

4600012561  
2019-0117

**FIRST AMENDMENT TO FIRST INTERLOCAL AGREEMENT**

This First Amendment to the First Interlocal Agreement (this "First Amendment") by and between the CITY OF HOUSTON, TEXAS, a home rule municipality (the "City"), and HOUSTON FORENSIC SCIENCE CENTER, INC., a Texas local government corporation ("HFSC") is effective on the date of countersignature by the City Controller ("Countersignature Date"). The City and HFSC constitute the "Parties" to this Agreement.

**WITNESSETH:**

**WHEREAS**, pursuant to Resolution No. 2012-17, passed and adopted by the City Council on June 6, 2012, the City Council created the Houston Forensic Science LGC, Inc. (the "HFSLGC"), a local government corporation, to operate a forensic science center to provide the City with accurate and timely analysis of forensic evidence and related services which would enhance the welfare and safety of the public and which is independent from actual or perceived influence by law enforcement, prosecutors, elected officials, and special interest groups; and

**WHEREAS**, pursuant to Ordinance No. 2014-165, passed and adopted by the City Council on February 26, 2014, the City and HFSLGC entered into that certain First Interlocal Agreement (the "Original ILA"), attached hereto as Exhibit A, whereby the City transferred into HFSLGC the control of, and responsibility for, the "Forensic Operations" as defined in the Original ILA; and

**WHEREAS**, HFSLGC has since changed its name to HFSC; and

**WHEREAS**, pursuant to Ordinance No. 2018-793, passed and adopted by the City Council on October 3, 2018, the City and Jefferson Smith, LLC ("Landlord"), entered into that certain 30-year Lease Agreement (the "Lease"), attached hereto as Exhibit B, whereby the City leases from Landlord office space at a property located at 500 Jefferson, Houston, Texas (the "Leased Premises"); and

**WHEREAS**, the City is allowing HFSC to use and occupy the Leased Premises under that certain Occupancy Agreement between the City and HFSC identified as City Contract No. C77791 ("Occupancy Agreement"), attached hereto as Exhibit C; and

**WHEREAS**, the City and HFSC contemplate entering into a long-term agreement for the sublease of the Leased Premises ("Sublease") that will replace the Occupancy Agreement; and

**WHEREAS**, upon commencement of HFSC's occupancy of the Leased Premises, HFSC's corporate address will change from 1301 Fannin Street, Suite 170, Houston, Texas 77002 to 500 Jefferson Street, 13<sup>th</sup> floor, Houston, Texas 77002; and

**WHEREAS**, the term of the Original ILA shall expire on June 30, 2019; and

**WHEREAS**, the term of the Occupancy Agreement shall expire on June 30, 2019;  
and

**WHEREAS**, the City and HFSC find it necessary to extend the term of the Original ILA and to make the terms of the Original ILA and the Sublease coterminous with the term of the Lease; and

**WHEREAS**, the City and HFSC desire 1) to ratify the name change of HFSLGC to HFSC; 2) to ratify HFSC's change of corporate address and registered address to the Leased Premises; and 3) to make the terms of the Lease, the Original ILA and the Sublease coterminous;

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants, conditions, and promises hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Parties hereby covenant and agree as follows:

**ARTICLE I.**

That the Parties hereby ratify the change of name of HFSLGC to HFSC and all references in the Original ILA to "HFSLGC" or "Corporation" shall mean and refer to HFSC.

**ARTICLE II.**

That the Parties hereby ratify HFSC's change of corporate and registered address from 1301 Fannin Street, Suite 170, Houston, Texas 77002 to 500 Jefferson Street, 13<sup>th</sup> floor, Houston, Texas 77002, effective March 4, 2019.

**ARTICLE III.**

That the term under Section 4.01 of the Original ILA is hereby deleted in its entirety and replaced with the following:

**"Section 4.01. Term.** The term of this Agreement (the "Term") shall begin on the Countersignature Date and shall expire on the first to occur of (a) the date of termination or expiration of that certain Lease Agreement by and between the City and Jefferson Smith, LLC approved by City Ordinance No. 2018-793, passed and adopted by the City Council on October 3, 2018, (b) the termination of this Agreement by either Party as provided herein, or (c) the termination of this Agreement by the mutual written agreement of the City and the Corporation."

**ARTICLE IV.**

That no other changes are hereby made or intended to be made to the Original ILA, as amended hereby, and, except as herein specifically amended, the Original ILA shall remain in full force and effect in accordance with the terms and provisions thereof, and this First Amendment is hereby ratified and confirmed.

**ARTICLE V.**

That in case of any conflict or inconsistency between the terms and provisions of the Original ILA, as amended hereby, and the terms and provisions of this First Amendment, the terms and provisions of this First Amendment shall control.

