

JOHNSON LAKE AND PLUM CREEK RESERVOIR RESIDENTIAL LEASE TRANSFER, RENEWAL AND RENTAL SCHEDULE POLICIES

I. TRANSFER POLICY

Background

Central's standard form residential leases at Johnson Lake and Plum Creek Reservoir provide the tenant may assign, sell, sublease or otherwise transfer the leasehold interest with Central's written consent. The purpose of this policy is to set forth Central's residential lease transfer policies.

Policy

1. Lease Transfer Fee. Beginning March 1, 2018, Central shall charge a lease transfer fee of \$300.00 per transfer of a residential lease at Johnson Lake or Plum Creek Reservoir.

2. Lease Transfers. New lease agreements shall be signed by Central upon receipt of a properly executed conveyance document for the leased premises from the prior tenant to the new tenant. The standard form lease agreement signed by Central shall be determined as follows:

a. Fixed Term Lease Agreement. A Fixed Term Lease Agreement shall mean a lease agreement that is for a fixed term of 30 years pursuant to paragraph 3 of the lease agreement. New tenants shall be given the option to either enter into a new Fixed Term Lease Agreement for the remaining term and rental schedule of the prior tenant's Fixed Term Lease Agreement or enter into a new Fixed Term Lease Agreement for a new 30 year term with an updated 30 year rental schedule.

b. Continuing Term Lease Agreement. Continuing Term Lease Agreement shall mean a lease agreement in which the term initially started on March 1, 1995 and continues until either party provides the other party 30 years advance written notice of termination pursuant to paragraph 3 of the lease agreement. New tenants shall be given the option to either enter into a new Fixed Term Lease Agreement with an updated 30 year rental schedule or a new Continuing Term Lease Agreement without the hardship clause.

3. Credit Reports. Central will obtain a consumer credit report on new prospective tenants wishing to acquire a leasehold interest at Johnson Lake or Plum Creek Reservoir. The Central District requires a minimum credit report score of 600 for any new tenant at Johnson Lake or Plum Creek Reservoir. If the credit score is greater than 700, no additional conditions are required. If the prospective new tenant's credit score is between 600 and 700, Central may enter into a lease agreement with the prospective new tenant under the following conditions:

a. All liens, taxes and assessments against the Leased Premises are paid in full, specifically including the SID general and special assessments and all real estate taxes.

b. The standard form lease will be modified to add a security deposit requirement in the amount of \$1,500.

If at a later date, the tenant requests the District to obtain an updated credit report, and the score is above 700, the security deposit or balance thereof would be refunded and the security deposit requirement eliminated from the tenant's lease. The tenant may request the District to obtain a new credit report once every 12 months. The cost of subsequent credit reports shall be paid by the tenant.

II. RENEWAL POLICY

Background

In 2017, Central began offering to residential tenants at Johnson Lake and Plum Creek Reservoir a 30 year fixed term lease agreement, hereinafter Fixed Term Lease Agreement. The purpose of this policy is to set forth Central's policy in respect to Tenant renewal of the Fixed Term Lease Agreement for purposes of refinancing, etc.

Policy

1. Lease Renewal Fee. Central shall charge a lease term renewal fee of \$300.00 per renewal of a Fixed Term Lease Agreement.
2. Lease Renewal Request. A tenant may request a lease term renewal by written notice to Central with a payment of the lease renewal fee. Upon receipt, Central shall prepare for signature by Central and the tenant a new 30 year Fixed Term Lease Agreement with an updated 30 year rental schedule.
3. Credit Reports. Lease Renewal Requests are not subject to credit reporting. However, security deposit requirements from the initial lease agreement shall be continued in the renewed lease agreement unless tenant requests the District to obtain an updated credit report, and the score is above 700, in which event the security deposit or balance thereof would be refunded and the security deposit requirement eliminated from the tenant's renewed lease. The cost of credit reports shall be paid by the tenant.

III. RENTAL SCHEDULE POLICY

Background

Upon transfer or renewal of the Fixed Term Lease Agreement, tenant may request a new 30 year term with an updated 30 year rental schedule. Central shall update the Fixed Term rental schedules for Johnson Lake and Plum Creek Reservoir (hereinafter "Rental Schedules") in accordance with the following policy.

Policy

1. Annual Updates. The Rental Schedules will be updated annually with a 3.0% annual escalator.
2. Rental Schedules Revisions. Rental Schedules and the 3.0% annual escalator will be reviewed beginning in 2023 and at appropriate intervals not to exceed every three years thereafter. Any change to the Rental Schedules will be effective no sooner than one year from board approval of the change.
3. JLDI Notice. The President of Johnson Lake Development Inc. will be notified in writing a minimum of sixty days prior to any board meeting at which changes to the Rental Schedules are proposed for approval.

Adopted: