



Brazos River Authority

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BRAZOS RIVER AUTHORITY OCTOBER 29, 2007

Agenda Item 09 Possum Kingdom Residential Ground Lease Term and Form

“WHEREAS, the Board of Directors of the Brazos River Authority adopted a new residential lease rate methodology and new term for Possum Kingdom Residential Ground Leases, and adopted corresponding changes to the Residential Ground Lease form at its July 30, 2007 board meeting; and

WHEREAS, the Board of Directors of the Brazos River Authority requested additional changes and clarifications to the Residential Ground Lease form at its July 30, 2007 board meeting, such changes to be presented at the following board meeting.

BE IT RESOLVED that the Board of Directors of the Brazos River Authority hereby modifies the Residential Ground Lease form as follows:

Article I: Modify Section 1.2 to read as follows:

‘1.2 Extension. At the expiration of the Term, which will be December 31, ____, Lessor agrees to extend this Lease for an additional period of ten (10) years (**“Extension”**); however, Lessee shall have no right to such Extension if an Event of Default (as defined in Article XII herein) exists at the expiration of the Term, or with the passage of time would exist, which Event of Default has not been waived in writing by Lessor. Should Lessee desire an Extension, Lessee shall so notify Lessor in writing at least ninety (90) days prior to the expiration date, and upon receipt of such notice, Lessor shall furnish Lessee with written notice of its approval or disapproval of the request and notify Lessee of the amount of the Annual Rent, which shall be established by Lessor in

accordance with Section 2.1 herein. Lessee shall have no right to renew or extend this Lease other than the one-time Extension provided for in this section.'

Article IX: Add the following sentence to the end of Section 9.1 Lessee Assignment:

'Upon assignment of this Lease, Lessee shall provide Lessor with copies of any surveys of the Leased Premises prepared in connection with such assignment.'

Article XVIII: Add the following Section, and renumber remaining sections as necessary:

'**18.7 Merger.** In the event Lessor authorizes Lessee to purchase Lessor's interest in the Leased Premises ("Lessor's Interest"), and Lessee does in fact purchase such interest, then upon completion of such purchase and sale, Lessee's interest in this Lease, the Leased Premises and/or leasehold estate shall merge into Lessor's Interest purchased by Lessee, and this Lease shall be extinguished and the parties hereto shall have no further rights or obligations hereunder, except those rights and obligations which expressly survive termination of the Lease.'"

The aforementioned resolution was approved by the Board of Directors of the Brazos River Authority on **October 29, 2007**, to certify which witness my hand and seal.



Steve Pena
Presiding Officer

SUBSCRIBED AND SWORN TO BEFORE ME on this the 29th day of October, 2007, to certify which witness my hand and official seal.



Notary Public in and for the
State of Texas