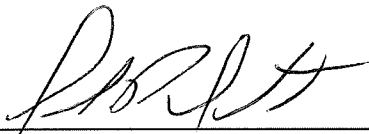
**ARTICLE VI.**

The Parties have executed this First Amendment in multiple copies, each of which is an original. Each person signing this First Amendment represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this First Amendment. Each Party represents and warrants to the other that the execution and delivery of this First Amendment and the performance of such Party's obligations hereunder have been duly authorized and that this First Amendment is a valid and legal agreement binding on such Party and enforceable in accordance with its terms and provisions.

**EXECUTED** in multiple counterparts to be effective on the Countersignature Date.

"HFSC"

**HOUSTON FORENSIC SCIENCE CENTER, INC**, a non-profit local governmental corporation

By: 

Name: Peter R. Stout



Title: President/CEO

ATTEST:


  
\_\_\_\_\_  
Anna Russell  
City Secretary **Assistant**

"CITY"

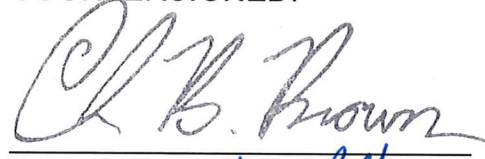
CITY OF HOUSTON, TEXAS

  
  
\_\_\_\_\_  
Sylvester Turner  
Mayor *2-27-19*

APPROVED AND RECOMMENDED:

  
\_\_\_\_\_  
Andrew F. Icken  
Chief Development Officer  
Mayor's Office of Economic Development


COUNTERSIGNED:

  
\_\_\_\_\_  
Chris B. Brown *Jerald Bell*  
Controller

Countersignature Date:

3-6-19

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Akilah Mance  
General Counsel, HFSC

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Alice Adam  
Senior Assistant City Attorney  
LD # 0331800120001

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**Exhibit A**

Original Interlocal Agreement

4600012561  
2014-0165

FIRST INTERLOCAL AGREEMENT

Between

THE CITY OF HOUSTON

and

HOUSTON FORENSIC SCIENCE LGC, INC.

## INTERLOCAL AGREEMENT

This First Interlocal Agreement ("this Agreement") by and between the CITY OF HOUSTON, a Texas home rule municipality (the "City"), and HOUSTON FORENSIC SCIENCE LGC, INC., a Texas local government corporation ("HFSLGC" or the "Corporation") is effective on the "Countersignature Date" as defined below. The City and the Corporation constitute the "Parties" to this Agreement.

### WITNESSETH:

**WHEREAS**, the accurate analysis of forensic evidence is widely recognized as essential to the just and efficient enforcement of criminal laws; and

**WHEREAS**, for many years the City has relied on the Houston Police Department ("HPD") for the collection and analysis of forensic evidence, services HPD has provided through the Crime Lab Division (the "HPD Crime Lab") and the Identification Division of HPD's Forensic Services Command; and

**WHEREAS**, in 2002 the City learned of serious, systemic managerial and operational failures in the HPD Crime Lab, which failures were detailed in the "Final Report of the Independent Investigator for the Houston Police Department Crime Laboratory and Property Room" (the "Bromwich Report") prepared in 2007 by Michael R. Bromwich and his investigative team; and

**WHEREAS**, at the City's insistence, but also with the City's full support, HPD has engaged in extraordinary efforts to correct the managerial and operational failures described in the Bromwich Report; and

**WHEREAS**, the City Council of the City acknowledges that significant across-the-board operational improvements have enabled the HPD Crime Lab to be accredited under the "Legacy" program of the American Society of Crime Laboratory Directors / Laboratory Accreditation Board ("ASCLD/LAB") and that the Lab expects to be accredited under ASCLD/LAB's "International" program or a similarly rigorous program by mid-2015; and

**WHEREAS**, the City Council has concluded that a just and efficient criminal justice system requires forensic services characterized by objective, scientifically rigorous standards and operational excellence, with management independent from actual or perceived influence of law enforcement, prosecutors, elected officials, and special interest groups, a goal consistent with *Strengthening Forensic Science in the United*

*States: A Path Forward*, the landmark 2009 study by the National Academy of Sciences (the "National Academy"); and

WHEREAS, Subchapter D, Chapter 431, Texas Transportation Code, authorizes the creation of local government corporations to aid and act on behalf of local governments; and

WHEREAS, on June 6, 2012, the City Council passed Resolution No. 2012-17, which memorialized the City Council's finding that the City's creation of a local government corporation to operate an independent forensic science center to provide the City with accurate and timely analysis of forensic evidence and related services would accomplish an important governmental purpose, namely, to enhance the welfare and safety of the public; and

WHEREAS, Resolution No. 2012-17 both authorized the City's creation of the Corporation to operate the said independent center and approved the form of the Corporation's Certificate of Formation (the "Certificate of Formation"); and

