understand FLTF finances.

The Committee shall work with the Chair of the Board and Treasurer in developing long-range financial and capital plans and shall perform such other duties as may from time to time be required by the Board.

The Committee will have oversight for all FLTF finances, including:

- procurement and payment authorization policy and process
- management of FLTF funds, including:
 - proceeds from the Special Assessment District (SAD) Bond.
 - any funds received via the Counties from the SAD.
 - the 2019 grant from State of Michigan.
 - any other funds received.
- financial reports
 - at regularly scheduled Board meetings.
 - for Midland and Gladwin County Boards of Commissioners.
 - for public information.
- maintain income and spending records for FLTF funds.

During the transition period from Boyce to FLTF ownership of the dams, lake bottoms and other real property, the Committee will quarterly:

- review past and pending payments to Boyce.
- manage the direction of appropriate FLTF funds to required payments to Boyce.

The Committee, through the FLTF Treasurer will maintain interactions with the Treasurers of Midland and Gladwin Counties. The interactions will involve:

- oversight of funds collected from the SAD in excess of amounts required for Bond payments.
- exchanging information on anticipated future revenues based on changes in property ownership and land division within the SAD.

The Committee may engage consultants or other advisors in an advisory role, as needed to accomplish the Committee's business, with review of FLTF legal counsel and approval of funds by Governance.

Last Revised and Approved :

The Four Lakes Operations Corporation

Four Lakes Operations (FLO) will have the operational role for the four dams, and financing of the Power Generating Assets acquisition, as the Four Lakes Task Force (FLTF) acquires real property currently owned by the Boyce Trusts. The FLTF will contract with the Four Lake Operations corporation (“FLO”). Primary Reasons for implementing FLO are:

1. FLTF, as a 501(c)(3) corporation is funded by a Special Assessment District. The funding of Power Assets purchases and Power operations cannot come from the Special Assessment District.
2. Either FLO or an Operator under contract with FLO will own the power generating assets at the dams. These funds must come from other public and private sources other than the Special Assessment District. The funds required in the next 4 years to acquire the Power Generating Assets are material
3. IRS rules may limit Revenue Sharing by FLTF for proceeds from a Power Purchase Agreement.
4. In all likelihood there will be one Operator long-term for both Lake Levels and Power Assets.
 - Boyce is expected to operate the FERC-licensed dams until 2024.
 - Options for Edenville will be determined by FLTF and FLO in the development of the contract between the two entities.

Relationships:

1. FLO will contract with FLTF for water level control operations at the FLTF-owned dams and lease the “Water Potential Energy Value” from FLTF to support hydroelectric power generation. This relationship will be reviewed at least every three years or more often if necessary.
2. FLO will work with any third party operating dams owned by FLTF, FLO and/or the Counties.
3. FLO will own:
 - the Contract with the Power Generating Equipment Owner/Operator.
 - the Power Purchase Contract with Consumers Energy.
 - FERC hydroelectric power Licenses.
 - dam power assets until turned over to the Counties or sold to a third-party Operator..

Roles and Responsibilities for the dams and lakes owned by FLTF and/or the Counties:

Roles: FLO will:

1. Manage lake water levels.
2. Own the FERC hydroelectric power licenses.
3. Own the power purchase contract with Consumers Energy.
4. Hire and manage employees and/or enter into contracts with third parties to accomplish the operation of lake level and power generating assets.
5. Develop and maintain a regular reporting relationship with FLTF.

Responsibilities: FLO will be responsible for..

1. Ensuring the water levels in lakes are managed in accordance with the Part 307 Lake Level Order.
2. Primary communications contact with FERC.
3. Ensuring compliance with FERC license requirements.

