

**INTERLOCAL LEASE AGREEMENT
FORT BEND COUNTY AND SUBSIDENCE DISTRICT**

1. PARTIES AND AUTHORITY

This Agreement is made and entered into by Fort Bend County, Texas, a governmental entity under the laws of the State of Texas (Lessor) and the Fort Bend Subsidence District ("District").

District is authorized to enter into this Lease Agreement by Government Code, Chapters 791. Lessor is authorized to enter into this Lease Agreement under Local Government Code, Chapter 272 and Government Code, Chapter 791.

2. "LEASED PREMISES"

This Lease Agreement is for 764 Total Square Feet of office space in the Travis Building, 301 Jackson Street, Richmond, Texas 77469. District, its employees and visitors also have the nonexclusive right to use Common Areas.

3. TERM OF LEASE

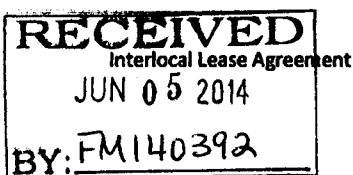
The Initial Term of this Lease Agreement shall be for a period of 12 months commencing on the 1st day of July, 2014, and ending on the 30th day of June, 2015, which shall automatically renew annually for an additional period of 12-month period, if mutually agreeable by both parties.

4. MONTHLY RENTAL

The District agrees to pay Lessor the sum of \$250.00 per month as Monthly Rent during the term of this Lease Agreement. The base Monthly Rent includes District's prorated share of utilities and services provided at the Leased Premises. The Monthly Rent is due and payable by the District in advance on the first day of the month for the month being paid. The Monthly Rent shall be paid to Fort Bend County, ATTN: Skye Brockermeyer, 301 Jackson, Richmond, Texas 77469. Any amounts due under this Lease Agreement that are not received by Lessor within five (5) calendar days after the first (1st) day of each month are subject to a ten percent (10%) late payment services charge, payable on demand. The Monthly Rent may be subject to an increase after the expiration of the initial term, subject to a written amendment to this Lease Agreement.

5. GENERAL TERMS AND CONDITIONS

(a) District shall use the Leased Premises solely for office space. District shall not use the Leased Premises under any circumstance for the purposes of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substance, chemical, thing or device. District shall keep the Leased Premises in good repair and free from waste. District shall never leave the Leased Premises vacant, but shall in good faith continuously conduct and carry on the type of business for which the Leased Premises are leased on all days, and during such hours, as are usual and customary in the geographic area in which the premises are located for that type of business. Any property kept, stored or maintained within the Leased Premises by District shall be at District's sole risk. District shall not take any action that would constitute a nuisance or would disturb or endanger Lessor or other tenants or unreasonably interfere with their use of their respective premises; nor use, occupy or permit any portion of the Leased Premises to be occupied or used for any unlawful business purpose.



(b) **Maintenance.** Lessor agrees to maintain the property and Leased Premises in good repair and condition during the term of this Lease Agreement. Maintenance is to include the following services: repair or replace worn floor surfaces; painting as needed; replacement of broken window glass; repair of roof and ceiling leaks; building exterior, interior; plumbing, heating, air conditioning and ventilating equipment and filters; fire protection equipment; miscellaneous valves; woodwork, locks, floor surfaces and coverings; lighting fixtures, and the replacement of all defective or burned-out light bulbs, fluorescent tubes, ballasts and starters. If District causes damages to the Leased Premises, requiring above-listed maintenance services that go beyond "normal wear and tear", District is responsible for paying to have the damages repaired.

(c) Lessor warrants that the lease of the premises to the DISTRICT is authorized by the Lessor's governing body.

(d) Lessor may enter the Leased Premises to (a) inspect the general condition and state of repair, (b) to make repairs required or permitted under this Lease Agreement, or (c) for any other reasonable purpose.