WHEREAS, as prescribed by the Certificate of Formation, the affairs of the Corporation are managed by a Board of Directors appointed by the Mayor of the City (the "Mayor") and confirmed by the City Council; and

WHEREAS, also as prescribed by the Certificate of Formation, the Board of Directors "[i]n the aggregate [are] qualified to govern a forensic science center and to provide guidance regarding forensic science issues from the perspectives of science, law enforcement, public policy, business, persons accused of crimes, and the general public;" and

WHEREAS, the City does not employ, compensate, or direct the activities of any voting Director of the Corporation; and

WHEREAS, the City Council has found that the Corporation's mode of governance provides independence from actual or perceived influence by law enforcement, prosecutors, elected officials, and special interest groups and therefore is consistent with the conclusions of the National Academy acknowledged above; and

WHEREAS, Section 791.003(4)(B), Texas Government Code, provides that a "local government corporation created under Subchapter D, Chapter 431, Transportation Code," such as the Corporation, is a "local government" for the purposes of the Interlocal Cooperation Act, which Act has been codified as Chapter 791, Texas



Government Code; and

**WHEREAS**, Section 791.011(a), Texas Government Code, provides that "[a] local government may contract or agree with another local government ... to perform governmental functions and services" in accordance with the Interlocal Cooperation Act; and

**WHEREAS**, Article IV(A)(1) of the Certificate of Formation authorizes the Corporation "[t]o contract with persons and with governmental, for-profit, and non-profit entities for the procurement of facilities, equipment, and services; the hiring of personnel; and the operation of the [forensic science] [c]enter;" and

**WHEREAS**, in light of the findings and circumstances described above, the City desires to transfer to the Corporation, and the Corporation agrees to accept, control of and responsibility for the "Forensic Operations" as defined herein, to the degree and according to the terms stated in this Agreement; and

**WHEREAS**, the City Council acknowledges that all or substantially all of the City employees assigned to the operations subject to this Agreement desire to remain employees of the City and to continue to receive benefits and rights provided by the City to its employees; and

**WHEREAS**, both the City Council and the Corporation desire to effect the transfer of control and responsibility as described herein;

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants, conditions, and promises hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Parties hereby covenant and agree as follows:

#### **ARTICLE 1. DEFINITIONS.**

In addition to definitions appearing elsewhere in this Agreement, for the purposes of this Agreement the terms listed below have the meaning stated.

"2011 Meet & Confer" means the "Meet & Confer Agreement between the Houston Police Officers' Union (HPOU) as the Majority Bargaining Agent for all Police Officers and the City of Houston, Texas for Fiscal Years 2011 through 2015," together with any amendment or replacement of the said agreement to the extent the amendment or replacement is not inconsistent with a material term of this Agreement.

"Assets" means every tangible or intangible asset, including but not limited to the Contract Rights, in which the City has a property interest and that is or was used, or that is or was available for use, in the ordinary course of the Forensic Operations at any time during the 180 days prior to the Mayor's Signature Date, *except that* "Assets" shall not include (a) the Leasehold; (b) the Provisional Assets; (c) any asset that, despite the best good-faith efforts of the City and Corporation, the City may not transfer to the Corporation without committing a material violation of a lawful statute, regulation, or agreement with a third party; or (d) any asset in which the City divests the entirety of its interest in the ordinary course of business prior to the Completion Date.

"Chief of Police" means the Chief of the Houston Police Department.

"City's Finance Director" means the Director of the City's Finance Department.

"City's HR Director" means the Director of the City's Department of Human Resources.

"Civilians" means the persons listed on Exhibit "A." As of the Mayor's Signature Date, each Civilian (a) is employed by the City in the stated job classification and under the stated employee number; (b) is supervised by HPD; but (c) is not an employee within the scope of Section 143.003(5), Texas Local Government Code.

"Civilian Cash Compensation" means a sum equal to the total of (a) cash actually paid by the City to the Civilians in the ordinary course of the City's business from the Management Date through the last day of the Term, as wages, sick leave, vacation leave, or compensatory time, plus (b) a sum equal to a reasonable estimate of the administrative overhead incurred by the City for the calculation and payment of (a).

"Civilian Benefit Expenses" means a sum equal to the total of (a) cash actually paid by the City to the Civilians or to third parties in the ordinary course of the City's business from the Management Date through the last day of the Term, as payment, in whole or in part, of perquisites benefitting the Civilians, plus (b) a sum equal to a reasonable estimate of the administrative overhead incurred by the City for the calculation and payment of (a). In this context, "perquisites" include insurance coverage, contributions to retirement plans, and parking expenses.

