

AGENDA ITEM  
17A

FORT BEND COUNTY FY 2010  
COMMISSIONERS COURT AGENDA REQUEST FORM

Return Completed Form by E-Mail to: Agenda Coordinator, County Judge's Office

Date Submitted: May 26, 2010

Submitted By: Laura Dougherty

Court Agenda Date: June 01, 2010

Department: Facilities Management & Planning

Phone Number: 281-633-7017

**SUMMARY OF ITEM:** Take all appropriate action the 2<sup>nd</sup> Amendment to the Lease Agreement between Fort Bend County and the Central Appraisal District (CAD) for the 4510 square feet vacated by the FBC Child Support Department

RENEWAL AGREEMENT/APPOINTMENT YES ☐ NO ☐  
REVIEWED BY COUNTY ATTORNEY'S OFFICE: YES ☒ NO ☐

List Supporting Documents Attached: Agreement

**FINANCIAL SUMMARY:**

BUDGETED ITEM: YES ☒ NO ☐

FUNDNG SOURCE: Accounting Unit: Account Number:  
Activity (If Applicable):

DESCRIPTION OF LAWSON ACCOUNT:

**Instructions to submit Agenda Request Form:**

- Completely fill out agenda form: incomplete forms will not be processed.
- Agenda Request Forms should be submitted by e-mail, fax, or inter-office mail, and all back-up information must be provided by Wednesday at 2:00 p.m. to all those listed below.
- All original back-up must be received in the County Judge's Office by 2:00 p.m. on Wednesday.

**DISTRIBUTION:**

Original Form Submitted with back up to County Judge's Office ☐ (✓ when completed)

If by E-Mail to [ospindon@co.fort-bend.tx.us](mailto:ospindon@co.fort-bend.tx.us)

If by Fax to (281) 341-8609

Distribute copies with back-up to all listed below. If by fax, send to numbers below:

<input type="checkbox"/> Auditor (281-341-3774)	<input type="checkbox"/> Comm. Pct. 1 (281-342-0587)
<input type="checkbox"/> Budget Officer (281-344-3954)	<input type="checkbox"/> Comm. Pct. 2 (281-403-8009)
<input type="checkbox"/> Facilities/Planning (281-633-7022)	<input type="checkbox"/> Comm. Pct. 3 (281-242-9060)
<input type="checkbox"/> Purchasing Agent (281-341-8642)	<input type="checkbox"/> Comm. Pct. 4 (281-980-9077)
<input type="checkbox"/> Information Technology (281-341-4526)	<input type="checkbox"/> County Clerk (281-341-8697)
<input type="checkbox"/> Other:	<input type="checkbox"/> County Atty (281-341-4557)

**RECOMMENDATION / ACTION REQUESTED:**

Special Handling Requested (specify):

6-4-10 3 orig's. ret. to Laura at Facilities

Fm101589

STATE OF TEXAS       §  
                                  §  
COUNTY OF FORT BEND §

**AMENDMENT NO. 2 TO LEASE AGREEMENT WITH  
FORT BEND COUNTY CENTRAL APPRAISAL DISTRICT**

**THIS AMENDMENT**, is made and entered into by and between Fort Bend County, Texas, (hereinafter "Lessor"), and the Fort Bend County Central Appraisal District, (hereinafter "Lessee").

**THAT WHEREAS**, the parties executed and accepted that certain Lease Agreement dated March 5, 1996, and as amended on April 28, 1998, (hereinafter "Lease Agreement"), attached hereto as Exhibit A, and incorporated by reference herein for all purposes;

**WHEREAS**, the parties desire to amend the Lease Agreement to include additional square footage and allocate costs associated with improvements to the leased premises.

**NOW, THEREFORE**, the parties do mutually agree as follows:

1. The leased premises shall be extended to include the 4510 square foot area identified as "Lessor's Reserve" on Exhibit A to the Lease Agreement.
2. Lessee shall reimburse Lessor for all expenses related to improvements of the leased premises.

Except as provided herein, all terms and conditions of the Lease Agreement shall remain unchanged.

LESSOR:

FORT BEND COUNTY

By: \_\_\_\_\_

Robert Hebert, County Judge

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

6-1-2010

ATTEST:

By: \_\_\_\_\_

Dianne Wilson, County Clerk

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

6-1-10

MAY 25 2010

LESSEE:

FORT BEND COUNTY CENTRAL APPRAISAL  
DISTRICT

By:   
Authorized Agent- Signature

Glen T Whitehead  
Authorized Agent- Printed Name

Title: Chief Appraiser

Date: 5/25/2010

# EXHIBIT A

04-22-98 A08:03 IN

THE STATE OF TEXAS §

COUNTY OF FORT BEND §

**ORDER AUTHORIZING COUNTY JUDGE TO EXECUTE THE  
AMENDMENT TO LEASE AGREEMENT BETWEEN FORT BEND COUNTY  
AND THE FORT BEND CENTRAL APPRAISAL DISTRICT**

On this the 28<sup>th</sup> day of April, 1998, the Commissioners Court of Fort Bend County, Texas, upon motion of Commissioner O'Shield, seconded by Commissioner Prutty duly put and carried;

**IT IS ORDERED** that the Fort Bend County Judge is hereby authorized to execute the Amendment to Lease Agreement with the Fort Bend Central Appraisal District. Amendment to Agreement is attached hereto for all purposes as though fully set forth herein word for word.