(e) Lessor agrees that the District may bring any and all furniture, fixtures and equipment reasonably necessary for the efficient exercise of the District's governmental responsibilities and the parties agree that all property will remain property of the District. Any physical additions or improvements to the Leased Premises made by District, and approved in writing by Lessor, will become the property of Lessor. Lessor may require District, at the end of any term and at TBAC's expense, remove any physical additions and improvements, repair any alterations, and restore the Leased Premises to the condition existing at the commencement of the Initial Term, normal wear and tear excepted.

(f) Following Lessor's consent, District shall have the right to place on the Lease Premises, signs which are permitted by applicable ordinances and Lessor's restrictions. Lessor may refuse consent to any proposed signage that is in Lessor's opinion too large, deceptive, unattractive or otherwise inconsistent with or inappropriate to the Leased Premises or use of any other tenant. District shall repair all damage to the Leased Premises resulting from the removal of signs installed by District.

(g) On termination of this Lease Agreement the District may, within a reasonable time and at its option and expense, remove any and all equipment or appliances placed or owned by District. District shall deliver the Leased Premises to Lessor in good order and condition given reasonable use and ordinary wear and tear. District shall repair any and all damage to the Leased Premises caused by the removal of any equipment and/or appliances, including holes to any walls, normal wear excepted.

(h) If during the term of this Lease Agreement the Leased Premises is condemned for any public purpose, the District may elect to terminate and cancel this lease upon thirty (30) days written notice to the Lessor.

(i) In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for District's purposes, Lessor shall promptly repair such damage subject to the terms of Paragraph 6(b). In making the repairs called for in this paragraph, Lessor shall not be liable for any delays resulting from strikes, governmental restrictions, acts of nature or inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Lessor. If the Leased Premises cannot be occupied by the District, lease payments otherwise due will be either

reduced or withheld for a prorated share of the Leased Premises that cannot be occupied. If the Leased Premises are damaged to a degree that it is unfit for occupancy, this lease will terminate and any rent and other obligations will be prorated from the date the Leased Premises could no longer be occupied. The determination of whether the Leased Premises are damaged to a degree to render them unfit for occupancy will be made by the City of Richmond authority. If the Lessor has available space which will meet the District's needs and offers same to the District, the District may at its option, occupy that space under the same terms and conditions as this Lease Agreement.

(j) During the term of this Lease Agreement, District shall have the non-exclusive use in common with Lessor, other tenants of the building, their guests and invitees, of the non-reserved common meeting rooms, automobile parking areas, driveways, and footways, subject to rules and regulations for the use thereof as prescribed from time to time by Lessor.

(k) Lessor may retain, destroy, or dispose of any property left on the Leased Premises at the end of the term.

6. BREACH, DEFAULT and REMEDIES.

(a) **Breach by Lessor.** Lessor is in breach or default of this Lease Agreement if it fails to perform any of duties or obligations of this lease. The District must give Lessor written notice of the breach or default. If Lessor fails or refuses to remedy the condition of the breach or default for a period of thirty days the District may at its option:

- 1) Withhold lease payments until the breach or default is cured or corrected;
- 2) Terminate the Lease Agreement by providing written notice of intent to terminate and the effective date of termination;
- 3) Take reasonable action necessary to correct the breach or default and deduct the costs incurred by District from payments due or to become due under this lease.
- 4) Take other legal action as provided by law for breach or default of this Lease Agreement.

(b) **Breach by District.** District is in breach and default under this Lease Agreement if District fails to make payments when due or fails to timely perform its duties and obligations under this lease. Lessor must give the District written notice of the breach or default. If District fails or refuses to remedy the condition of the breach or default for a period of thirty (30) days Lessor may at its option:

- 1) Terminate the lease by providing written notice of intent to terminate and the effective date of termination.
- 2) Take other legal action as provided by law for breach or default of this lease.

(c) **No waiver.** The failure of either party to enforce rights provided by this Lease Agreement or by for breach or default will not act as a waiver of the right to demand compliance in the future.