"Civilian Personnel Information" means the following documents for each Civilian, to the extent the documents are within the City's custody or control: A copy of the Civilian's application for employment with the City; copies of all documents constituting or directly related to evaluations of the Civilian's job performance; copies of

all documents evidencing the Civilian's formal education; to the extent related to the Civilian's employment with the City, copies of all documents evidencing the Civilian's training and any licenses, certifications, and awards received by the Civilian; copies of all documents related to all actions taken by the City related to the Civilian's job performance, including documentation of any corrective or disciplinary actions; and copies of documents from which the Corporation may discern the Civilian's salary history while employed by the City.

"Classifieds" means the persons listed on Exhibit "B." As of the Mayor's Signature Date, each Classified (a) is employed by the City in the stated job classification and under the stated employee number; (b) is supervised by HPD; and (c) is an employee within the scope of Section 143.003(5), Texas Local Government Code. The Parties acknowledge that, notwithstanding Article 23 of the 2011 Meet & Confer, for the purposes of this Agreement "Classifieds" does not include personnel assigned by HPD to Polygraph or to the Automated Fingerprint Information System ("AFIS").

"Classified Cash Compensation" means a sum equal to the total of (a) cash actually paid by the City to the Classifieds in the ordinary course of the City's business from the Management Date through the last day of the Term, as wages, paid time off, or any other form of cash compensation if and as required by the 2011 Meet & Confer, plus (b) a sum equal to a reasonable estimate of the administrative overhead incurred by the City for the calculation and payment of (a).

"Classified Benefit Expenses" means a sum equal to the total of (a) cash actually paid by the City to the Classifieds or to third parties in the ordinary course of the City's business from the Management Date through the last day of the Term, as payment, in whole or in part, of perquisites benefitting the Classifieds, plus (b) a sum equal to a reasonable estimate of the administrative overhead incurred by the City for the calculation and payment of (a). In this context, "perquisites" include insurance coverage, contributions to retirement plans, and parking expenses.

"Classified Personnel Information" means copies of documents from which the Corporation may discern the date of each Classified's employment by the City and any changes in each Classified's rank, job title, and job description, together with the date of each such change.

"Completion Date" means the date 210 days after the Countersignature Date.

"Contract Rights" means all legal rights and benefits that (a) arise from agreements between the City and third parties; (b) are enjoyed by the City as of the

Mayor's Signature Date; and (c) are necessary or desirable for the performance of the Forensic Operations, *except that* "Contract Rights" shall not include a right or benefit that in the ordinary course of business is fully received or otherwise expires prior to the Completion Date.

"Corporation Fiscal Year" is the same fiscal year as the City's fiscal year.

"Countersignature Date" means the date on which this Agreement is countersigned by the Controller of the City.

"Executive Director" means the Executive Director of the Corporation.

"Force Majeure" means an event or circumstance beyond the reasonable control of, and without the fault or negligence of, the Party claiming Force Majeure. It shall include an act of God; war (declared or undeclared); sabotage; civil unrest or disturbance; military action; civil strike, work stoppage, slow-down, or lock-out; explosion; fire; earthquake; hurricane, flood; a binding injunction issued by a court with lawful jurisdiction; failure of equipment neither utilized by nor under the control of either Party; or failure of equipment utilized by and under the control of a Party, *provided that* such equipment has been operated and maintained in accordance with prudent practice.

"Forensic Operations" means the operations of

- (a) the HPD Crime Lab, which consists of Toxicology, Controlled Substance, Forensic Biology (DNA), Firearms, and Crime Lab Quality Control; and
- (b) HPD's Identification Division, which consists of
  - (i) the Latent Print Laboratory, including Latent Print Evidence Processing, Latent Print Comparisons, and Latent Print Quality Control, but specifically excluding the Automated Fingerprint Information System ("AFIS");
  - (ii) the Audio/Visual Laboratory;
  - (iii) the Digital Forensics Laboratory; and
  - (iv) the Crime Scene Units,

as all such operations exist thirty days prior to the Mayor's Signature Date.

"Leasehold" means (a) the spaces described in reasonable detail in the attached Exhibit "C"; (b) the self-contained office space inside the structure at 1305 Dart Street, Houston, Texas; and (c) all access, utilities, parking, and services related to (a) and (b) and used in the ordinary course of business of the Forensic Operations or the Corporation.

"Management Date" means the date thirty days after the Countersignature Date.

"Mayor's Signature Date" means the date on which this Agreement is signed by the Mayor.

A "New Hire" is a natural person directly employed by the Corporation, including persons so employed prior to the Management Date. A New Hire is neither a Civilian nor a Classified.

"Provisional Assets" means the vehicles and certain other items of personal property listed and described in reasonable detail on Exhibit "D."

"Resources" means the Assets plus the City's property interests in the Leasehold and in the Provisional Assets whose transfer to the Corporation in whole or in part are among the subjects of this Agreement.