**AMENDMENT TO LEASE AGREEMENT  
DATED MARCH 5, 1996**

Whereas, Fort Bend County, Texas as Lessor and Fort Bend County Central Appraisal District as Lessee entered into a lease agreement dated March 5, 1996, a true copy of which is attached hereto, wherein the parties agreed to allow prepayments of the amount calculated to be owed under the lease both before and after the effective date of the lease in order to reduce the interest cost of the lease agreement;

Whereas, Fort Bend county Central Appraisal District made the following prepayments prior to the effective date of the lease, May 1, 1997:

July 1, 1996	\$250,000.00
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**August 30, 1996** **\$211,356.31**

and after the beginning of the lease term paid the following prepayment:

August 29, 1997	\$200,000.00
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**Whereas, the lease agreement in section 2.01d.(1)(b) provided the following**

(b) If paid after the beginning of the primary lease term, the amount of the prepayment shall be applied to the payment of monthly rental installments in reverse order at the end of the first one hundred twenty (120) months of the primary term, and the monthly payment amount shall not change.

Whereas, one interpretation of the provision of the lease agreement dealing with prepayments would not allow a reduction in the amount of interest paid over the primary lease term in the event of prepayments made after the beginning of the primary term and the parties agree that such interpretation would take away the incentive to make such prepayments; and,

Whereas, the parties agree that the provision of the lease does not accurately represent the understanding of the parties as to the prepayment of rent in order to reduce the interest cost of the lease.

Whereas, the parties agree that the savings to the taxpayers effected by such prepayments are advantageous to the taxpayer and thus good public policy:

Therefore effective as of May 1, 1997, Article 2.01d.(1)(b) of the lease agreement is amended to read as follows:

(b) If paid after the beginning of the primary lease term, the amount of any prepayment shall be credited to the unpaid

principal balance [originally being the Amount To Be Amortized After Deduction Of Prior & Contemporaneous Prepayments (Exhibit "B" #6)]; and interest shall immediately cease on any amount so prepaid.

All other provisions of the Lease Agreement dated March 5, 1996, not hereby amended shall remain in full force and effect.

This amendment is executed April 28 1998, but is effective and shall govern the allocation of prepayments made after May 1, 1997, the effective date of the lease.

LESSOR:

FORT BEND COUNTY

by: Mike R. Rozell  
Mike Rozell, County Judge

ATTEST  
by: Dianne Wilson  
Dianne Wilson, County Clerk  
LESSOR  
FORT BEND COUNTY, TEXAS

FORT BEND COUNTY CENTRAL  
APPRAISAL DISTRICT

by: Gene Brewer  
Gene Brewer, Chief Appraiser

#31  
3-26-9

THE STATE OF TEXAS     §

COUNTY OF FORT BEND §

**ORDER AUTHORIZING COUNTY JUDGE TO EXECUTE THE LEASE  
AGREEMENT BETWEEN FORT BEND COUNTY AND  
THE FORT BEND CENTRAL APPRAISAL DISTRICT**

On this the 5 day of March, 1996, the Commissioners' Court of Fort Bend  
County, Texas, upon motion of Commissioner D'Shields, seconded by Commissioner  
Futts, duly put and carried;

**IT IS ORDERED** that the Fort Bend County Judge be and is hereby authorized to approve  
the Lease Agreement between Fort Bend County and Fort Bend Central Appraisal District. Said  
Agreement being incorporated herein by reference for all purposes as though fully set forth herein  
word for word.



THE STATE OF TEXAS  
COUNTY OF FORT BEND

§  
§  
§

**LEASE AGREEMENT**

This Lease Agreement is made and entered into by and between FORT BEND COUNTY, TEXAS, hereinafter referred to as "Lessor," and FORT BEND CENTRAL APPRAISAL DISTRICT, hereinafter referred to as "Lessee."

In consideration of the mutual covenants and agreements set forth in this Agreement, and other good and valuable consideration, Lessor does hereby demise and lease to Lessee, and Lessee does hereby lease from Lessor, the land and improvements situated at 2801 F.M. 2218 in the City of Rosenberg, Fort Bend County, Texas, and more particularly described in Exhibit "A" attached hereto and incorporated by reference herein for all purposes. These premises are referred to in this lease as "the premises" or "the leased premises." There is excepted from this lease an area of 4510 square feet out of the improvements shown on Exhibit "A," which has been designated "Lessor's Reserve" on Exhibit "A." It is understood and agreed that the Lessor's Reserve shall not become a part of the leased premises during the term of this lease or any extension hereof.

**ARTICLE 1. TERM**

**Term of Lease**

1.01 The primary term of this lease shall be one hundred eighty (180) months, commencing on 5-1-, 1997, and ending

on May 1, 2012, unless sooner terminated as provided in this lease.

#### Lease Year Defined

1.02 The term "lease year," as used in this lease, shall mean a period of twelve (12) consecutive full calendar months beginning May 1 of each year and ending on May 1, 2012 of each year.

#### Option to Extend Term

1.03 Lessee has the right to extend this lease beyond the expiration date provided in § 1.01 on the following terms and conditions.

- a. If Lessee is not then in default under the terms and conditions of this Lease, Lessee shall have the option to extend this lease for successive terms of sixty (60) months each, with the extended term to begin on the day following the expiration date of the lease term specified in §1.01; provided, however, that if at the date of expiration of the original term or any extended term, Lessee is in default beyond any grace period provided in this lease in the performance of any of the terms or provisions of this lease, the remaining option or options shall be null and void. All the terms, covenants and provisions of this lease shall apply to the extended lease term.
- b. Lessee may exercise the option to extend this lease by giving to Lessor notice of its intention to do so not later than thirty-six (36) months prior to the expiration of the lease term or the current extended lease term. To constitute effective notice of an intention to exercise the option under this lease, the notice must be sent by certified or registered mail to Lessor at the address provided in § 15.01 of this lease and must be postmarked no later than the latest date provided in this section for Lessee's exercise of the option.

