

PARKING LEASE

4600015444
2019-0281

This **PARKING LEASE** ("Lease") is made by and between **WILLIAM MARSH RICE UNIVERSITY** ("Landlord" or "Rice"), and the **CITY OF HOUSTON, TEXAS** ("Tenant"), a municipal corporation and home-rule city of the State of Texas.

RECITALS:

1. Landlord is the owner of that certain surface parking lot located at 2109 Travis, 914 Gray and 918 Gray, Houston, Harris County, Texas, more particularly described on **Exhibit A** attached hereto and made a part hereof (the "Premises").
2. Tenant conducts business in office space directly across the street from the Premises located at 2100 Travis, Houston Harris County, Texas (the "Tenant Office Space").
3. Tenant desires to lease the Premises from Landlord for the limited purpose of providing parking for Tenant's employees, contractors, agents and visitors (each, a "Tenant Party" and collectively, "Tenant Parties") entering the Tenant Office Space. Landlord is willing to lease the Premises to Tenant for such limited purpose on the terms and conditions set forth below.

NOW therefore, for and in consideration of the mutual covenants, agreements, and benefits to the parties herein, the parties agree as follows:

I. USE OF PREMISES

Landlord leases to Tenant and Tenant leases from Landlord the Premises. The Premises shall be used by Tenant Parties in connection with Tenant's business conducted in the Tenant Office Space. The Premises shall be used by the Tenant Parties only for the parking of motorcycles, and passenger vehicles, including passenger vans and passenger pickup trucks. Tenant shall not use or permit the use of the Premises for any purpose which is illegal, a nuisance, creates obnoxious odors, noises or vibrations, or is dangerous to persons or property. The following uses are expressly prohibited on the Premises: the parking of heavy trucks, buses or other similarly oversized vehicles; and overnight parking of any kind. Notwithstanding the foregoing, overnight parking of City owned passenger vehicles shall be permitted on the Premises.

II. RENT

a. As consideration for this Lease, Tenant shall pay Landlord as "Rent", one hundred percent (100%) of the annual real estate taxes and assessments applicable to the Premises as set forth herein ("Taxes"). Specifically, commencing on the Commencement Date (defined below) and continuing through January 31, 2020, Tenant shall pay to Landlord as Rent the amount of \$7,750.00 per month (being the monthly installment based on an annual amount of \$93,000.00, which is the amount of Taxes set forth in the tax bill applicable to the Premises for calendar year 2018). Beginning on February 1, 2020, the Rent shall be adjusted annually to correspond to the amount of Taxes set forth in the tax bill applicable to the Premises for the prior calendar year. By way of example, for the period commencing on February 1, 2020, and expiring on

January 31, 2021, Rent shall be based on Taxes as set forth in the tax bill applicable to the Premises for calendar year 2019; and for the period commencing on February 1, 2021, and expiring on January 31, 2022, Rent shall be based on Taxes as set forth in the tax bill applicable to the Premises for calendar year 2020; and so on. The Rent shall be paid by Tenant in equal installments on a monthly basis and shall be due in advance of the first day of each calendar month of the Term (defined below). If the Term commences on a day other than the first day of a calendar month, the monthly Rent shall be prorated on a daily basis based on a 365 day calendar year, and such prorated amount shall be due and payable on or before the Commencement Date. Notwithstanding the foregoing, if at any point after the last day of the thirty-sixth (36th) calendar month of the Term, the annual Rent adjustment stated in the January invoice for February Rent that Landlord is required to provide Tenant under **Article II, Paragraph b.** below is not satisfactory to Tenant, then Tenant may terminate this Lease upon written notice to Landlord no later than January 31st before such February Rent is due. Upon such timely written notice, this Lease will automatically terminate on January 31st of such applicable calendar year.

b. Landlord shall invoice Tenant no later than the tenth (10th) day of each month for the Rent due and payable on or before the first (1st) day of the next succeeding month. To ensure the timely receipt of the Rent, the invoice shall be sent to Housing and Community Development Department, 2100 Travis, 9th Floor, Houston Texas 77002, Attention: Facilities Manager (Ms. Roxanne Lawson).