"Shared Spaces" means all interior and exterior spaces at 1305 Dart Street, Houston, Texas (except for space at the said address included in the Leasehold), together with all access, utilities, parking, and services related to the said spaces.

"Term" is defined in Section 4.01 of this Agreement.

## ARTICLE 2. RULES OF CONSTRUCTION.

**Section 2.01. Descriptions.** As used in this Agreement, "described in reasonable detail" means described in a manner sufficient to enable a third party to identify (and, as applicable, to locate) the specific property, right, or obligation without additional information.

**Section 2.02. Time.** All references to time in this Agreement refer to time as observed in Houston, Texas. Unless stated otherwise, all references to days are to calendar days.

**Section 2.03. Construction of this Agreement.** This Agreement shall be construed under the laws of the State of Texas, and all references to statutes and ordinances shall be construed to include any amendments of the said laws. In addition, the rules of construction and definitions in Section 1-2 of the City's Code of Ordinances shall apply to this Agreement, which is to be construed liberally to effectuate the purposes stated in the Corporation's Certificate of Formation or in the aforementioned Resolution No. 2012-17.

**Section 2.04. Successors and Designees.** All references in this Agreement to a particular person or entity shall include the person's or entity's successors and authorized designees.

**Section 2.05. Exhibits.** All Exhibits described in and attached to this Agreement are incorporated into this Agreement as if set out fully herein, *provided that* in the event of a conflict between an Exhibit and this Agreement, this Agreement shall control.

### **ARTICLE 3. TRANSFER OF RESPONSIBILITY AND CONTROL; ADDITIONAL OBLIGATIONS OF THE PARTIES.**

**Section 3.01. City's Transfer of Responsibility and Control.** At 12:01 a.m. on the Management Date, the Corporation shall assume responsibility for and control of the Forensic Operations.

**Section 3.02. City's Transfer of Assets to Corporation.** The City hereby transfers, assigns, and delegates to the Corporation all of the City's interest in the Assets, which transfer, assignment, and delegation shall be effective at 12:01 a.m. on the Management Date. Before the Completion Date, the City will execute such additional documents as may be necessary to transfer to the Corporation legal title to the Assets. The Corporation hereby accepts the said transfer, assignment, and delegation under the terms provided herein. To the extent the City's transfer of an Asset requires the agreement of a third party, the City and the Corporation agree to use their respective best good-faith efforts to obtain all such agreements before the Completion Date.

**Section 3.03. Corporation's Use of Provisional Assets.** Effective at 12:01 a.m. on the Management Date, the City will make the Provisional Assets available for use by the Corporation as necessary or desirable for the operation of an independent forensic science center as contemplated by the aforementioned Resolution No. 2012-17, including but not limited to performance of the Forensic Operations. The City will maintain and replace the Provisional Assets in keeping with standards no less stringent

than the maintenance and replacement standards observed by the City for the same or similar items of personal property prior to the Mayor's Signature Date. In the absence of a written agreement duly authorized and executed by the City and the Corporation, this Section 3.03 will expire automatically on June 30, 2017.

**Section 3.04. Corporation's Control of Leasehold.** Effective at 12:01 a.m. on the Management Date, the Corporation shall have exclusive access to and control of the Leasehold in all circumstances except those presenting a serious and immediate threat to human safety, in which case authorized employees of the City may enter the Leasehold for the sole purpose of addressing the said threat.

**Section 3.05. Corporation's Lease of Leasehold.** The Parties agree to enter into a written lease (the "Written Lease") not later than the Completion Date, by which document the Corporation will lease the Leasehold from the City for a three-year term beginning no later than the Completion Date. All remaining terms of the Written Lease shall be commercially reasonable in light of the circumstances as a whole. The Parties further agree that, in the event they are unable to agree upon the remaining terms of the Written Lease, each Party shall name an experienced commercial real estate broker familiar with the market conditions and other objective factors by which the remaining terms may be determined. The two brokers shall name a third similarly experienced and knowledgeable broker. The three brokers shall agree upon the remaining terms of the Written Lease, which terms shall be accepted by the Parties, subject only to any limitations on the City's authority imposed by the City's Charter or by state or federal law. The Corporation will pay the reasonable fees and expenses of the three brokers for services performed pursuant to this Section 3.05. Notwithstanding anything to the contrary in this Section 3.05, no term of the Written Lease shall be inconsistent with this Agreement or with any material term of the aforementioned Resolution No. 2012-17.

**Section 3.06. Mutual Access to Shared Spaces.** Effective at 12:01 a.m. on the Management Date, the City and the Corporation shall have joint access to the Shared Spaces. Each Party shall make every reasonable effort to ensure the security of the Shared Spaces and to cooperate with the other Party's utilization of the Shared Spaces in an efficient manner.