#### Option To Terminate Term

1.04 Notwithstanding any of the lessee's rights to extend the term of this lease provided in §1.03 above, Lessor shall have

the superior right and option to terminate this lease effective the end of the primary lease term or at any time thereafter, provided that Lessor shall exercise the option to terminate this lease by giving Lessee notice of its intention to do so not later than thirty-six (36) months prior to the expiration of the primary lease term, or thereafter, not later than thirty-six (36) months prior to the effective date of termination. To constitute effective notice of an intention to exercise the option to terminate under this lease, the notice must be sent by certified or registered mail to Lessee at the address provided in §15.01 of this lease, and must be postmarked no later than the latest date provided in this section for Lessor's exercise of the option.

#### **Holdover**

1.04 If Lessee holds over and continues in possession of the leased premises after expiration of the term of this lease or any extension of that term, other than as provided in § 1.03, Lessee will be deemed to be occupying the premises on the basis of a month-to-month tenancy at the minimum monthly rental rate provided in Section 2.01 of this Lease Agreement.

#### **ARTICLE 2. RENT**

##### **Primary Term Rent**

2.01 Lessee shall pay as rent to Lessor a sum equal to the total of the following:

- a. Appraised value of the leased premises as of the beginning of the Lease.
- b. Cost of construction for improvements upon the leased premises, which is conclusively presumed to be the total principal of all payments made by Fort Bend County under the Contract for the construction of the improvements, and related expenses.

- c. Interest cost for the construction of the improvements applied from the date of each construction draw under the construction Contract, capitalized as of the commencement date of this Lease Agreement.
- d. The total amount so determined shall be the rent for the first one hundred twenty (120) months of the primary term of the Lease, which amount shall be stated in writing, signed and dated by Lessor and Lessee and attached to this Lease as Exhibit "B," which total amount shall be amortized at the rate of ~~1.5%~~ per annum over the one hundred twenty (120) month primary term of this Lease Agreement. In addition to the payment of the amounts stated in Exhibit "B" as provided hereinbelow, Lessee shall also pay Lessor the sum of One Hundred and No/100 Dollars (\$100.00) per month for each month remaining on the primary term of this lease after payment or prepayment of the total amount set forth in Exhibit "B" attached hereto.
- (1) Lessee may prepay in whole or in part the amount stated in Exhibit "B" in whole or in part as follows:
- (a) If paid prior to or contemporaneous with the beginning of the primary lease term, the amount shall be applied to the principal balance, and shall be reflected in a reduced monthly payment amount sufficient to amortize retirement of the balance of the first one hundred twenty (120) months of the primary term rent remaining unpaid. Prepayment adjustments shall be reflected on Exhibit "B" attached hereto.
- (b) If paid after the beginning of the primary lease term, the amount of the prepayment shall be applied to the payment of monthly rental installments in reverse order at the end of the of the first one hundred twenty (120) months of the primary term, and the monthly payment amount shall not change.

- (c) Upon payment in full of the amount stated in Exhibit "B," monthly rent shall thereafter be One Hundred and No/100 Dollars (\$100.00) per month for each month remaining in the primary term of this Lease.

#### **Extended Term Rent**

2.02 During any extended term of the Lease, Lessee shall pay to the Lessor monthly installments of rent in the amount of One Hundred and No/100 Dollars (\$100.00) each.

#### **Place of Payment**

2.03 Lessee agrees to pay rent as provided in §§ 2.01 to Lessor at Lessor's office, located at the Fort Bend County Courthouse, Richmond, Texas, 77469 or at such other location or locations as Lessor shall from time to time designate by written notice to Lessee.

### **ARTICLE 3. USE OF PREMISES**

#### **Permitted Use**

3.01 Lessee shall operate the leased premises as the offices for the Central Appraisal District for Fort Bend County, Texas, continuously during the term of this agreement, and shall use the premises for no other purpose.

3.02 Lessee shall not use, or permit the use of, the premises in any manner that results in waste of the premises or constitutes a nuisance, nor shall Lessee use, or permit the use of the premises for any illegal purpose. Lessee, at its expense, will reasonably comply, and will cause its officers, employees, agents, and invitees to reasonably comply, with applicable laws

and ordinances and with applicable rules and regulations of governmental agencies, concerning the use of the premises.

3.03

- a. It is understood that Lessor has constructed improvements upon the leased premises in accordance with Lessee's specifications, which improvements are acknowledged by Lessee to be acceptable. It is further understood and agreed that Lessor shall have the exclusive right to construct one or more additions to the existing improvements in the designated "Reserve B" on the plat of improvements attached hereto as part of Exhibit "A." The cost of any such construction shall be paid solely by Lessor without contribution by the assessment of Lessee. Lessor shall use such improvements so constructed for any lawful government purpose, provided such use shall not conflict or interfere with, impede or in any way limit the contemplated use by the Lessee. Lessor further agrees that Lessee shall at all times during normal business hours have at least one hundred fifty (150) parking spaces available for Lessee's employees and Lessee's patrons and business invitees. For purposes of this Section 3.03(a), "normal business hours" are defined as the period of time from 8:00 a.m. until 5:00 p.m. from Monday through Friday of each week.
- b. During the primary term or any extended term of this Lease, Lessee shall have the exclusive option to construct one or more additions to the improvements on the leased premises within the area designated "Reserve A," as shown on the plat of improvements attached hereto as Part of Exhibit "A." The cost of any such addition so constructed shall be paid by Lessee in the following manner:
- (1) Lessor shall finance the construction of additions by issuance of Certificates of Obligation, or other debt securities then allowed by law at the lowest cost then available.
  - (2) Lessee shall pay Lessor in monthly installments an amount sufficient to amortize the retirement of the Certificates of Obligation or other instruments for the debt, the cost of the addition, and cost of issuance of the instruments over the remaining term of the Lease, in addition to the monthly rent of One

Hundred and No/100 Dollars (\$100.00) per month set forth in §2.01(e) hereof.