c. Notwithstanding anything contained in this Lease to the contrary, Landlord acknowledges and agrees that all Rent and any other payments payable to Landlord by Tenant shall be made only by a negotiable instrument payable and/or wire transfer to Landlord's account as directed by Landlord by the first (1st) day of each month issued by the City of Houston City Controller. Rent will be made payable to Green Residential and shall be sent to 2500 Tanglewilde Street, Suite 306, Houston, Texas 77063, Attention: Michael Brown, or to such other address as Landlord may provide to Tenant in writing from time to time. Landlord acknowledges that the ability of Tenant to make Rent and any other payments payable to Landlord as set forth herein by Tenant is completely dependent upon and limited by the extent to which funds may be certified by the City of Houston City Controller as available for use in making monthly Rent payments under this Lease. Notwithstanding the foregoing, provided Landlord has sent the required invoice, Tenant acknowledges that it will be in default of its obligations under this Lease if it has not tendered payment of the Rent as set forth above during the Term. If Landlord fails to send the required invoice, Tenant shall not be relieved of any of its obligations or liabilities under this Lease, except that Tenant's obligation to pay the monthly Rent applicable to such required invoice will be temporarily relieved until Landlord sends such required invoice, at which time such obligation shall be fully restored.

III. TERM

This Lease shall be for a "Term" of ten (10) years, commencing on the date (the "Commencement Date") that is the Delivery Date (defined below) and expiring on the last day of the 120th calendar month after the Delivery Date (the "Expiration Date"). Promptly after the determination of the Commencement Date, the Expiration Date, and any other variable matters, Landlord shall prepare and deliver to Tenant a commencement letter agreement substantially in the form attached as **Exhibit B**. If such commencement letter is not executed by Tenant within

forty-five (45) days after delivery of same by Landlord, then Tenant shall be deemed to have agreed with the matters set forth therein. The term "Delivery Date" means the date on which Landlord delivers the Premises to Tenant in Delivery Condition (defined below), which delivery shall be one (1) business day after the date Landlord receives the executed commencement letter. This Lease may be renewed or extended by mutual agreement of the parties no later than the last day of the 108th calendar month of the Term. Notwithstanding the foregoing, after the last day of the fifty-fourth (54th) calendar month of the Term, upon 180 days' prior written notice, either party may terminate this Lease. Upon timely written notice to terminate this Lease, this Lease will automatically terminate 180 days from the date of the written termination notice, unless agreed to otherwise in writing by the parties.

IV. REPAIRS

a. Delivery Condition. Landlord will deliver the Premises to Tenant in a condition ("Delivery Condition") where the work shown on the attached Exhibit C is completed by Landlord ("Landlord Work"). Landlord shall contribute up to \$50,000.00 (the "Cap") towards the cost of the Landlord Work. All costs of the Landlord Work in excess of the Cap shall be paid by Tenant to Landlord within thirty (30) days of receipt of Landlord's invoice.

b. No Landlord Repair, Maintenance or Replacement Obligations. Landlord will have no repair, maintenance or replacement obligations with respect to the Premises. Tenant hereby acknowledges and agrees that it shall be solely responsible for any and all repair, maintenance or replacement obligations with respect to the Premises and the costs and expenses related thereto, with no contribution from Landlord. Tenant further acknowledges that the foregoing is a material inducement for Landlord to enter into this Lease with Tenant. Landlord makes no representations that the Premises complies with applicable law and Landlord will have no liability with respect thereto. In the event the Premises are found not to be in compliance with applicable law, Landlord will have no obligation to bring the Premises into compliance with applicable law and shall bear no costs with respect thereto; all such costs and obligations shall be borne 100% by Tenant.

c. Tenant's Annual Operations, Repair and Maintenance. During the Term of this Lease, Tenant, at its sole cost and expense, shall be responsible for all maintenance, repair of normal wear and tear and security as determined by Tenant. In the event the Tenant desires to upgrade the Premises and such upgrades require additional permitting or augmentation of the Premises, Tenant shall notify Landlord of its intent along with the plans of the upgrades. Landlord shall have thirty (30) days to approve the plans, which approval shall not be unreasonably withheld. Landlord's approval shall be in writing. All such upgrades shall be performed by Tenant at Tenant's sole cost and expense.

