

FRANKLIN COUNTY WATER DISTRICT

POLICY ON RE-LEASING OF LOTS AND ADDING ADDITIONAL LAND TO LOTS

(Adopted June 20, 2017)

(Amended January 16, 2018)

ARTICLE I. PURPOSE

This Lot Leasing Policy (the “Policy”) sets out the rules and procedures by which the Franklin County Water District (the “District” or “FCWD”) will provide for the leasing of new or existing District property. The Policy is in addition to all other District policies, including the Rules and Regulations of the District, as all such policies may be amended from time to time.

ARTICLE II. RE-LEASE OF LOTS

Section 2.01 Pursuant to the Lease Agreement, lots may be re-acquired by the District following termination of the Lease Agreement, including for nonpayment of fees.

Section 2.02 The General Manager will provide a list of all un-leased lots to the Board of Directors to approve making the lots available for re-lease by the General Manager.

Section 2.03 The General Manager shall determine a one-time bonus payment for any re-leased lot. Such bonus payment will be determined based on the value of the lot as referenced in the Franklin County Appraisal District records. If determined by the General Manager to be necessary, or upon request by a potential lessee, the General Manager may solicit an independent appraisal, as conducted by an appraiser licensed in the State of Texas, to determine the value of any lot for re-lease. Any fees for such appraisal, whether or not the appraisal is utilized by the General Manager in determining the value of the lot, will be included in the required fees to be paid upon re-lease of a lot as referenced in Section 2.04.

Section 2.04 A condition of the re-lease of the lot shall include a one-time payment of any back fees, advance lease, a re-leasing fee, taxes owed on the property, any applicable recording fees for all necessary documentation required by FCWD, and any other fees determined by FCWD staff to apply to re-leasing of a lot.

Section 2.05 The District will include a list of available lots on the District’s website.

ARTICLE III. ADDING AREA TO LEASED PROPERTY

Section 3.01 The General Manager may authorize the addition of land (the “Additional Land”) to Leased Property for waterfront areas that have silted in or for other reasons determined to be permissible by the General Manager. The Lease Agreement must be amended to include the description of the Additional Land, and such description will be according to the survey requirements of this Policy.

Section 3.02 To increase the platted area of Leased Property, a Lessee must provide to the District a survey of the Additional Land, as conducted by a surveyor licensed in the State of Texas, and must also provide to the District an appraisal of the Additional Land, as conducted by a licensed appraiser in the State of Texas.

Section 3.03 Lessee shall provide the survey and the appraisal of the Additional Land to the FCWD General Manager for review.

Section 3.04 If the General Manager disagrees with the survey and/or appraisal provided by Lessee, the General Manager may obtain an independent third-party survey and/or appraisal at the cost of the District, and such survey and/or appraisal shall be used in place of the survey and/or appraisal provided by the Lessee.

Section 3.05 The General Manager will approve or deny the request to add Additional Land to the Leased Property, and if approved, shall provide Lessee with the amount of the annual lease payment and amount of a one-time bonus payment that may be required by FCWD based on the appraisal of the Additional Land as required by this Policy.

Section 3.06 Upon approval by the General Manager, Lessee shall follow the District's Re-Platting Policy to re-plat the entire Leased Property, including the Additional Land.

Section 3.07 The FCWD General Manager may approve or deny requests to add area, including Additional Land, to Leased Property at the General Manager's sole discretion.