- (3) Lessee may prepay the amount due in the same manner as stated in 2.01(e) hereof.

3.04 It is further understood and agreed that Lessee will be responsible for maintaining adequate general liability insurance coverage on the leased premises. Lessee further agrees to indemnify and hold Lessor harmless from any and all claims or causes of action whatsoever arising out of Lessee's use of the leased premises, or any improvements constructed on the leased premises for Lessee's use.

#### ARTICLE 4. MAINTENANCE AND SURRENDER

##### Maintenance by Lessor

4.01 Lessee shall, at its own expense and risk, maintain in good condition the interior of the building and the roof, foundation, plumbing, heating and air conditioning systems, fire protection sprinkling systems, structural soundness of the exterior walls (including windows, window glass, plate glass, and doors), parking lots, walkways and grounds surrounding the building, including but not limited to repairs and all necessary replacements of these items. However, Lessee shall not be obligated to maintain the space designated as Lessor's Reserve on Exhibit "A" attached hereto, which space does not constitute a portion of the leased premises. Lessor shall not be liable for any damages to person or property resulting from Lessee's failure to make any repairs or perform any maintenance called for in this section.

4.02 Lessee shall maintain the leased premises and keep them free from waste or nuisance throughout the lease term and any extension of that term. At the termination of the lease, Lessee shall surrender and deliver the leased premises to Lessor in as good a state of repair and condition as they were in at the time Lessor delivered possession to Lessee, reasonable wear and tear and damage by fire, tornado, or other casualty excepted.

#### **ARTICLE 5. UTILITIES AND GARBAGE REMOVAL**

##### **Utility Charges**

5.01 Lessee shall pay all utility charges for water, electricity, heat, gas, and telephone service used in and about the leased premises during the term of the lease, all such charges to be paid by Lessee directly to the utility company or municipality furnishing the same before the same shall become delinquent.

5.02 Lessee shall pay for the removal of all garbage and rubbish from the leased premises during the term of the lease.

#### **ARTICLE 6. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS**

##### **Consent of Lessor**

6.01 Lessee shall not make any alterations, additions, or improvements to the leased premises without the prior written consent of Lessor. Consent for nonstructural alterations, additions, or improvements shall not be unreasonably withheld by Lessor.

##### **Property of Lessor**

6.02 All alterations, additions, or improvements made by Lessee shall become the property of Lessor at the termination of this lease, including all personal property of Lessee and all re-



movable equipment or fixtures that may be removed from the leased premises without damage thereto.

#### **ARTICLE 7. OFFICE FIXTURES AND SIGNS**

7.01 Lessee shall have the right at all times to erect or install shelves, bins, office equipment, or other office fixtures in, on, or about the leased premises, provided that Lessee complies with all applicable governmental laws, ordinances, and regulations regarding such fixtures. Lessee shall have the right to remove all office fixtures at the termination of this lease, provided Lessee is not in default under the lease and that the fixtures will be removable without structural damage to the premises. Lessee must repair any damage to the leased premises caused by removal of office fixtures, and all such repairs must be completed prior to the termination of the lease. Any office fixtures that have not been removed by Lessee at the termination of this lease shall be deemed abandoned Lessee and shall automatically become the property of Lessor.

7.02 Lessee shall have the right to erect signs on any portion of the leased premises including, but not limited to, the exterior walls of the premises, subject to applicable statutes, ordinances, and zoning restrictions. Lessee may remove all signs at the termination of this lease and shall repair any damage including, but not limited to, closing any holes caused by such removal.

#### **ARTICLE 8. MECHANIC'S LIEN**

8.01 Lessee will not permit any mechanic's lien or liens to be placed upon the leased premises or upon improvements on the

premises. If a mechanic's lien is filed on the leased premises or on improvements on the leased premises, Lessee will promptly pay the lien. If default in payment of the lien continues for thirty (30) days after written notice from Lessor to Lessee, Lessor may, at its option, pay the lien or any portion of it without inquiry as to its validity. Any amounts paid by Lessor to remove a mechanic's lien caused to be filed against the premises or against improvements on the premises by Lessee, including expenses and interest, shall be due from Lessee to Lessor and shall be repaid to Lessor immediately on rendition of written notice.

#### **ARTICLE 9. INSURANCE AND INDEMNITY**

##### **Property Insurance**

9.01 Lessee shall, at its own expense, during the term of this lease, keep all buildings, structures, improvements, fixtures, equipment, and merchandise on the leased premises insured against loss or damage by fire or theft with extended coverage, to include direct loss by windstorm, hail, explosion, riot, or riot attending a strike, civil commotion, aircraft, vehicles, and smoke, in the aggregate amounts of not less than the full fair insurable value of the premises and contents insured. The insurance is to be carried by one or more insurance companies licensed to do business in Texas and approved by Lessor, with Lessor and Lessee as named insureds. The policies shall provide that any proceeds for loss or damage to buildings, structures, or improvements shall be payable solely to Lessor, which sum Lessor shall use for repair and restoration purposes, and that any proceeds for loss or damage to fixtures, equipment, or merchandise shall

be payable solely to Lessee, which sum Lessee shall use to repair or replace the lost or damaged fixtures, equipment, or merchandise, to ensure Lessee's continued operation of the Fort Bend Central Appraisal District's offices.