V. RULES AND REGULATIONS

Tenant shall comply with all laws and ordinances applicable to the use, condition and occupancy of the Premises, and all environmental rules and regulations related to Tenant's operation of the Premises. Tenant shall also cause its agents, contractors, subcontractors, employees, customers, and subtenants to comply with all such laws, ordinances, rules and regulations.

VI. ALLOCATION OF RISK AND RELEASE

TENANT SHALL INsofar AS IS PERMITTED BY APPLICABLE LAW, HOLD LANDLORD HARMLESS AND DEFEND LANDLORD AGAINST ANY AND ALL CLAIMS OR LIABILITY FOR ANY INJURY TO OR DEATH OF, ANY TENANT PARTY, OR DAMAGE TO ANY TENANT PARTY'S PROPERTY AS A RESULT OF SUCH TENANT PARTY'S USE OF THE PREMISES FOR PARKING AS PERMITTED UNDER THIS LEASE BETWEEN LANDLORD AND TENANT. LANDLORD SHALL NOT BE LIABLE TO TENANT OR ANY TENANT PARTY FOR ANY LOSS OR DAMAGE THAT MAY BE OCCASIONED BY OR THROUGH A TENANT PARTY'S USE OF THE PREMISES.

UPON THE FILING BY ANYONE OF ANY TYPE OF CLAIM, CAUSE OF ACTION OR LAWSUIT (HEREAFTER COLLECTIVELY REFERRED TO AS "CLAIM") AGAINST LANDLORD FOR ANY TYPE OF DAMAGES ARISING OUT OF INCIDENTS FOR WHICH TENANT MAY BE LIABLE, LANDLORD SHALL NOTIFY TENANT OF SUCH CLAIM. IN THE EVENT THAT TENANT DOES NOT SETTLE OR COMPROMISE SUCH CLAIM AT ITS OWN COST AND EXPENSE, LANDLORD, AT ITS SOLE COST AND EXPENSE, SHALL UNDERTAKE THE LEGAL DEFENSE OF SUCH CLAIM ON BEHALF OF BOTH LANDLORD AND TENANT UNTIL FINAL DISPOSITION, INCLUDING ALL APPEALS. TENANT MAY PARTICIPATE IN THE LEGAL DEFENSE OF ANY SUCH CLAIM. ANY FINAL JUDGEMENT RENDERED AGAINST LANDLORD FOR ANY CAUSE FOR WHICH TENANT IS LIABLE SHALL BE CONCLUSIVE AGAINST TENANT AS TO LIABILITY AND AMOUNT UPON THE EXPIRATION OF THE TIME FOR ALL APPEALS, AND TENANT SHALL REIMBURSE LANDLORD FOR ALL AMOUNTS, INCLUDING, WITHOUT LIMITATION, LEGAL FEES.

VII. MISCELLANEOUS

1. The Premises are accepted by Tenant in "as is" condition and configuration subject to any Landlord obligation to perform Landlord Work. **TENANT HEREBY AGREES THAT THE PREMISES ARE IN GOOD ORDER AND SATISFACTORY CONDITION AND THAT THERE ARE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, BY LANDLORD REGARDING THE PREMISES.** Landlord shall cause the owner of the trash dumpster located on the Premises to remove such dumpster from the Premises prior to the Commencement Date, and any damage caused to the Premises from such removal shall be repaired by Landlord, at Landlord's sole expense, prior to the Delivery Date.

2. Tenant shall not make improvements of any kind to the Premises without Landlord's prior written consent. All improvements made by Tenant shall be at Tenant's sole cost and expense. Any improvements made by Tenant shall become the property of the Landlord, unless Landlord requires such improvements to be removed by Tenant upon termination or expiration of this Lease. Tenant has no claim to any existing improvements on the Premises or that may be placed on the Premises in the future.

3. Tenant may, at Tenant's sole expense, provide security measures and take all

other steps necessary to secure the Premises and to enforce parking on the Premises, which may include towing any vehicles parked in prohibited areas on the Premises or other unauthorized vehicles parked on the Premises. All activities on the Premises by or on behalf of Tenant shall be at the sole risk, cost and expense of Tenant. Tenant acknowledges that (a) Landlord shall have no responsibility to provide any security devices or surveillance equipment relative to the Premises and (b) Landlord shall have no liability whatsoever with respect to any damage to vehicles or any other items located in or about the Premises.

