

Exhibit "A"

CITY OF SAN ANGELO



REAL ESTATE POLICY and PROCEDURES LAKE NASWORTHY and CONCHO RIVER

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REAL ESTATE POLICY AND PROCEDURES

SALE AND/OR LEASE OF RESIDENTIAL, COMMERCIAL AND ORGANIZATIONAL LOTS ON OR NEAR LAKE NASWORTHY AND LEASE OF CITY-OWNED LAND ON OR NEAR THE CONCHO RIVER

Adopted by the San Angelo City Council on _____

1. APPLICABILITY OF RULES AND REGULATIONS

The following rules and regulations shall govern the use of city-owned property(s) located in the Lake Nasworthy subdivision and adjacent thereto where specifically provided. These rules shall also be applicable to the use of other city-owned lands adjacent to or near the Concho River unless a numbered section or letter subsection is designated as being applicable to only Lake Nasworthy.

2. DEFINITIONS

- 2.1 Annual rent. Rent paid annually to the city by lessees for use of real property at Lake Nasworthy or the South Concho River, also known as annual lease fees.
- 2.2 Granting fees. Fees paid to the city, as grantor or lessor, by grantee(s) or lessee(s) each time a new lease with a new term is executed.
- 2.3 Premises. The lands and waters referred to under Section 1 (applicability of rules and regulations)
- 2.4 Transfer fees. Fees paid to the city each time a lease is transferred from a lessee to another individual or entity.
- 2.5 Late fees. Fees paid to the city if the annual lease fee is not paid in full on or before the due date specified in the lease.

3. LOT LEASES

- 3.1. The City Manager or his designee has authority to enter into new Lake Nasworthy residential leases for a term not to exceed ten (10) years.
- 3.2. Classifications and restrictions of leases:
 - 3.2.1. Residential
 - 3.2.1.1. Residential leases are limited to single-family usage
 - 3.2.1.2. Residential lots shall be leased to no more than four individuals. It shall not be a violation of this article to lease such lots to legal entities or other persons if required by operation of law.

3.2.1.3. Maximum length of lease is ten (10) years.

3.2.2. Organizational.

3.2.2.1. Formally organized nonprofit groups with their primary objective of serving the citizens of the city and its immediate area.

3.2.2.2. Maximum length of a lease is ten (10) years.

3.2.3. Commercial.

3.2.3.1. Businesses which shall primarily serve the recreational and family living needs of the area.

3.2.3.2. Commercial leasing for the purpose of manufacturing for any light to heavy industry shall not be permitted.

3.2.3.3. Maximum length of lease is twenty (20) years plus one five (5) year option.

3.2.3.4. Authorization by City Council is required for any additional years above the maximum length. Extensions may not exceed forty years including extensions.¹

3.2.4. Agricultural and/or grazing.

3.2.4.1. Leases are restricted to areas not fronting on water and are to be used expressly for the grazing of livestock or the production of crops.

3.2.4.2. Maximum length of lease is five (5) years.

3.2.4.3. Authorization is required for all construction, including roads, fences, removal of trees except for mesquites less than five inches (5") in diameter, and the alteration of any ground surfaces that will change existing drainage patterns.

3.2.5. Recreational/other.

3.2.5.1. Leases not covered above which may or may not front on the lake and/or rivers.

3.2.5.2. No permanent structures will be allowed on these leases.

3.2.5.3. Authorization is required for portable structures or the alteration of any ground surface.

3.2.5.4. Maximum length of lease is five (5) years.

4. SALE OF LEASED LOTS AT LAKE NASWORTHY TO LEASEHOLDERS

4.1. Authority.

4.1.1. As provided by the Texas Local Government Code section 272.001(h), as amended, the city is authorized to sell leased lake property, without notice or the solicitation

¹ Adopted by City Council on March 5, 2024

of bids, to the person leasing such lake property for the fair market value of the land as determined by a certified appraiser.

- 4.1.2. The City Manager or his designee has authority to execute and sign all documents necessary to sell the surface estate only in a Lake Nasworthy residential lot to the current residential lot lease holder for the appraised value.
- 4.2. Residential lot leaseholders. A Lake Nasworthy residential lot leaseholder who desires to buy his or her lot from the city may do so under the following conditions:
 - 4.2.1. If the leaseholder's lease, on the effective date of this section, will expire after December 31, 2019, and there are more than fifteen (15) years remaining on the lease term when the lessee notifies the city of his/her desire to purchase the leased lot, the lessee shall surrender the lease and execute a new fifteen (15) year lease, which shall provide that if the lessee, during the sale process, elects not to proceed with the sale, the lease will terminate on the date the surrendered lease would have terminated.
- 4.3. Commercial lot leaseholders. A commercial leaseholder, excluding any leaseholder of Spring Creek Marina, who desires to buy his or her lot from the city shall advise the city council through the City of San Angelo Real Estate Division, and the city council shall consider whether it desires to sell such lot and, if so, under what conditions.
- 4.4. Organizational lot leaseholders. Any Lake Nasworthy organizational lot leaseholder desiring to buy its lot from the city, shall advise the city council through the City of San Angelo Real Estate Division, and the city council shall consider whether it desires to sell such lot and, if so, under what conditions, excluding any leaseholder of the following lots: (i) approximately 20.24 acres (currently leased to the Boy Scouts of America), (ii) approximately 0.709 acres (currently leased to the Concho Bass Club), (iii) approximately 81.99 acres (currently leased to the Concho Valley Archery Association), and (iv) approximately 15.35 acres (currently leased to the United States government as the Goodfellow Rest Camp),
- 4.5. Other leaseholders. Any other leaseholder who desires to buy his or her lot from the city shall advise the city council through the City of San Angelo Real Estate Division, and the city council shall consider whether it desires to sell such individual lot and, if so, under what conditions.
- 4.6. Sale price. The sale price of any lot shall be the fair market value of the city's interest in the lot as determined by an MAI certified appraiser, who shall be hired and paid by the city.
- 4.7. Additional appraisals. The city manager shall determine whether additional appraisals shall be performed.