**Section 3.07. Availability of Personnel Information.** Within five days after the Management Date, the City will tender to the Corporation the Civilian Personnel Information and the Classified Personnel Information, at no expense to the Corporation.

**Section 3.08. Progressive Discipline.** Not later than the Management Date, the Executive Director shall promulgate rules and procedures for a "progressive discipline"

system applicable to the Civilians and the New Hires, which system shall be consistent with the criteria for such systems generally accepted by human resources professionals and will not be inconsistent with similar systems used by the City. In the event of a conflict between this Section 3.08 and Section 6.03 of this Agreement, Section 6.03 shall control.

#### **ARTICLE 4. TERM; OBLIGATIONS UPON TERMINATION.**

**Section 4.01. Term.** The Term of this Agreement (the "Term") shall begin on the Countersignature Date and shall end at midnight on the first to occur of (a) June 30, 2019; (b) the termination of this Agreement by either Party as provided herein; or (c) the termination of this Agreement by the mutual written agreement of the City and the Corporation. Notwithstanding the preceding sentence, the Term shall extend automatically for a period commencing July 1, 2019, and ending June 30, 2025, unless either Party provides notice to the other Party on or before February 1, 2019, of its election to terminate this Agreement as of June 30, 2019.

**Section 4.02. Corporation's Obligations Upon Expiration or Termination.** Upon the expiration or termination of this Agreement, and notwithstanding any contrary provision of the Written Lease, the Corporation shall surrender to the City the Corporation's interest in the Leasehold (if and as such interest exists on the date of expiration or termination) and shall execute such documents as are necessary to transfer to the City the Corporation's responsibility for and control of the Civilians, the Classifieds, and the Forensic Operations (as the Forensic Operations exist on the date of expiration or termination), as well as all interests in real and personal property, whether contingent or vested, then owned by or in the lawful possession of the Corporation. The obligations imposed by this Section 4.02 shall survive the expiration or termination of this Agreement until the said obligations are fully discharged.

**Section 4.03. City's Obligations Upon Expiration or Termination.** Upon the expiration or termination of this Agreement, the City (a) shall accept the responsibility, control, and interests tendered by the Corporation pursuant to Section 4.02 of this Agreement and (b) shall assume, perform, or otherwise satisfy in the ordinary course of business all then-pending obligations of the Corporation. The obligations imposed by this Section 4.03 shall survive the expiration or termination of this Agreement until the said obligations are fully discharged.

#### **ARTICLE 5. REPRESENTATIONS AND WARRANTIES.**

**Section 5.01. Accuracy of Exhibits.** The City warrants the accuracy of all Exhibits to this Agreement.



**Section 5.02. City's Ownership of Resources; Permission to Transfer.** The City represents and warrants that as of 5:00 p.m. on the Mayor's Signature Date the City owns or otherwise has lawful possession or control of the Resources; that no person or entity other than the City has a property interest in the Resources unless the interest is described in reasonable detail in a notice delivered to the Corporation's Executive Director at least thirty days before the Mayor's Signature Date.

**Section 5.03. No Transfer of Resources to Third Parties.** The City represents and warrants that from 5:00 p.m. on the Mayor's Signature Date until 12:01 a.m. on the Completion Date, the City shall not transfer any interest in the Resources to a third party except as authorized in writing by the Executive Director, which authorization shall not be given unless the Executive Director reasonably concludes the transfer is essential to avoid a serious disruption of the Forensic Operations.

**Section 5.04. No Default.** The City and the Corporation represent and warrant to each other that their respective performances of this Agreement will not result in the violation of any law or in a default of any contract, grant, bequest, or agreement.

**Section 5.05. Certain Negotiations Between City and Majority Bargaining Agent(s).** The City represents and warrants that it will provide the Corporation (a) with reasonable advance notice of any negotiations between the City and the Houston Police Officers' Union ("HPOU"), the Houston Organization of Public Employees ("HOPE"), or, as may be applicable, any future "Majority Bargaining Agent" if such negotiations are reasonably likely to result in one or more changes materially affecting the Forensic Operations and (b) with a reasonable opportunity to review and comment upon any such changes before the City enters into a binding agreement with HPOU, HOPE, or a future Majority Bargaining Agent.

**Section 5.06. No Amendment of Certificate of Formation or of Bylaws.** The Corporation represents and warrants that no amendment of the Corporation's Certificate of Formation or Bylaws will be effective without the City's consent, as evidenced by a resolution approved by a majority vote of the City Council.