4. Tenant shall, at all times, maintain the Premises in a safe and clean condition and shall deliver the Premises at the time of the expiration or termination of this Lease to the Landlord in the same condition existing at the time of commencement of this Lease, ordinary wear and tear accepted.

5. To the extent Tenant's security measures shall require electric utilities, Tenant be responsible for all facilities and expenses associated with the electric service for the period Tenant occupies the Premises.

6. Tenant agrees it will not: (1) create a nuisance; (2) permit any waste; (3) use the Premises in any way that is extra hazardous; or (4) allow a lien to be placed on the premises.

7. Tenant shall not assign, transfer or encumber any interest in this Lease (either absolutely or collaterally) or sublease or allow any third party to use any portion of the Premises other than the Tenant Parties without Landlord's written consent. This provision shall not apply to any assignment made by Tenant in connection with allocation(s) within or between the Tenant's different departments so long as such departments and business are related to Tenant's Office Space.

8. In the event of default in the performance by Tenant of any other covenant, agreement, or condition contained in this Lease, and the continuation of such default for forty-five (45) days for monetary default and thirty (30) days for non-monetary default after receipt by Tenant of written notice of such default from Landlord delivered by registered or certified mail, Landlord may terminate this Lease by written notice to Tenant. Upon the effective date of such termination, Landlord shall have the right to re-enter and repossess the Premises. Landlord shall have the right to pursue all of the remedies available to Landlord at law or in equity for breach of this Lease. If Landlord shall at any time fail to perform any of the covenants, conditions, or provisions of this Lease and such default is not cured within thirty (30) days after receipt of written notice thereof from Tenant, Tenant shall have the right to pursue all of the remedies available to Tenant at law or in equity for breach of this Lease. No default shall be deemed waived unless such waiver be in writing.

9. Tenant and Landlord each represents that it has not dealt with any broker or agent in connection with this Lease, and that there are no commissions or other compensation due or owed to any broker or agent in connection with this Lease.

10. If any provision of this Lease is determined to be invalid, the remaining provisions shall not be affected and will remain in full force.

11. Venue for any dispute arising under this Lease shall be filed in Harris County, Texas.

12. The Director of Housing and Community Development Department, City of Houston, is authorized on behalf of the City of Houston to take all actions necessary to effectuate the City of Houston's intent and objectives in administering this Lease once this Lease is approved by the City Council of the City of Houston, signed by the Mayor of the City of Houston and countersigned by the City Controller.

13. Landlord and Tenant agree that all notices given pursuant to this Lease shall be in writing and shall either be mailed by first class United States mail, postage prepaid, certified with return receipt requested, and addressed as set forth below or delivered in person to the intended addressee. Notice mailed in the aforesaid manner shall become effective three (3) business days after postmarked; notice given in any other manner, shall be effective only upon actual signed receipt by the intended addressee. Each party shall have the continuing right to change its address/contact information shown below by the giving of fifteen (15) days prior written notice to the other party in accordance with this provision.

For purposes of providing notice to Tenant under this provision:

City of Houston
Attn: Rupa Sen, Real Estate Manager
Housing and Community Development Department
2100 Travis, 9th Floor
Houston, TX 77002
Phone: 832-394-6217
Email: rupa.sen@houstontx.gov

with a copy to:

City Attorney
900 Bagby
4th Floor
Houston, Texas 77002

For purposes of providing notice to Landlord under this Lease:

William Marsh Rice University
Attn: Alan C. Arnold, Jr.
Investment Director, Real Estate
204 Lovett Hall, MS 91
6100 Main Street
Houston, TX 77005-1827
Phone: 713.348.2438
Email: aarnold@rice.edu

with a copy to:

Office of the General Counsel
William Marsh Rice University
Attn: Joseph B. Davidson
Senior Associate General Counsel
204 Lovett Hall, MS 91
6100 Main Street
Houston, TX 77005-1827
Phone: 713.348.4748
Email: jbdii@rice.edu

with a copy to:

Jackson Walker, L.L.P.
Attn: S. Priya Coffey
1401 McKinney
Suite 1900
Houston, TX 77010
Phone: 713.752.4337
Email: pcoffey@jw.com

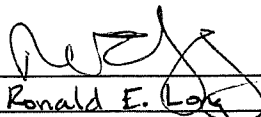
14. This Lease contains the entire transaction between the parties. There are no other transactions existing than those set forth herein. This Lease may not be amended except by written agreement signed by both parties and approved by an ordinance duly executed by the Tenant.