#### **General Liability Insurance**

9.02 Lessee, at its own expense, shall provide and maintain in force during the term of this lease general liability insurance in the amount of not less than \$1,500,000, covering Lessor as well as Lessee, with one or more insurance companies authorized to transact business in Texas and approved by Lessor.

#### **Remedy for Failure to Provide Insurance**

9.03 Lessee shall furnish Lessor with certificates of all insurance required by this article. If Lessee does not provide such certificates within thirty (30) days of obtaining possession of the leased premises, or if Lessee allows any insurance required under this article to lapse, Lessor may, at its option, take out and pay the premiums on the necessary insurance to comply with Lessee's obligations under the provisions of this article. Lessor is entitled to immediate reimbursement from Lessee for all amounts spent by it to procure and maintain such insurance.

#### **Hold-Harmless Clause**

9.04 Lessee agrees to indemnify and hold Lessor harmless against any and all claims, demands, damages, costs, and expenses, including reasonable attorney's fees for the defense of such claims and demands, arising from the conduct or management of Lessee's business on the leased premises or from its use of

the leased premises, or from any breach on the part of Lessee of any conditions of this lease, or from any act or negligence of Lessee, its agents, contractors, employees, subtenants, concessionaires, or licensees in or about the leased premises. In case of any action or proceeding brought against Lessor by reason of any such claim, Lessee, upon notice from Lessor, agrees to defend the action or proceeding by counsel acceptable to Lessor.

**ARTICLE 10. DAMAGE OR DESTRUCTION  
OF PREMISES**

**Notice to Lessor**

10.01 If the leased premises or any structures or improvements on the leased premises should be damaged or destroyed by fire, tornado, or other casualty, Lessee shall give immediate written notice of the damage or destruction to Lessor, including a description of the damage and, as far as known to Lessee, the cause of the damage.

**Total Destruction**

10.02 If the leased premises should be totally destroyed by fire, tornado, or other casualty not the fault of Lessee or any person in or about the leased premises with the express or implied consent of Lessee, or if it should be so damaged by such a cause that rebuilding or repairs cannot reasonably be completed within one hundred eighty (180) working days and at a cost not to exceed \$1,328,900.00, this lease shall terminate, and rent shall be abated for the unexpired portion of this lease, effective as of the date of written notification as provided in § 11.01.

### Partial Destruction

10.03 If the leased premises should be damaged by fire, tornado, or other casualty not the fault of Lessee or any person in or about the leased premises with the express or implied consent of Lessee, but not to such an extent that rebuilding or repairs cannot reasonably be completed within one hundred eighty (180) working days and at a cost not to exceed ~~\$125,000~~, this lease shall not terminate except as provided in subsections a. and b. of this section.

- a. If the partial destruction of the leased premises occurs prior to the final twelve (12) months of the lease term, Lessor shall, at its sole cost and risk, proceed immediately to rebuild or repair the leased premises to substantially the condition in which they existed prior to such damage. If the leased premises are untenable in whole or in part following such damage, the rent payable during the period in which they are untenable shall be adjusted equitably. In the event that Lessor should fail to complete such rebuilding or repairs within one hundred eighty (180) working days from the date of written notification by Lessee to Lessor of the occurrence of the damage, Lessee may terminate this lease by written notification to Lessor. Upon such notification, all rights and obligations under this lease shall cease.
- b. If partial destruction of the leased premises occurs within the final twelve (12) months of the lease term, Lessor need not rebuild or repair the premises. If Lessor elects not to rebuild or repair the premises, and the leased premises are untenable in whole or in part following such damage, Lessee may elect to terminate the lease or to continue the lease with the rent for the remainder of the lease period adjusted equitably.

### ARTICLE 11. CONDEMNATION

#### Total Condemnation

11.01 If during the term of this lease, all of the leased premises should be taken for any public or quasi-public use under

any governmental law, ordinance, or regulation, or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, this lease shall terminate, and the rent shall be abated during the unexpired portion of this lease, effective as of the date of the taking of the premises by the condemning authority. For purposes of this Section 11.01, the taking of 25% or more of the usable parking area on the leased premises shall be considered total condemnation, giving rise to the lease termination provided for in this section 11.01.

#### Partial Condemnation

11.02 If less than all, but more than ~~50%~~ percent of the leased premises is taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, Lessee may terminate the lease by giving written notice to Lessor within thirty (30) days after possession of the condemned portion is taken by the entity exercising the power of condemnation.

If the leased premises are partially condemned and Lessee fails to exercise the option provided in the preceding paragraph to terminate the lease, or if less than ~~50%~~ percent of the leased premises are condemned, this lease shall not terminate but Lessor shall immediately, at its sole expense, restore and reconstruct the building and other improvements situated on the leased premises to make them reasonably tenantable and suitable for the uses for which the premises are leased. The minimum rent payable

under § 2.01 of this lease shall be adjusted equitably during the unexpired portion of this lease.

#### **Condemnation Award**

11.03 Lessor and Lessee shall each be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings. The termination of this lease shall not affect the rights of the respective parties to such award.

#### **ARTICLE 12. DEFAULT**

##### **Default by Lessee**

12.01 If Lessee shall allow the rent to be in arrears more than thirty (30) days after written notice of such delinquency, or shall remain in default under any other condition of this lease for a period of ten (10) days after written notice from Lessor, Lessor may, without notice to Lessee, terminate this lease, or in the alternative, Lessor may reenter and take possession of the premises and remove all persons and property without being deemed guilty of any manner of trespass and relet the premises, or any part of the premises, for all or any part of the remainder of the lease term to a party satisfactory to Lessor, and at such monthly rental as Lessor may with reasonable diligence be able to secure. Should Lessor be unable to relet after reasonable efforts to do so or, should such monthly rental be less than the rental Lessee was obligated to pay under this lease, Lessee shall pay the expense of reletting plus the amount of any deficiency in the rent to Lessor.