**Section 5.07. Sufficient Funds for Remainder of Fiscal Year.** The City represents and warrants to the Corporation that the funds to be transferred by the City to the Corporation pursuant to Section 11.03 of this Agreement will be sufficient to maintain, at a minimum, the ordinary course of business of the Forensic Operations and the Corporation for the remainder of the City's Fiscal Year ending June 30, 2014. For the purposes of this Section 5.07, the ordinary course of the Corporation's business

includes, but is not limited to, payment of the Civilian Cash Compensation, the Civilian Benefit Expense, the Classified Cash Compensation, and the Classified Benefit Expense for each of the persons and positions listed on Exhibits "A" and "B" of this Agreement.

**Section 5.08. Binding Obligation.** Each Party represents and warrants to the other Party that its execution and delivery of this Agreement has been duly authorized by all proper actions and proceedings, including approval of this Agreement and all Exhibits hereto by the City Council and by the Corporation's Board of Directors, and that this Agreement constitutes a legal, valid, and binding obligation of such Party.

## **ARTICLE 6. SERVICES PROVIDED BY CIVILIANS.**

**Section 6.01. Management of Civilians.** At 12:01 a.m. on the Management Date, the Corporation shall assume responsibility for and control of the Civilians, at which time the Civilians shall provide services to the Corporation, reporting to the Executive Director as if the Executive Director were the Chief of Police. Notwithstanding the preceding sentence, the Parties acknowledge that each Civilian will remain an employee of the City until such employment is terminated by the Civilian or by the City. The City acknowledges (a) that, for as long as a Civilian remains in the City's employ, the City will continue to provide the Civilian with the compensation, benefits, and rights provided by the City in the ordinary course of the City's business and (b) that the obligation to provide the said compensation, benefits, and rights is the City's obligation, not the Corporation's. For the purposes of this Agreement, "benefits" specifically includes, but is not limited to, transportation-related benefits such as parking, shuttle services, and bus passes, and "rights" specifically includes, but is not limited to, the City's civil service rules and procedures.

**Section 6.02. Modification of City Job Classifications or Compensation.** The Executive Director may assign to any Civilian a job description or a job title different from the job description or job title in effect for that Civilian prior to the Management Date. Any such assignment shall have no impact on the Civilian's job classification or compensation, which the Civilian will continue to receive as an employee of the City. Notwithstanding the immediately preceding sentence, the Executive Director may ask the City to modify the job classification or compensation of any Civilian. All such requests shall be submitted in writing to the City's HR Director, who shall honor the request as described in this Section 6.02, *provided that* honoring the request will not violate applicable law or any written policy of the City in effect at least ninety days prior to the date of the Executive Director's request. The City's HR Director shall respond in writing within thirty days after receipt of the request; the response may (a) state that the request is granted and, if so, the effective date of the modification; (b) state

that the request is denied, *provided that* the response identifies the law or policy that would be violated if the request had been granted; (c) request additional information regarding the request; or (d) propose an alternative to granting the request. Any further communications between the Executive Director and the City's HR Director pursuant to this Section 6.02 shall be made as promptly as possible under the circumstances.

**Section 6.03. Return of Responsibility and Control.** In a manner not inconsistent with the progressive discipline system required by Section 3.07 of this Agreement, the Corporation may discontinue its responsibility for and control of any Civilian at any time by delivering a written notice (the "Notice of Return") to the Civilian and delivering a copy of the Notice of Return to the City's HR Director. Upon receipt of the Notice of Return, the Civilian shall discontinue providing services to the Corporation and, in the absence of written permission from the Executive Director, shall not have access to the Leasehold or to any other premises under the exclusive control of the Corporation. The Notice of Return shall state with specificity the reason(s) for the Corporation's action and identify any policy or procedure of the Corporation violated by the Civilian. The reason(s) for the Corporation's action must relate directly to a legitimate objective of the Corporation, may not violate applicable law, and may not be for the purpose, in whole or in part, of replacing a Civilian with a New Hire. The City shall accept responsibility for and control of the Civilian upon the City's HR Director's receipt of a copy of the Notice of Return. Not later than 30 days after delivering the Notice of Return, the Parties and the Civilian may agree in writing that responsibility for and control of the Civilian shall revert to the Corporation on a date certain, on which date the status of the Civilian with regard to the Corporation shall be as if the Corporation had never delivered the said Notice of Return.

**Section 6.04. Vacant Civilian Positions.** If a Civilian (a) voluntarily vacates his position or (b) is removed from his position on a for-cause basis, the Executive Director may abolish the position or fill the position with another Civilian, a New Hire, or a Classified (the last only if and as permitted by the 2011 Meet & Confer Agreement).

**Section 6.05. End of Corporation's Management of Civilian; Effect.** With regard to any individual Civilian, in the event of (a) the termination of the Civilian's employment with the City (whether voluntarily or otherwise) or (b) the Corporation's sending a Notice of Return to the Civilian as contemplated by Section 6.03 of this Agreement, the Corporation's obligation to reimburse the City for Civilian Cash Compensation and Civilian Benefit Expenses ends automatically.