EXECUTED in multiple counterparts, effective and dated as of the date of countersignature by the City Controller.

[two (2) signature pages following]

"LANDLORD"

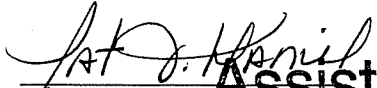
WILLIAM MARSH RICE UNIVERSITY

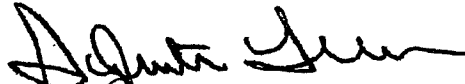
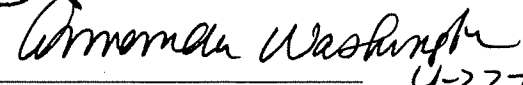
By: 
Name: Ronald E. Long
Title: Associate Treasurer

"TENANT"

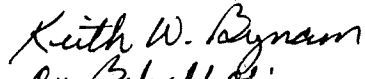
CITY OF HOUSTON, TEXAS

ATTEST:

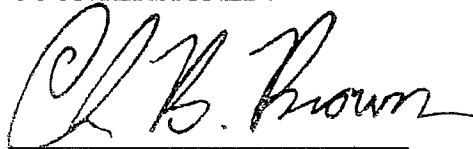

Anna Russell
City Secretary **Assistant**



Sylvester Turner
Mayor 4-22-19

APPROVED AND RECOMMENDED:


on Behalf of:
Tom McCasland
Director
Housing and Community Development
Department

COUNTERSIGNED:


Chris B. Brown
City Controller

Date: 5-3-19

APPROVED AS TO FORM:

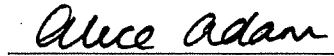

Senior Assistant City Attorney
LD No. 03319 00017001

EXHIBIT A

PREMISES (Block 442)

2109 Travis Street – LTS 1, 2, 6, 7, 8 & 12 & TRS 3A, 9A, 11A, BLK 442, SSBB 0.8609 AC
914 Gray Street – TRS 3, 4, 5 & 11B, BLK 442 SSBB
918 Gray Street – TRS 3B, 4A & 5A, BLK 442 SSBB

