



Brazos River Authority

March 13, 2015

**Addendum No. 2
Request for Bids
Sale of Property at Possum Kingdom Lake
RFB No. 15-05-864**

It is the responsibility of the Bidder to assure and guarantee by acknowledging the receipt of this Addendum in the Bid that the Bidder has received the Addendum in its entirety, and that the Bidder accepts all conditions contained herein.

Listed below are questions received as of COB, Friday, March 13, 2015:

- Q1. What was the offer made by Patterson PK2 Lake Partnership, LTD and reason it was rejected?
- A. The amount submitted by Patterson PK2 Lake Partnership is \$6,500,000. Attached is the Board Resolution rejecting the offer.**
- Q2. Many of the Rate Change Dates listed in Exhibit D are in the past. Can you help me understand why?
- A. The Rate Change Date Column is utilized by BRA Billing staff to determine if a rate is due for adjustment. The actual leases should be referenced to determine if and when a rental rate adjustment is appropriate. The "Commercial Rate Change Date" column on Exhibit "D" is only a reference as commercial rates have been maintained at 2011 rates. Refer to the actual lease to determine if and when the next rate change would be appropriate. The "Residential Rate Change Column" reflects for the BRA billing department when a rate change is appropriate, some of these dates were in the past and should be updated, however the actual lease rate is correct for 2015. Lease documents should be referenced to determine if and when a rate adjustment is appropriate.**
- Q3. For leases with Rate Change Dates in the past, did rates adjust on these dates and do the 2015 rental rate reflect this adjustment?
- A. Rates were adjusted on these dates, unless it is a commercial lease with an adjustment date after 2011, in which case the rates were maintained at their 2011 rates. The 2015 rental rates do reflect all applicable adjustments.**
- Q4. Most commercial leases mention BRA's ability to adjust rents to "accord with the commercial lease rate methodology." Exhibit J provides a detailed Residential Lease Rate Methodology, but only the Board's resolution on 4/18/11 that seems to maintain commercial rates at 2011 levels until FERC action. Is this policy still in effect?
- A. See answer below.**
- Q5. If not, when did a new commercial lease rate methodology go into effect and what is the current commercial lease rate methodology?
- A. No commercial lease rate methodology has been adopted since the 4/18/2011 resolution. At this time, the lease rate methodology for a commercial lessee is established by the terms contained in the lessee's commercial lease agreement.**

Q6. The YMCA lease is listed as commercial (“COML”) in Exhibit D, but is titled a “Cottage Site Lease Agreement” and within the lease itself it states that BRA has the ability to “bring the annual lease rental payment in accordance with the BRA Cottage site lease rental rates.” No “Cottage” lease rental rates have been provided, are there any, or does this lease mean to look to the residential lease rate or commercial lease rate methodology to serve as a mechanism to adjust rental rates?

A. **BRA has included and adjusted the rental rate as a commercial lease because of the uses to which the property has historically been utilized; however, the adjustment mechanism would be the Residential Lease Rate Methodology because of the lease form that was issued in 1990.**

NOTE: All comments, inquiries, including clarifying questions, related to this RFB shall **only** be directed to the Administrative Services Manager via e-mail to ldiaz@brazos.org

Thank you for your participation.

Sincerely,



Jose G. (Lupe) Diaz
Administrative Services Manager