

**Request for Bids
Possum Kingdom Lake Residential Property Sale**

FACT SHEET

LAND TO BE INCLUDED IN SALE

- Approximately 900 acres of residential leased property outside FERC buffer zone or 1,200 acres should FERC approve sale of the buffer
- Approximately 50 acres of commercial leased properties
- 49 miles of roads
- Numerous small strips of land adjacent to above tracts and roads, unnecessary for future BRA operations

***acreage amounts are approximate and subject to clarification by future survey*

LAND/OTHER INTEREST NOT BEING CONVEYED

- FERC project area, unless FERC approves the BRA request to sell FERC buffer strip, in which case this will be included in the sale
- Commercial leased property located wholly or partially within the FERC project area
- All undeveloped BRA land
- BRA Airport at PK
- Mineral rights
- Groundwater rights

REQUIREMENTS OF PURCHASER

Lessee Protections

Under the provision for Lessee Protections, the successful bidder must offer lessees the following options for a period of at least one year:

1. Remain on the current lease and receive protections previously adopted by BRA Board, including:
 - a. Ratification of existing lease
 - b. Eight (8) years of rental protection utilizing the current BRA lease rate methodology (or other lease rate provided for in lease)
 - c. Eight (8) years to purchase leasehold property for tax assessed value
 - d. Extension of any lease as necessary to allow the full eight-year (8) period of time to purchase.
2. Purchase leased property via cash or through lender financing for 90 percent of 2008 land-only assessed value (as determined by the county appraisal district).

3. Purchase leased property via seller financing for 100 percent of 2008 land-only assessed value (as determined by county appraisal district).
4. Sign a new 99-year lease with a rental rate of six percent of 2008 assessed land value with an annual Consumer Price Index (CPI) increase. The lease will also include the option to purchase the property at the tax assessed value (not less than the 2008 tax assessed value) without any exemptions as of the time of purchase.
5. For lessees that are over the age of 65, an option to sign a new 10-year lease with a rental rate of six percent of 2008 assessed land value with an annual CPI increase that ***defers all lease payments*** until the end of the 10-year term and includes an option to purchase at the tax assessed value without exemptions at the time of purchase (not less than the 2008 tax assessed value).

Road Maintenance

The successful bidder will be responsible for the cost of maintaining roads, ensuring Authority and lessees' access over and across such roads, and/or working with the appropriate governmental entities to plat and/or dedicate roads to the public.

Closing Costs

The successful bidder will be responsible for the payment of all closing costs.

Survey and Platting

The successful bidder will be responsible for the cost of an updated survey, as well as any platting obligations.

ITEMS ENCOURAGED OF BIDDERS BUT NOT REQUIRED (VALUE ADDED)

Incorporation/provision of services to residents

Bidders may set aside funding for municipal incorporation at the lake to create a local governing body or bodies for future management.

Development Plan

Bidders may include a development and/or management plan for the property, including intended uses and how those uses relate to the lake and existing uses.

Charitable Uses/Contributions

Bidders may include provisions in their bids for charitable gifting of some of the property and/or profits from the property.

BID TIMELINE

January 8, 2009	RFB issued
February 13, 2009	Written questions from potential bidders must be submitted
February 23, 2009	BRA to respond to written questions from potential bidders; amendments to RFB to be posted by BRA
April 8, 2009	Deadline for submission of bids
April 27, 2009	BRA Regular Quarterly Board Meeting*

** The BRA Board may review bids in open session at the quarterly meeting in April or at a specially called meeting in the future.*

EXPLANATION OF ADDENDA

- Exhibit A** **Board Resolution dated October 27, 2008** - Direction for the BRA staff to issue a request for bids for the purchase of residential and commercial (outside FERC only) leased property at Possum Kingdom Lake with protections for lessees including sale price, a 99-year lease option and provisions for those over the age of 65. The Resolution also specified that the bid would include road maintenance and easements as well as a provision to examine the option of the sale of the FERC buffer.
- Exhibit B** **Graphic Depiction of Property** - Maps of residential and commercial lease properties.
- Exhibit C** **Lease Forms** - Copies of typical residential and commercial lease forms applicable to lands included in the RFB.
- Exhibit D** **Lease Summary** - Detailed listing of each residential and commercial lease included in the RFB.
- Exhibit E** **FERC License and Amendment** - Copies of the 1989 Federal Emergency Regulatory Commission (FERC) license to generate hydroelectric power from the Morris Sheppard Dam at Possum Kingdom Lake and the 1980 order amending license.
- Exhibit F** **Shoreline Management Plan** - Copies of both the commercial and residential Shoreline Management Plan and Customer Guides issued May 2006.