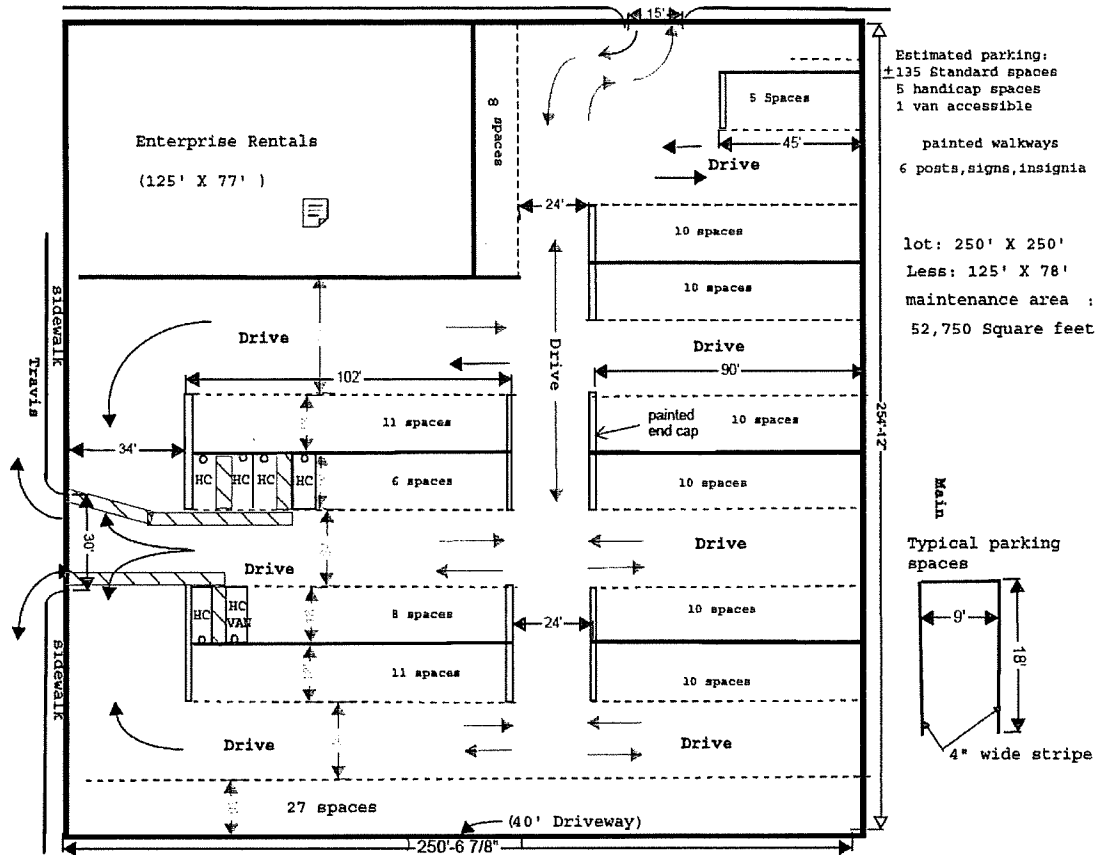


EXHIBIT B

COMMENCEMENT LETTER

Re: Parking Lease dated effective as of May 3, 2019 (the "*Lease*"), between **WILLIAM MARSH RICE UNIVERSITY** ("*Landlord*") and **CITY OF HOUSTON, TEXAS** ("*Tenant*") for the Premises. Unless otherwise specified, all capitalized terms used herein shall have the same meanings as in the Lease.

Landlord and Tenant agree that:

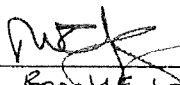
1. Landlord has fully completed all Landlord Work required under the terms of the Lease, if any.
2. Tenant has accepted possession of the Premises in "as is" condition and configuration. The Premises are usable by Tenant as intended; Landlord has no further obligation to perform any Landlord Work or other construction, and Tenant acknowledges that the Premises are satisfactory in all respects.
3. The Commencement Date of the Lease is May 7, 2019.
4. The Expiration Date of the Lease is May 6, 2029.

All other terms and conditions of the Lease are ratified and acknowledged to be unchanged.

[Signatures Appear on the Following Page]

"LANDLORD"

WILLIAM MARSH RICE UNIVERSITY

By: 
Name: Ronald E. Long
Title: Associate Treasurer

SLB

"TENANT"

CITY OF HOUSTON, TEXAS

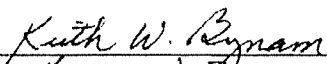
RS: By: 
Name: KEITH W. BYNUM
Title: Deputy Director

EXHIBIT C

LANDLORD WORK AND DELIVERY CONDITION

Landlord will deliver the Premises to Tenant in Delivery Condition where the following Landlord Work has been completed and the costs shall be allocated between Landlord and Tenant as set forth in **Article IV, Section a.** of the Lease:

