



Brazos River Authority

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BRAZOS RIVER AUTHORITY JULY 30, 2007

Agenda Item 8 Possum Kingdom Residential Lease Rate Methodology

“BE IT RESOLVED that the Board of Directors of the Brazos River Authority hereby adopts the following Residential Lease Rate Methodology (herein so called) for Possum Kingdom residential leases:

For leases entered into, renewed, or subject to rental rate adjustments on or after January 1, 2008, but on or before December 31, 2009, the annual rate shall be the greater of (i) 1% of the current county appraisal district assessment (“Assessed Value”) or (ii) the most recent rental rate paid prior to the date such lease was renewed or the rate adjusted, if applicable; provided, however such annual rate shall not be less than \$667; and

For leases entered into, renewed, or subject to rental rate adjustments on or after January 1, 2010, but on or before December 31, 2012, the annual rate shall be 1% of the actual appraised land value (“Appraised Value”); provided, however such annual rate shall not be less than \$667; and

For leases entered into, renewed, or subject to rental rate adjustments on or after January 1, 2013, but on or before December 31, 2017, the annual rate shall be 2% of the Appraised Value; provided, however such annual rate shall not be less than \$833; and

For leases entered into, renewed, or subject to rental rate adjustments on or after January 1, 2018, but on or before December 31, 2022, the annual rate shall 3% of the Appraised

Value; provided, however such annual rate shall not be less than \$1,000; and

For leases entered into, renewed, or subject to rental rate adjustments on or after January 1, 2023, but on or before December 31, 2027, the annual rate shall be 4% of the Appraised Value; provided, however such annual rate shall not be less than \$1,000; and

For leases entered into, renewed, or subject to rental rate adjustments on or after January 1, 2028, but on or before December 31, 2032, the annual rate shall be 5% of the Appraised Value; provided, however such annual rate shall not be less than \$1,000; and

For leases entered into, renewed, or subject to rental rate adjustments on or after January 1, 2033, the annual rate shall be 6% of the Appraised Value; provided, however such annual rate shall not be less than \$1,000; and

For leases entered into or renewed which have an effective date occurring after January 1, the initial partial year ("Prorated Period") annual rent shall be at the rate in effect on the effective date, and the annual rent for the first full five year period following the Prorated Period shall be at the rate in effect at the beginning of the five year period; and

BE IT FURTHER RESOLVED that the Board of Directors of the Brazos River Authority hereby adopts the Residential Lease Rate Methodology for Consistent Rate Leases (hereinafter defined):

For purposes of this Resolution, the term "Consistent Rate Leases" shall mean existing Possum Kingdom residential leases that contain a ten (10) year extension period ("Extension Period") with no rental rate adjustments during such Extension Period; and

The annual rate for such Consistent Rate Leases shall be the greater of (i) the Assessed or Appraised Value, as applicable, multiplied by the average of the above referenced percentages for the two applicable five-year periods, or (ii) the most recent rental rate paid under the lease, but not less than the average of the minimum annual rental amounts for the same five-year periods;

BE IT FURTHER RESOLVED that the Board of Directors directs Staff to develop and propose a new appraisal determination procedure (herein called the "Appraisal Procedure"), which

Appraisal Procedure will set forth certain guidelines for the appraisal process, including outlining the rights of residential lessees to participate in the appraisal process; and

BE IT FURTHER RESOLVED that the Board of Directors directs Staff to contact those lessees which have executed the 50-year leases and offer them the option to either (a) continue with their executed 50-year lease and annual rental rates based on Assessed Value, or (b) execute a new lease on the new lease form with a 20 year term and 10 year extension and with the new Residential Lease Rate Methodology as adopted herein; and

BE IT FURTHER RESOLVED that the Board of Directors expressly removes any maximum rental rate previously adopted, if any, effective January 1, 2008.”

The aforementioned resolution was approved by the Board of Directors of the Brazos River Authority on **July 30, 2007**, to certify which witness my hand and seal.



Steve Pena
Presiding Officer

SUBSCRIBED AND SWORN TO BEFORE ME on this the 30th day of July, 2007, to certify which witness my hand and official seal.



Notary Public in and for the
State of Texas