### **Lessor's Lien**

12.02 It is expressly agreed that, in the event of default by Lessee under this lease, Lessor shall have a lien upon all goods, chattels, or personal property of any description belonging to Lessee that are placed in, or become a part of, the leased premises, as security for rent due and to become due for the remainder of the current lease term. This lien shall not be in lieu of, or in any way affect, that statutory lessor's lien given by law but shall be in addition to that lien, and Lessee grants to Lessor a security interest in all personal property placed in or on the leased premises for purposes of this contractual lien. If Lessor exercises the option to terminate the leasehold, re-enter, and relet the premises, as provided in the preceding paragraph, and gives Lessee reasonable notice of its intent to take possession of Lessee's property on the premises and an opportunity for a hearing on the matter, Lessor may take possession of all of Lessee's property on the premises. After giving Lessee reasonable notice of the time and place of any public sale or of the time after which any private sale is to be made, Lessor may then sell the property at public or private sale, for cash or on credit, for such prices and terms as Lessor deems best, with or without having the property present at the sale. The proceeds of the sale shall be applied first to the necessary and proper expense of removing, storing, and selling such property, then to the payment of any rent due or to become due under this lease, with the balance, if any, to be paid to Lessee.



#### **Default by Lessor**

12.03 If Lessor defaults in the performance of any term, covenant, or condition required to be performed by it under this agreement, Lessee may elect to do either one of the following:

- a. After not less than ten (10) days' notice to Lessor, Lessee may remedy such default by any necessary action and, in connection with such remedy, may pay expenses and employ counsel; all sums expended or obligations incurred by Lessee in connection with remedying Lessor's default shall be paid by Lessor to Lessee on demand and, on failure of such reimbursement, Lessee may, in addition to any other right or remedy that Lessee may have, deduct these costs and expenses from rent subsequently becoming due under this lease.
- b. Lessee may terminate this lease on giving at least thirty (30) days' notice to Lessor of such intention. In the event Lessee elects this option, this lease will be terminated on the date designated in Lessee's notice, unless Lessor has cured the default prior to the expiration of the thirty (30) day period.

#### **Cumulative Remedies**

12.04 All rights and remedies of Lessor and Lessee under this Article shall be cumulative and none shall exclude any other right or remedy provided by law, or by any other provision of this lease. All such rights and remedies may be exercised and enforced concurrently and whenever, and as often, as occasion for their exercise arises.

#### **Waiver of Breach**

12.05 A waiver by either Lessor or Lessee of a breach of this lease by the other party does not constitute a continuing waiver or a waiver of any subsequent breach of the lease.

#### **ARTICLE 13. INSPECTION BY LESSOR**

Lessee shall permit Lessor and Lessor's agents, representatives, and employees, after giving reasonable advance notice, to enter into and on the leased premises at reasonable times for the purpose of inspection, maintenance, making repairs or alterations to the premises, or any other purpose necessary to protect Lessor's interest in the leased premises or to perform Lessor's duties under this lease.

#### **ARTICLE 14. ASSIGNMENT AND SUBLEASE**

14.01 Lessee may not sublet, assign, encumber, or otherwise transfer this lease or any right or interest in this lease, or in the leased premises or the improvements on the leased premises, with the written consent of Lessor. If Lessee sublets, assigns, encumbers, or otherwise transfers its rights or interests in this lease, or in the leased premises or the improvements on the leased premises, without the written consent of Lessor, Lessor may, at its option, declare this lease terminated. In the event Lessor consents in writing to an assignment, sublease, or other transfer of all or any of Lessee's rights under this lease, the assignee or sublessee must assume all of Lessee's obligations under this lease, and Lessee shall remain liable for every obligation under the lease. Lessor's consent under this section will not be arbitrarily or unreasonably withheld.

##### **Assignment by Lessor**

14.02 Lessor may assign or transfer any or all of its interests under the terms of this lease.

**ARTICLE 15. MISCELLANEOUS**

**Notices and Addresses**

15.01 All notices required under this lease must be given by certified mail or registered mail, addressed to the proper party, at the following addresses:

Lessor: County Judge  
Fort Bend County, Texas  
Fort Bend County Courthouse  
Richmond, Texas 77469

Lessee: Chief Appraiser  
Fort Bend Central Appraisal District  
2801 F.M. 2218  
Rosenberg, Texas 77471

Either party may change the address to which notices are to be sent it by giving the other party notice of the new address in the manner provided in this section.

**Parties Bound**

15.02 This agreement shall be binding upon, and inure to the benefit of, the parties to this lease and their respective heirs, executors, administrators, legal representatives, successors, and assigns when permitted by this agreement.

**Warranties of Lessor**

15.03 Lessor warrants that it is not in default under any law or ordinance, or under any order of any court or federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality with regard to the condition of the property, specifically The Comprehensive Environmental Response, Compensation and Liability Act, commonly referred to as "CERCLA," as set forth in Sections 9601, et seq., of Title 42 of the United States Code, and the regulations promul-

gated under CERCLA, or any other regulations governing hazardous or toxic substances in or upon the leased premises.

#### **Texas Law to Apply**

15.04 This agreement shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the parties created by this lease are performable in Fort Bend County, Texas.