1.	Demo and site preparation	Cost.....	\$10,260.00
	• Remove vegetation (tall grass) • Remove and dispose of six metal posts • Remove an existing kiosk		
2.	Patching and Paving:	Cost.....	\$37,157.60
	• Paving-an area that is 70' X 100' – excavate 2" – 3" of existing surface to get rid of grass roots and replace with 2"-3" of new base • Level-up with asphalt an area that is 135' long by 10' wide • Repair a pot hole that is 500 SF in area. Excavate the area 8" deep and Replace with 6" of new base and 2" of new asphalt. • After all repairs are complete the parking lot will be sprayed with an Herbicide to minimize any further growth of grass and any other vegetation. • The parking lot will then be striped: 3200 LF of striping, 344 LF of end Caps, and 18 arrows, #5 Handicap insignia and sign posts w/ wigns, w/5' hashed access aisles, and #1 Van accessible space.		
3.	5000 SF Level-up area @ South corner (Webster & Main):	Cost.....	\$13,750.00
	• The area is approximately 50' X 100' • At the deepest point it's 3" inches deep. • Type "D" hot mix asphalt will be the level-up material to be used. • This item may take two days to complete.		
4.	Tax – on items #1 - #3 above, <u>if required</u>	Cost.....	\$5,046.33
5.	Swing Gate	Cost.....	\$3,875.00
	• Remove 30 linear feet of existing 6' tall chain link perimeter fence. • Supply and install 1 ea.-30' wide x 6' tall double swing gate with pad lockable latch. • Includes 2 ea. – 6-5/8" sch40 galvanized gate posts. • Reconnect existing chain link fence to new gate posts.		
6.	Management Fee		
	• <u>With</u> Tax - 10% of the sum of the Costs listed in #1 - #5 above, if Tax (#4) is required • <u>Without</u> Tax - 10% of the sum of the Costs listed in #1 #3 & #5 above, if Tax (#4) is <u>not</u> required	Cost.....	\$7,008.89 \$6,504.26

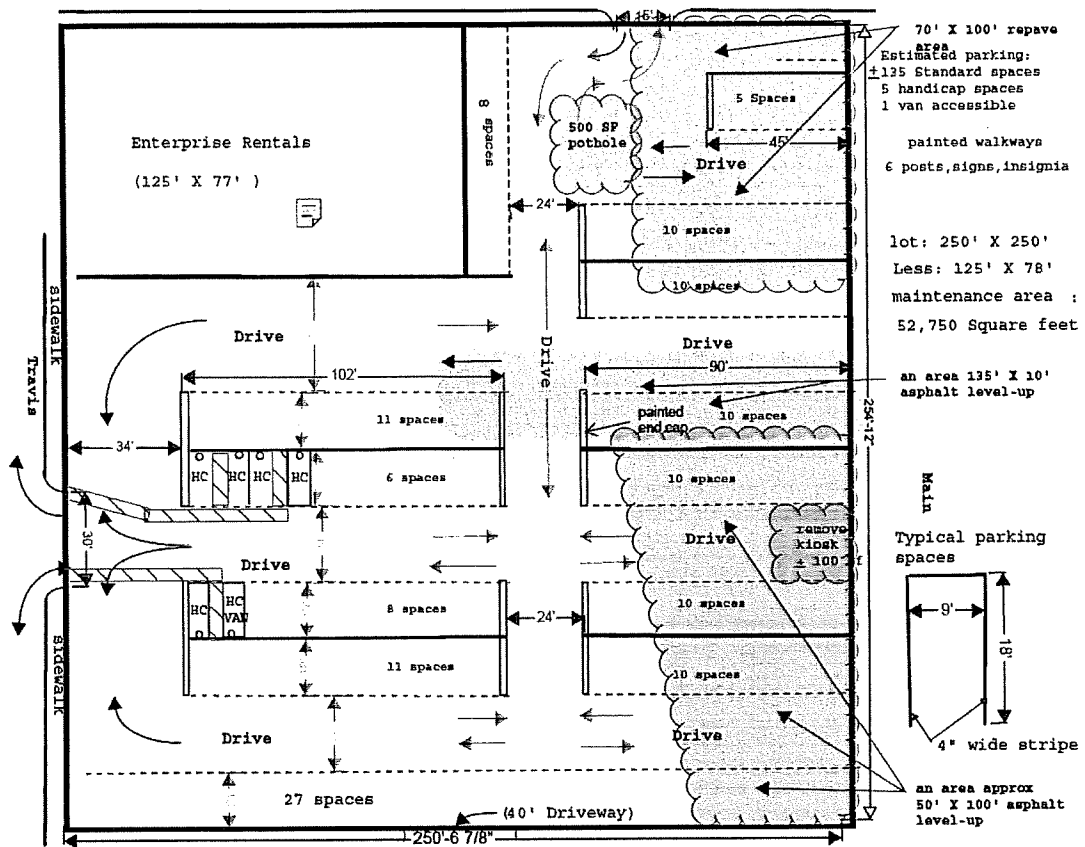


Exhibit C-ii