Exhibit G Form for Non-Exclusive Access Easement Agreement -
Provides BRA with access easements including a right of access across existing and future roads and the property being sold to manage the FERC Project Area and FERC license requirements and conduct of BRA's operations.

The purpose for an easement independent of the Warranty Deed is to provide notice in one document that will continue to be attached to the title for each portion of the sale including any subsequent division of the land into separate parcels as deeds to lessees or other future purchasers.

The Access Easement also describes the obligation of the purchaser for road maintenance and access following the sale.

Exhibit H Form of Declaration of Restrictive Covenants and Conditions -
The Declaration of Restrictive Covenants and Conditions is a listing of agreements and limitations between the BRA and all future purchasers that outlines issues of land management of the lake and those residential and commercial leaseholds currently administered by the BRA.

The Declaration addresses issues that are normally included in any land transaction, such as utility easements, floodplains and mineral rights.

It also addresses matters currently administered by the BRA such as requirements of the FERC license and issues relating to the lakeside environment and the maintenance of the water quality within this water supply reservoir.

Finally the Declaration addresses issues to help protect current lessees from infringements that would normally be regulated by zoning laws such as the use of a residential property for commercial purposes or the construction of multi-family residences on residential sites.

The Declaration of Restrictive Covenants and Conditions will be filed after a successful bidder is accepted; but before closing of the property sale in order to attach restrictions to the sale that will legally follow the land title with any subsequent sale.

Exhibit I Board Resolution dated July 30, 2007, regarding Lease Rate Methodology - Outline of the current BRA residential lease rate methodology.

Exhibit J **Form for Special Warranty Deed** - Description of property to be sold along with exceptions to the sale, property sold “as is” without warranty as to condition or suitability for use. Also includes language for future interest in the FERC Buffer Zone should FERC not approve conveyance of FERC buffer before closing, but later releases such FERC buffer. The Special Warranty Deed also includes the mineral and groundwater rights reservations.

Exhibit K **Form for Assignment, Assumption and Ratification of Leases and Rents** - Transfers existing leases to the purchaser along with purchaser’s assumption of all rights and responsibilities included in the leases, to the extent such leases cover the conveyed property. The Assignment form also outlines lessee protections providing a timeline for implementation and a definition of the assessed value.

The Assignment form incorporates the purchaser’s obligations to enforce the terms of the leases and to enforce compliance with regulations and the FERC License.

Exhibit L **Form for Memorandum of Assignment, Assumption and Ratification of Leases and Rents** - The purpose of the Memorandum Form is to provide all subsequent purchasers of the property with legal notice that the Assignment contains obligations that run with the land, specifically the Lessee Protections. The Memorandum is necessary as a separate document from the Special Warranty Deed and the Access Easement because the Lessee Protections burden the land for a limited time (1 year or 8 years). Additionally, the Lessee Protections extend only to leased property and do not apply to the full transaction such as roads and undeveloped strips.

Exhibit M **Ranch Agreement** - Copy of 1997 agreement between the PK Ranch, Inc. and the Brazos River Authority.

Exhibit N **Ranch Declarations** - Declaration and restrictive covenants applicable to The Ranch.

Exhibit O **Form for Assignment and Assumption of Ranch Agreement** - Formal agreement of the BRA’s assignment and purchaser’s assumption of the BRA agreement with the Ranch, to the extent it relates to property being conveyed.

Exhibit P **Form for Easement and Right of Way for Measurement Station** Formal Agreement for the granting of an easement and right of way to access an essential survey measurement marker for the Morris

Sheppard Dam owned by BRA but which is located on land being conveyed.