



**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: May 17, 2016

Date of this Proposal: April 26, 2016

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

RECOMMENDATION: Recommend approval of the fourth 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 UHSL and WCJC re-evaluate the cost for maintenance, operations, and services to determine an appropriate rate for the next three years (5/1/15 – 4/30/18). The agreed upon rate would be \$16.06/square foot for the 72,483 square feet of space assigned to WCJC.

Estimated Cost and Budgetary Support (how will this be paid for?):
\$76,107.15 /year. Unrestricted budget

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

SIGNATURES:

B. D. Kocian
Originator

4/26/16
Date

B. D. Kocian
Cabinet-Level Supervisor

4/26/16
Date

PRESIDENT'S APPROVAL:

Betty A. McCrohan

4-26-16

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

This Fourth 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 in November 2008, on May 25, 2011 and on June 16, 2012.

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.

Amendment

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. Commencing on May 1, 2015, and continuing through April 30, 2018, the Lessee shall pay Lessor an agreed rate of \$16.06 (rounded) per net square foot per year, based upon approximately 72,483 net usable square feet, excluding utilities. As of May 1, 2015, the base rate will be calculated as \$1,164,076.98, or \$97,006.41 per month in addition to any other amounts owed to Lessor as Additional Rent or otherwise set forth in the Lease Agreement or its Amendments.

2. This Fourth Amendment to the Lease Agreement is effective as of May 1, 2015 and shall terminate when the Lease terminates.

3. 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 Fourth Amendment shall control and be binding on the Parties as of the Effective Date of this Amendment. All other provision of the Lease Agreement and First, Second, and Third Amendments shall continue in full force and effect.
4. This Fourth Amendment can only be amended or modified upon written agreement executed by authorized representatives of the Parties.
5. This Fourth Amendment may be executed in multiple counterparts.

IN WITNESS WHEREOF, the parties have executed this Fourth Amendment to the Lease Agreement to be effective as of the latest date on which it is executed by the authorized representatives of the Parties.

WHARTON COUNTY
JUNIOR COLLEGE

UNIVERSITY OF HOUSTON SYSTEM

Title: Board President, WCJC

Title: Chancellor

Date: _____

Date: _____