4. FERC license renewal or new license applications.
5. Ensuring compliance with State of Michigan dam safety standards, where required.
6. Managing the power purchase contract relationship with Consumers Energy.
7. Leasing "Water Potential Energy Value" from FLTF.
8. Ensuring compliance with any contracts with FLTF.
9. Monitoring and managing repair, improvement and maintenance work performed on the dams by third parties.
10. Generating revenue to service FLO debt and pay FLO costs.
11. Expenses for FERC compliance over and above State of Michigan Dam Safety requirements.
12. Managing FLO financial obligations for purchase, repair and maintenance of power assets.
13. Federal and State income taxes on FLO income from power generation operations and property taxes on power assets.
14. Accomplishing repairs and maintenance of the power and lake level assets. The costs of repairs and maintenance will be apportioned between FLO and FLTF in accordance with the Cost Sharing Agreement (TBD).
15. Generate a good cost estimate for bringing the Edenville into compliance with FERC requirements. If cost estimates are feasible, approach FERC for a temporary license until a permanent license is applied for and received post October 2028.

STAFF

FLO is expected to enter into a contract with a third-party operator to accomplish many of FLO roles and responsibilities. It is expected that through 2022, Gravity Renewal will be FLO's Consultant in this Matter. FLO may determine that it is necessary to directly employ part-time or full-time staff in roles such as Operations Manager, Administrative Assistant or Operator. FLO and FLTF will collaborate on meeting such needs and the costs involved.

FLO Board Membership

The FLO Board (Board) ultimate make up will be determined by at the time of contract signing with FLTF and the Counties.

- Current members are Joe Colaianne, Tamara McGovern, Monty Heins and David Kepler
- Pending IRS rulings, 1-3 Board Members in common between FLTF and FLO.
- The expectation is to include experts from the community knowledgeable in Manufacturing Operations, Power Generation and Energy Expertise and Government Affairs, Environmental Management, Finance and Engineering.

Board membership will be limited to no more than 7 members. The term in office will be 3 years. Terms will be staggered, with 1/3 of member terms ending on July 1 of any given year. Initial FLO Board appointments will have advisement from FLTF Board. Subsequent nominees will be admitted to the FLO Board when approved by a majority of existing FLO Board members. Compensation for Board members have not been determined at this time, but it is expected that most will be volunteers.

As positive operational Cash Flow is created by FLO back to FLTF via the Contract between the two parties. will first go to the following: Unplanned FLTF repairs, Debt Reduction, Reserve for future improvements and Repairs

Committies

FLO will have its own Audit and Governance Committees.

Appendix A. The Michigan Open Meetings Act

The FLTF will establish when and to what extent it becomes subject to the Open Meetings Act (OMA). AS we currently understand, the OMA does not apply to private, non-profit organizations, but it does apply to government “authorities”. FLTF is a private, non-profit corporation that will function as a “Delegated Authority” of Midland and Gladwin counties as a consequence of a Part 307 Lake Level Order. Unless determined otherwise by counsel, FLTF becomes subject to OMA at such time as the Circuit Court issues a Part 307 Lake Level Order.

Under the OMA, FLTF must:

- post the schedule of regular FLTF Board meetings, including dates, times and places.
- post dates, times and places for any re-scheduled or special meetings.
- post these meeting notices at the principal office of the public body.
- send copies of public notices by first class mail to anyone who requests it and agrees to pay the actual cost of such mailings.
- provide upon request, free of charge, a copy of public notices to any newspaper, TV and radio station in the state of Michigan.
- post approved minutes of Board meetings for public viewing.
- make all decisions at public meetings.

Private electronic communications between or among Board members during a public meeting are not permitted under the OMA.

There is a narrow set of circumstances where the Board may move into closed session, such as:

- Employee performance reviews, if requested by the employee.
- To discuss a pending legal matter.
- To discuss a business negotiation in progress.

Under the OMA, our records may be subject to release under FOIA, including the Purchase Agreement with Boyce.

Committees that are solely advisory to the Board may not be subject to OMA, as long as the committee meetings do not involve a quorum of the Board's members.