7. VOLUNTARY TERMINATION

This Lease Agreement may be terminated by either party, if neither party is currently in default, by providing the non-terminating party with sixty (60) days written notice of intent to terminate.

8. **ASSIGNMENT.** This Lease Agreement may not be assigned.

9. **LAW GOVERNING.** This Lease Agreement is governed by the laws of the state of Texas.

10. HAZARDOUS SUBSTANCES

Lessor warrants and represents that any use, storage, treatment, or transportation of Hazardous Substances that has occurred in or on the premises prior to Commencement Date of this Lease Agreement has been in compliance with all applicable federal, state, and local laws, regulations, and ordinances. Lessor additionally warrants and represents that no release, leak, discharge, spill, disposal, or emission of Hazardous Substances has occurred in, on, or under the premises, and that they are free of Hazardous Substances.

11. INSURANCE

At all times during the lease term, Lessor must maintain a policy of all-risk property insurance, issued by and bonded upon an insurance company licensed in the State of Texas, covering the Leased Premises and leasehold improvements (exclusive of contents), in an amount equal to not less than 80% percent of the replacement cost thereof. The District shall have no interest in the policy or policy proceeds and Lessor shall not be obligated to insure any furnishings, equipment, trade fixtures, or other personal property that the District may place or cause to be placed upon the Leased Premises. Lessor must also maintain a policy or policies of comprehensive general liability insurance insuring Lessor against loss of life, bodily injury and/or property damage with respect to Common Areas, operation of the Building, parking lots and other improvements associated with the land upon which the Leased Premises are located, and any other losses caused by or related to the duties and obligations of Lessor under this Lease Agreement. Any obligation by the District under this Lease Agreement to obtain insurance is expressly made subject to the District's authority under state law to obtain such insurance. No insurance carrier of either party shall have a right of subrogation against the other party to this Lease Agreement.

12. LIMITATION OF LIABILITY

The liability for acts or omissions of the agents and employees of either party or for injuries caused by conditions of tangible property is provided for solely by the provisions of the Texas Civil Practice and Remedies Code, Chapters 75, 101 and 102, and that Workers' Compensation Insurance coverage for state and county employees is provided as mandated by the provisions of Texas Labor Code, Chapter 504.

13. OTHER TERMS AND CONDITIONS

(a) Entire agreement. This Lease Agreement, and its amendments and attachments represent the entire agreement of the parties.

(b) Effective date. This Lease Agreement is effective as of the date listed below.

(c) Amendment. Amendments to this contract must be in writing and signed by both parties.

(d) Notices. All notices required by this Lease Agreement must be sent to the following addresses:

Fort Bend Subsidence District
P.O. Box 427
Richmond, Texas 77469
Facsimile Number: 281-232-3355
Attention: Tom Michel

Fort Bend County
301 Jackson Street
Richmond, Texas 77469
Facsimile Number: (281) 633-7022
Attention: Donald G. Brady

14. EXECUTION

The parties have executed this Agreement on the dates indicated below. The effective date of this Lease Agreement is July 1, 2014.

FORT BEND COUNTY, TEXAS LESSOR

By: _____

Robert E. Hebert, County Judge

Date signed: _____

6-26-14

meeting of 6/24/14

Attest:

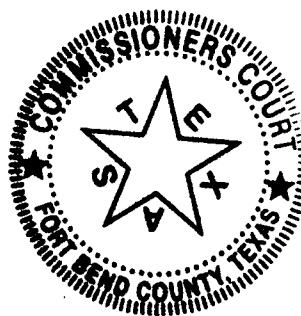
Dianne Wilson

Dianne Wilson, County Clerk

Approved: _____

Don Brady, Director

Facilities Management & Planning Department



FORT BEND SUBSIDENCE DISTRICT

By: _____

MICHAEL J. TURCO, GENERAL MANAGER

Date signed: _____

6/5/14