#### **Legal Construction**

15.05 In case any one or more of the provisions contained in this agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of the agreement, and this agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been included in the agreement.

#### **Prior Agreements Superseded**

15.06 This agreement constitutes the sole and only agreement of the parties to the agreement and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this agreement.

#### **Amendment**

15.07 No amendment, modification, or alteration of the terms of this agreement shall be binding unless it is in writing, dated subsequent to the date of this agreement, and duly executed by the parties to this agreement.

**Rights and Remedies Cumulative**

15.08 The rights and remedies provided by this lease agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its rights to use any or all other remedies. These rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

**Force Majeure**

15.09 Neither Lessor nor Lessee shall be required to perform any term, condition, or covenant in this lease as long as performance is delayed or prevented by force majeure, which shall mean acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riots, floods, and any other cause not reasonably within the control of Lessor and Lessee and which by the exercise of due diligence Lessor or Lessee is unable, wholly or in part, to prevent or overcome.

**Time of Essence**

15.10 Time is of the essence of this agreement.

EXECUTED this 5<sup>TH</sup> day of MARCH, 1996.

LESSOR:

FORT BEND COUNTY, TEXAS:

By:

Mike Rozell  
Mike Rozell, County Judge

LESSEE:

FORT BEND CENTRAL APPRAISAL  
DISTRICT:

By:

Gene Brewer  
Gene Brewer, Chief Appraiser



EXHIBIT "B"

CALCULATION OF MONTHLY RENTAL FOR THE PRIMARY TERM OF THE LEASE  
BETWEEN FORT BEND COUNTY, TEXAS, TEXAS, LESSOR, AND THE FORT  
BEND CENTRAL APPRAISAL DISTRICT, LESSEE.

1. APPRAISED MARKET VALUE OF LAND.	\$ 121,000.00
2. COST OF CONSTRUCTION FOR LEASEHOLD IMPROVEMENTS.	\$ 1,338,910.80
3. COST OF INTEREST ON CONSTRUCTION DRAWS	\$ 59,810.69
4. TOTAL PROJECT COST	\$ 1,519,721.29
5 LESS PREPAYMENTS MADE PRIOR TO OR CONTEMPORANEOUSLY.	\$ (481,358.31) \$ (45,734.36)
6 AMOUNT TO BE AMORTIZED AFTER DEDUCTION OF PRIOR & CONTEMPORANEOUS PREPAYMENTS (5)	\$ 1,012,630.62
7. INTEREST COST FOR (10) YEAR AMORTIZ- ATION OF BUILDING COST.	\$ 359,439.78
8. TOTAL MONTHLY RENT FOR PRIMARY CARE	\$ 11,433.92
9. TOTAL RENT FOR PRIMARY:	
*119 MONTHLY RENT INSTALLMENTS:	
\$ 11,433.92 x 119 MONTHLY INSTALLMENTS	\$ 1,360,636.05
ONE (1) FINAL INSTALLMENT	\$ 11,434.35
TOTAL AMOUNT OF ALL LEASE PAYMENTS. (P & I)	\$ 1,372,070.40

10. APPLICATION OF PREPAYMENTS MADE AFTER  
BEGINNING OF LEASE:

\$ - APPLIED TO PRINCIPAL AMOUNT.

FORT BEND CENTRAL APPRAISAL DISTRICT

By: Bill Little, Chairman

FORT BEND COUNTY

By: Mike Rozell, County Judge

FORT BEND C.A.D.  
LEASE AGREEMENT WITH FORT BEND COUNTY  
2601 S. F. TERRY BLVD., ROSENBERG, TX.

**EXHIBIT "B"**

**Lease Cost Calculations**

	Description	Calculations
1	Annual Lease Payments	\$ 137,207.00
2	Monthly Payments	\$ 11,433.92
3	Base Year of Lease	1997
4	Base Month of Lease	May 1997
5	Base Lease Principal Amount (#15)	\$1,012,630.62
6	Interest Rate-Lease Amortization	6.375%
7	Term, Expense Amortization (Years)	10
8	Appraised Land Value	\$ 121,000.00
9	Construction Cost	1,332,535.60
10	Architects Administrative Fees	6,375
11	Interest: Construction Funds	\$ 59,610.69
12	Gross Lease Principal Amt: Sum(8, 9, 11, 12)	\$1,815,729.29
13	Prepaid Toward Lease (Deduct from #12)	(461,356.31)
14	Payment Jan, Feb, Mar, Apr, Calculated Amnt	(45,734.36)
15	Lease Principal Amt: (+ #12, - #13, - #14)	\$1,812,639.62

**Annual & Monthly Lease Analysis**

	Description	Calculations
<b>Annual Facilities Expense</b>		
1	Annual Lease Payments: (#4 X 12 Months)	\$ 137,207.00
2	Annual Build'g Services & Ins. Expense (#11)	44,540.00
3	Total Annual Facilities Expense: (Sum-#1, #2)	\$ 181,747.00
<b>Monthly Facilities Expense</b>		
4	Monthly Lease Expense	\$ 11,433.92
5	Monthly Services & Insurance Expense	\$ 3,711.67
<b>Estimated Annual Services Expense</b>		
6	Custodial Services	\$ 10,500.00
7	Trash Services	1,040.00
8	City Sewer-Water	1,500.00
9	Electricity	25,000.00
10	Building Physical Damage Insurance	6,500.00
11	Annual Services Expense: Sum (#6 thru #10)	\$ 44,540.00



FORT BEND C.A.D.  
LEASE AGREEMENT WITH FORT BEND COUNTY  
2801 B. F. TERRY BLVD., ROSENBERG, TX.