5. LAKE NASWORTHY AND CONCHO RIVER LEASE FEES

The fees to be paid relating to Lake Nasworthy and Concho River leases shall be as follows:

- 5.1. *Annual rent.* The following are calculations used to establish annual rental fee for Lake Nasworthy residential lots when the annual rental fee is based on market value:
 - 5.1.1. Rent escalation based on appraised market value.
 - 5.1.1.1. Commencing January 1, 2017 and ending December 31, 2019, annual rent shall be calculated based upon the appraised market value of the land multiplied by a factor of 0.015 (1.5%).
 - 5.1.1.2. Commencing January 1, 2020 and ending December 31, 2020, annual rent shall be calculated based upon the appraised market value of the land multiplied by a factor of 0.02 (2%).
 - 5.1.1.3. Commencing January 1, 2021 and ending December 31, 2022, annual rent shall be calculated based upon the appraised market value of the land multiplied by a factor of 0.04 (4%).
 - 5.1.1.4. Commencing January 1, 2023 and thereafter, annual rent shall be calculated based upon the appraised market value of the land multiplied by a factor of 0.06 (6%)
 - 5.1.2. Appraisals to determine market value.
 - 5.1.2.1. City-owned lots at Lake Nasworthy shall be appraised at intervals of not less than ten (10) years to determine the market value of the land.
 - 5.1.2.2. Upon completion of each appraisal of the land, the annual rent will be adjusted utilizing the newly determined market value and the multiplication factor detailed in Section 5.1.1. above.
 - 5.1.2.3. At no time shall annual rent based on appraised market value be less than seven hundred dollars (\$700.00) per year.
- 5.2. *Recreational, grazing or agricultural.* The following is the established annual rental fee for recreational, grazing or agricultural leases at Lake Nasworthy and along the South Concho River:
 - 5.2.1. Fourteen dollars (\$14.00) per acre for the land.
 - 5.2.2. Two hundred fifty dollars (\$250.00) recreational charge regardless of acres.
 - 5.2.3. Fifty-cents (\$0.50) per linear foot on the water.
 - 5.2.4. Seventy-five dollars (\$75.00) per family unit involved in an adjacent subdivision
- 5.3. Transfer fees.
 - 5.3.1. Transfer fee for transfer of residential leases shall be two hundred fifty dollars (\$250.00).
 - 5.3.2. Transfer fee for transfers of commercial leases shall be one thousand dollars (\$1,000.00).
 - 5.3.3. Transfer fee for organizational leases shall be one hundred thirteen dollars (\$113.00) and subject to approval of the city council.
 - 5.3.4. Transfer fee for recreational, grazing or agricultural leases shall be one hundred thirteen dollars (\$113.00).
- 5.4. Granting fees.
 - 5.4.1. Granting fee for a residential lease shall be five hundred seventy-seven dollars (\$577.00).

- 5.4.2. Granting fee for a commercial lease shall be eight hundred seventy-seven dollars (\$877.00).
- 5.4.3. Granting fee for organizational, recreational, grazing or agricultural lease shall be two hundred seventy-six dollars (\$276.00).
- 5.5. Late fees. Any Lake Nasworthy or Concho River annual lease fee not paid in full on or before the due date specified in the lease, in addition to any other penalty or remedy available under the lease, will accrue a late fee of forty dollars (\$40.00) per month for each month or part of month that the annual lease fee remains unpaid and shall be collected from the person or entity owing the sum.

6. MISCELLANEOUS PROVISIONS

- 6.1. For those residential leases entered into which provide annual lease fee based on market value will be calculated at 1.5% or a multiplication factor of 0.15, the current tenant shall be allowed to benefit from the below market annual lease fee. Amendments to the residential lease shall provide upon assignment or transfer of the residential lease, the annual lease fee will be adjusted and calculated based on Section 5.1 provided herein.
- 6.2. No structure shall be erected within 75 feet measured horizontally of the edge of the water at elevation 1,872.2 feet. Deviations from this rule must be approved by City Council.
- 6.3. Future amendments to the sales process or terms of sale shall not apply to those sales which have been completed prior to such amendments.