



**Wharton County
Junior College**

Proposed Agenda Item

Board of Trustees Meeting

Complete this form and submit it to the Office of the President by noon on Friday, 11 days prior to the Tuesday evening meeting of the Board of Trustees. If this form does not provide enough space, you may use an expanded version *as long as you follow the format specified below.*

Date of Board Meeting: 06/19/18

Date of this Proposal: 06/04/18

SUBJECT: Fifth Amendment to UHS/WCJC Lease - Sugar Land

RECOMMENDATION: Recommend approval of the fifth amendment to lease agreement with the University of Houston System.

BACKGROUND/RATIONALE: This amendment addresses section 7 of the original lease agreement approved by the WCJC board of trustees on May 20, 2008. Every three years UHS and WCJC re-evaluate the cost for maintenance, operations, and services to determine an appropriate rate for the next three years (5/1/18 – 4/30/21). The agreed upon rate would be \$17.06/square foot for the period 5/1/18 – 4/30/19, \$18.06/square foot for the period 5/1/19 – 4/30/20, and \$19.06/square foot for the period 5/1/20 – 4/30/21. WCJC is assigned 72,483 square feet in the lease.

Estimated Cost and Budgetary Support (how will this be paid?): An additional \$72,483.00 each year for the three year period. Unrestricted budget

RESOURCE PERSON(S) [name(s) and title(s)]:
Betty A. McCrohan, President
Bryce D. Kocian, Vice President of Administrative Services

SIGNATURES:

Bryce D. Kocian
Originator

6/6/18
Date

Bryce D. Kocian
Cabinet-Level Supervisor

6/6/18
Date

PRESIDENT'S APPROVAL:

Betty A. McCrohan

6-6-18

**FIFTH AMENDMENT TO LEASE AGREEMENT
BETWEEN THE UNIVERSITY OF HOUSTON SYSTEM
AND WHARTON COUNTY JUNIOR COLLEGE**

This Fifth Amendment (the "Fifth Amendment") to the Lease Agreement is entered into between the University of Houston System ("Lessor") and Wharton County Junior College ("Lessee") (collectively, the "Parties"). This amendment incorporates by reference the attached Lease Agreement, fully executed as of July 8, 2008 (the "Lease Agreement"), as previously amended on November 2008, on May 25, 2011, on June 16, 2012 and on June 14, 2016.

Recitals

WHEREAS, the Parties entered into the Lease Agreement pursuant to which Lessor would lease approximately two-thirds of the total square footage of the academic facility being constructed ("the Building") at the University of Houston Sugar Land campus located at U.S. Highway 59 and University Boulevard ("UHSL");

WHEREAS, the First Amendment to the Lease Agreement, amongst other things, extended the commencement date from January 1, 2009 to May 1, 2009 and modified the leased square footage, initial rent, and deferred maintenance charges;

WHEREAS, the Second Amendment to the Lease Agreement incorporated Lessee's obligations to pay for the costs of the construction and operations associated with the Fort Bend County University Branch Library collaboration;

WHEREAS, the Third Amendment of the Lease Agreement modified the Lessee's rental rate for May 1, 2012 through April 30, 2015 to \$15.01 (rounded) per net square foot per year, based upon approximately 72,483 net usable square feet, excluding utilities;

WHEREAS, the Fourth Amendment of the Lease Agreement modified the Lessee's rental rate for May 1, 2015 through April 30, 2018 to \$16.06 (rounded) per net square foot per year, based upon approximately 72, 483 net usable square feet, excluding utilities; and

WHEREAS, Lessor and Lessee desire to amend the Lease Agreement as set forth below to modify Lessee's rental rate for May 1, 2018 through April 30, 2021, and to include additional required provisions.

Amendment

NOW THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby expressly agree as follows:

1. In accordance with Paragraph 7.1 of the Lease Agreement, the rent terms contained in Paragraph 7 of the Lease Agreement are hereby amended as follows:

Rent. The Parties agree upon the following annual base rent rates per net square foot for the periods set forth below, based upon approximately 72,483 net usable square feet, excluding utilities:

- Effective May 1, 2018 through April 30, 2019, \$17.06 per square feet for a total of \$1,236,559.98 per year, or \$103,046.67 per month;
- Effective May 1, 2019 through April 30, 2020, \$18.06 per square feet for a total of \$1,309,042.98 per year, or \$109,086.92 per month;
- Effective May 1, 2020 through April 30, 2021, \$19.06 per square feet for a total of \$1,381,525.98 per year, or \$115,127.17 per month;

The base rate will be calculated in accordance with the above schedule. Lessee remains responsible for any other amounts owed to Lessor as Additional Rent or otherwise as set forth in the Lease Agreement or its Amendments.

2. Parties agree the following provisions herein shall be made part of the Lease Agreement:

- a. **Parking.** Prior to January 2019, Lessee and Lessor shall implement a parking plan, including issuing permits to Lessee's faculty, staff, and students, via a separate Inter-local Cooperation Agreement in accordance with Section 13 of the Lease Agreement.
- b. **Clery Act.** The Jeanne Clery Act 20 U.S.C. § 1092(f), as amended (the "Clery Act") requires institutions of higher education to, in part, publish specific crime statistics on an annual basis and this section is intended to provide assistance with regard to any matters related to the Clery Act that occur while Lessee is using the Leased Premises pursuant to this Lease. Each Party shall disclose to the other Party the occurrence of crimes that must be reported under the Clery Act, should they occur either in the Leased Premises or in public areas an individual would normally pass through to access the Leased Premises during the time in which Lessee is utilizing the Leased Premises. All crimes disclosed should comply with federal and Texas state privacy laws and should only include the minimal information required under the Clery Act. Each Party agrees to supply such crime information to the other Party within three business days of the crime being reported to the reporting party. Should evidence arise that demonstrates that the crime was motivated by the offender's bias and the bias was motivated by race, religion, ethnicity, gender, sexual orientation, or disability, the reporting party shall notify the other party of such, as more fully set forth on the Clery Act Addendum attached hereto.

3. This Fifth Amendment to the Lease Agreement is effective as of May 1, 2018 and shall terminate when the Lease Agreement terminates.

4. To the extent the terms, provisions, covenants, or conditions in this lease amendment are inconsistent with those in the Lease Agreement as previously amended, the terms, provisions, covenants, or conditions in this Fifth Amendment shall control and be binding on the Parties as of the Effective Date of this Fifth Amendment. All other provisions of the Lease Agreement and First, Second, Third and Fourth Amendments shall continue in full force and effect.

5. This Fifth Amendment can only be amended or modified upon written agreement executed by authorized representatives of the Parties.

6. This Fifth Amendment may be executed in multiple counterparts.

IN WITNESS WHEREOF, the parties have executed this Fifth Amendment to the Lease Agreement to be effective as of May 1, 2018.

WHARTON COUNTY
JUNIOR COLLEGE

UNIVERSITY OF HOUSTON SYSTEM

Name: _____
Title: Board President, WCJC

Name: Renu Khator
Title: Chancellor

Date: _____

Date: _____