EXHIBIT "B"

Accrued Interest On Construction Payments

Application Number	Certificate For Payment	Date Paid	Appraisal Dist. Prints	Date Paid	Adjusted Balance	Nmbr. Of Days	Rate Of Interest	Interest To 30-Apr-97
2	\$ 127,328.00	18-Jun-96			\$ 127,328.00	13	6.375%	\$288.10
CAD Pmnt			\$250,000.00	1-Jul-96	(127,328.00)	1	6.375%	(\$22.24)
1	53,292.00	02-Jul-96			(74,024.00)	7	6.375%	(\$80.51)
3	103,391.00	09-Jul-96			29,357.00	26	6.375%	\$128.19
CAD Pmnt			\$211,366.31	3-Aug-96	(181,989.31)	10	6.375%	(\$317.86)
4	\$ 142,051.00	13-Aug-96			(39,848.31)	35	6.375%	(\$244.20)
5	107,448.00	17-Sep-96			67,497.69	216	6.375%	\$2,546.42
6	197,024.00	8-Oct-96			284,521.69	195	6.375%	\$9,009.14
7	132,081.40	18-Nov-96			396,603.09	153	6.375%	\$10,698.27
8	101,904.30	2-Dec-96			498,507.39	140	6.375%	\$12,189.53
9	149,353.20	14-Jan-97			647,860.59	97	6.375%	\$10,975.91
10	77,211.90	11-Feb-97			725,072.49	69	6.375%	\$8,738.12
11	132,342.80	25-Mar-97			857,415.29	27	6.375%	\$4,043.36
12	\$ 9,112.00	8-Apr-97			\$ 866,527.29	13	6.375%	\$1,967.49
12	\$1,332,538.00		\$461,366.31		\$ 871,171.29			\$89,810.89

**FORT BEND C.A.D.**  
**LEASE AGREEMENT WITH FORT BEND COUNTY**  
**2801 B. F. TERRY BLVD., ROSENBERG, TX.**

**EXHIBIT "B"**

**Lease Amortization**

Key Figures		Inputs	
Annual Loan Payments	\$ 137,207.04	Loan Principal Amount	\$1,012,630.62
Monthly Payments	11,433.92	Annual Interest Rate	6.38%
Interest in First Calendar Year	42,126.59	Loan Period in Years	10
Interest Over Term of Loan	359,439.78	Base Year of Loan	1997
Sum of All Payments	\$ 1,372,070.40	Base Month of Loan	May

**Payments in First 12 Months**

Year	Month	Beginning Balance	Payments	Principal	Interest	Cumulative Principal	Cumulative Interest	Ending Balance
1998	May	\$ 1,012,630.62	\$ 11,433.92	\$ 6,054.32	\$ 5,379.60	\$ 6,054.32	\$ 5,379.60	\$ 1,006,576.00
	Jun	1,006,576.30	11,433.92	6,086.48	5,347.44	12,140.80	10,727.04	1,000,480.00
	Jul	1,000,489.82	11,433.92	6,118.82	5,315.10	18,259.62	16,042.14	994,371.00
	Aug	994,371.00	11,433.92	6,151.32	5,282.60	24,410.94	21,324.74	988,220.00
	Sep	988,219.68	11,433.92	6,184.00	5,249.92	30,594.94	26,574.66	982,036.00
	Oct	982,035.68	11,433.92	6,216.86	5,217.06	36,811.80	31,791.72	975,819.00
	Nov	975,818.82	11,433.92	6,249.88	5,184.04	43,061.68	36,975.76	969,569.00
	Dec	969,568.94	11,433.92	6,283.09	5,150.83	49,344.77	42,126.59	963,286.00
	Jan	963,285.85	11,433.92	6,316.46	5,117.46	55,661.23	47,244.05	956,969.00
	Feb	956,969.39	11,433.92	6,350.02	5,083.90	62,011.25	52,327.95	950,619.00
	Mar	950,619.37	11,433.92	6,383.75	5,050.17	68,395.00	57,378.12	944,236.00
	Apr	\$ 944,235.62	\$ 11,433.92	\$ 6,417.67	\$ 5,016.25	\$ 74,812.67	\$ 62,394.37	\$ 937,818.00

**Yearly Schedule of Balances and Payments**

Year	Beginning Balance	Payments	Principal	Interest	Cumulative Principal	Cumulative Interest	Ending Balance
1998	\$ 963,285.85	\$ 137,207.04	\$ 78,052.00	\$ 59,155.00	\$ 127,398.39	\$ 101,282.01	\$ 885,234.00
1999	885,234.23	137,207.04	83,176.00	54,031.00	210,572.14	155,313.30	802,058.00
2000	802,058.48	137,207.04	88,636.00	48,571.00	299,208.05	203,884.43	713,423.00
2001	713,422.57	137,207.04	94,455.00	42,758.00	393,662.57	246,636.95	618,968.00
2002	618,968.05	137,207.04	100,655.00	36,552.00	494,317.65	283,188.91	518,313.00
2003	518,312.97	137,207.04	107,263.00	29,944.00	601,580.34	313,133.28	411,050.00
2004	411,050.28	137,207.04	114,304.00	22,903.00	715,884.41	338,036.28	296,746.00
2005	296,746.21	137,207.04	121,808.00	15,399.00	837,692.09	351,435.59	174,939.00
2006	174,938.53	137,207.04	129,804.00	7,403.00	967,495.97	358,838.75	45,135.00
2007	\$ 45,134.65	\$ 45,735.68	\$ 45,135.00	\$ 601.00	\$ 1,012,630.62	\$ 399,439.78	\$ -