If a committee is empowered to make decisions that do not require full Board approval, then the public must receive proper notification of the meeting date, time and place where such decisions will be made. In such a situation, the committee's meetings and meeting minutes are subject to the OMA.

County and Four Lakes Structure



Four Lakes Task Force

Counties	"Four Lakes Task Force"	"Four Lakes Operations"	"Independent Operator"
<p>Gladwin Midland</p>	<ul style="list-style-type: none"> The Part 307 Delegated Authority for Gladwin and Midland counties in the management of the Four Lakes system A 501(c)(3) non-profit LLC 	<ul style="list-style-type: none"> Owns FERC Licenses and Consumer's Energy Power Agreement A Corporation, with Shares Originally owned by FLTF. 	<ul style="list-style-type: none"> Owns and Operate Power Assets and Lake Level Boyce is in this position in 2019 and will transition to a new operator Expected to be a private company(s)
<ul style="list-style-type: none"> By 2023 Owns Lake Level Real Assets and leases those assets to the Part 307 Delegate Authority 	<ul style="list-style-type: none"> Contracted with the counties as the Part 307 Delegated Authority May receive grants from public and private sources Leases "water power" to Four Lakes Operations 	<ul style="list-style-type: none"> Contracted by Four Lakes Task Force for operations via an independent operator Funded outside of the Special Assessment Districts. 2020-2024 accountable for financing Acquisition Power Assets 	<ul style="list-style-type: none"> Operating and lease agreement with Four Lakes Operations. The New Operator will likely Purchase the Power Assets and be Responsible for Repairs of Power Generating Equipment.

Tentative with County and FLTF in developing contract between the parties

5/26/19

Schedule 3(c)

Part 307 Facilities and Power Generation Facilities

Downstream	Part 307 Facilities	Power Generation Facilities
River Channel	X	
Banks	X	
Tailrace Slab	X	
Tailrace Retaining Walls	X	
Tailrace Divider Walls	X	
Retaining Wall Drainage System	X	
Spillway		
Concrete Structure	X	
Chambers inside Spillway	X	
Spillway Foundation	X	
Bridges	X	
Spillway Gates/Hoist/Auto spill controls	X	
Warning Signage/ System	X	
Lighting	X	
Powerhouse		
Structure	X	
Foundation	X	
Exterior Masonry	X	
Roofing	X	
Windows/Doors	X	
Lighting	X	
Flooring	X	
Office Space	X	
Drainage System	X	
Handrail Interior/Exterior	X	
Stairs and Platforms Interior/ Exterior	X	
Cranes/Hoist/Jibs including associated beams	X	
HVAC	X	
Security System	X	
Fire Protection	X	
Station Service (low voltage power/system)	X	

Part 307 Facilities and Power Generation Facilities

	Part 307 Facilities	Power Generation Facilities
Intake Gates or Stoplogs	x	
Trash Racks and Supports	For Lake level	For Power
Trash Rack Cleaning Devices / Divers		x
Wicket Gates		x
Turbine		x
Governors and Gate Positioners		x
Generator		x
Hydraulic System		x
Equipment Cooling Systems		x
Switchgear		x
Automation Controls	For Lake level	For Power
Operating Software	For Lake Level	For Power
Telecommunication / SCADA / security systems	For Lake Level	For Power
Interconnection & Transmission Lines		x
Draft Tube Bulkheads or Gates		x
Misc.		
Flood Studies	x	
Recreation and Environmental	x	
FERC License		x
Earthen Dikes	x	
Warning Signage	x	
Security Fencing	x	
Life Saving Equipment	x	
Spillway / Intake Buoy System	x	
Service Drives	x	
Public Access/Recreation / fishing platforms	x	
Buildings/Office Space	x	
Septic Fields	x	
Utilities (water/electric/gas)		x
Part 12D inspections	x	
Personnel to control lake level	x	
Part.315/307 inspections and reports	x	