



*Complete and submit this form, along with any supplemental documentation, to the Office of the President by 5:00pm on the seventh day prior to the Board meeting.*

**Date of Board Meeting:** June 21, 2022

**Subject:** Sixth Amendment to UHS/WCJC Lease – Sugar Land

**Recommendation:** Recommend approval of the sixth amendment to lease agreement with the University of Houston System

**Background and 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. In this amendment, it would address the lease rate through the remainder of the lease term and increase the lease per square foot by approximately 2% to 4% per year. The agreed upon rate would be \$19.44/square foot for the period 5/1/2022 – 4/30/2023, \$19.83/square foot for the period 5/1/2023 – 4/30/2024, \$20.42/square foot for the period 5/1/2024 – 4/30/2025, \$21.04/square foot for the period 5/1/2025 – 4/30/2026, \$21.88/square foot for the period 5/1/2026 – 4/30/2027, \$22.75/square foot for the period 5/1/2027 – 4/30/2028, and \$23.66/square foot for the period 5/1/2028 – 4/30/2029. WCJC is assigned 72,483 square feet in the lease.

**Cost and Budgetary Support:** \$27,544 additional costs for FY23. This amount will be included in the FY23 budget.

**Strategic Priority Alignment:**

☐ Student Success

☐ Community Impact

☒ Resource Optimization

☐ Institutional Excellence

**Resource Person(s):**

Betty A. McCrohan, President

Bryce D. Kocian, Vice President of Administrative Services

**Signatures:**

B. D. Kocian

Originator

05/23/2022

Date

B. D. Kocian

Cabinet-Level Supervisor

05/23/2022

Date

**President's Approval:**

Betty A. McCrohan

5-24-22

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

This Sixth Amendment (the "Sixth 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, on June 14, 2016, on June 28, 2018, and in approximately June 2021.

**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;

WHEREAS, the Fifth Amendment of the Lease Agreement modified the Lessee's rental rate to increase each year for the period from May 1, 2018 through April 30, 2021, based upon approximately 72,483 net usable square feet, excluding utilities;

WHEREAS, Lessor and Lessee verbally agreed to maintain the rent for the period from May 1, 2021 through April 30, 2022, at a rental rate of \$19.06 (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.

**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:
  - a. 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, 2022 through April 30, 2023, \$19.44 per square feet for a total of \$1,409,156.50 per year, or \$117,429.71 per month;
    - Effective May 1, 2023 through April 30, 2024, \$19.83 per square feet for a total of \$1,437,339.63 per year, or \$119,778.30 per month;
    - Effective May 1, 2024 through April 30, 2025, \$20.42 per square feet for a total of \$1,480,459.82 per year, or \$123,371.65 per month;
    - Effective May 1, 2025 through April 30, 2026, \$21.04 per square feet for a total of \$1,524,873.61 per year, or \$127,072.80 per month;
    - Effective May 1, 2026 through April 30, 2027, \$21.88 per square feet for a total of \$1,585,868.56 per year, or \$132,155.71 per month;
    - Effective May 1, 2027 through April 30, 2028, \$22.75 per square feet for a total of \$1,649,303.30 per year, or \$137,441.94 per month;
    - Effective May 1, 2028 through April 30, 2029, \$23.66 per square feet for a total of \$1,715,275.43 per year, or \$142,939.62 per month;
  - b. 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. This Sixth Amendment memorializes the verbal agreement made in approximately June 2021 to maintain the rental rate as noted in the recitals to this Sixth Amendment.
3. This Sixth Amendment to the Lease Agreement is effective as of May 1, 2022 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 Sixth Amendment shall control and be binding on the Parties as

of the Effective Date of this Sixth Amendment. All other provisions of the Lease Agreement and First, Second, Third, Fourth and Fifth Amendments shall continue in full force and effect.

5. This Sixth Amendment can only be amended or modified upon written agreement executed by authorized representatives of the Parties.
6. This Sixth Amendment may be executed in multiple counterparts.

IN WITNESS WHEREOF, the parties have executed this Sixth Amendment to the Lease Agreement to be effective as of May 1, 2022.

WHARTON COUNTY  
JUNIOR COLLEGE

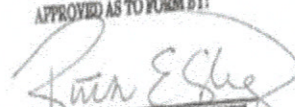
\_\_\_\_\_  
Name: Betty A. McCrohan  
Title: President

Date: \_\_\_\_\_

UNIVERSITY OF HOUSTON SYSTEM

\_\_\_\_\_  
Name: Renu Khator  
Title: Chancellor

Date: \_\_\_\_\_

APPROVED AS TO FORM BY:  
  
OFFICE OF THE GENERAL COUNSEL  
UNIVERSITY OF HOUSTON SYSTEMS