## ARTICLE 7. SERVICES PROVIDED BY CLASSIFIEDS.

**Section 7.01. Management of Classifieds.** At 12:01 a.m. on the Management Date, the Corporation shall assume supervision and management responsibility for Classifieds as set out in Article 23 of the 2011 Meet & Confer, at which time each Classified shall be managed by the Executive Director, *provided that* the substance of the Houston Police Department's General Orders, the civil service rules of the Texas Local Government Code, and the City's civil service rules and procedures shall continue to apply to each Classified. Specifically, the Executive Director's supervision and management responsibility shall be limited to administrative responsibilities and any issue involving how forensic responsibilities are to be performed and who will perform them. In all other management and supervision matters, the Chief of Police will exercise ultimate authority over any Classified in any matter, including but not limited to, those powers, duties, and rights established by statute, the City Charter, City Ordinances, the 2011 Meet & Confer Agreement, or applicable law.

**Section 7.02. Classifications and Compensation.** To the extent not prohibited by the 2011 Meet & Confer Agreement or by statute, the Executive Director may assign to any Classified a job description or a job title different from the job description or job title in effect for that Classified prior to the Management Date. Any such assignment shall have no impact on the Classified's job classification or compensation, which shall continue to be governed by the 2011 Meet & Confer Agreement, the Texas Local Government Code, City Ordinances, and other applicable law.

**Section 7.03. Classified's Position with Corporation.** Pursuant to the 2011 Meet & Confer Agreement, any Classified may remain in his position with the Corporation until such time as the Classified (a) retires from or otherwise voluntarily vacates the position or (b) is removed from the position on a for-cause basis in the manner provided by the 2011 Meet & Confer Agreement and applicable law. In either event, the Executive Director may abolish the position or fill the position with another Classified (*provided that* filling the position with another Classified is not inconsistent with the 2011 Meet & Confer), with a Civilian, or with a New Hire.

**Section 7.04. Request to Transfer Classified.** Notwithstanding anything to the contrary in this Article 7, for a reason rationally related to a legitimate objective of the Corporation, the Executive Director may request that the Chief of Police transfer a Classified out of the Forensic Operations. The Corporation acknowledges that the Chief of Police will not be obligated to grant the Executive Director's request.

**Section 7.05. End of Corporation's Management of Classified; Effect.** In the event the Corporation's supervision and management of any individual Classified is discontinued as a result of (a) the Classified's death or his retirement or resignation

from his employment with the City or (b) any action by the City (whether or not resulting from a request made pursuant to Section 7.04 of this Agreement), the Corporation's obligation to reimburse the City for the Classified's Cash Compensation and Benefit Expenses ends automatically.

#### **ARTICLE 8. REIMBURSEMENT OF CERTAIN PERSONNEL EXPENSES**

Not later than the last business day of each month, the City shall submit to the Corporation an invoice for all Civilian Cash Compensation, Civilian Benefit Expenses, Classified Cash Compensation, and Classified Benefit Expenses actually paid by the City during the previous month. (Example: By the last business day of September, the City shall submit one or more invoices for all such payments made by the City during August.) Each invoice shall provide detail sufficient for the Corporation to determine the exact amounts and purposes of the funds paid by the City to or on behalf of the Civilians and the Classifieds (each of whom shall be identified specifically) during the period covered by the invoice. Notwithstanding the first sentence of this Article 8, the City shall submit the first such invoice not later than the last business day of the second full month following the Management Date, and the first such invoice shall include funds paid by the City from the Management Date through the first full month following the Management Date. Except for invoices the Corporation believes in good faith to be in error, the Corporation shall pay each invoice submitted by the City pursuant to this Article 8 within sixty days of the Corporation's receipt of the invoice.

#### **ARTICLE 9. NEW HIRES.**

**Section 9.01. Authority for New Hires.** The Corporation shall have sole authority (a) to employ directly, and to terminate the employment of, such personnel as are necessary to accomplish the purposes stated in the Corporation's Certificate of Formation and (b) to determine job classifications, job duties, compensation, benefits, policies, and practices pertinent to the New Hires.

**Section 9.02. Former City Employees as New Hires.** The Corporation may employ a former employee of the City. Before doing so, however, the Corporation shall disclaim to the said person in writing any duty by the Corporation to provide legal, financial, or other assistance related to benefits (specifically including retirement benefits) to which the person may be entitled, or may claim to be entitled, as a result of his past employment by the City.

#### **ARTICLE 10. ADDITIONAL COVENANTS.**

**Section 10.01. Corporation's Compliance with Applicable Laws.** The

Corporation will comply with all applicable laws; procure all required government and regulatory approvals; pay all fees, taxes, and other expenses; and give all notices necessary or prudent for the lawful and proper execution of its activities.

**Section 10.02. Corporation's Commitment to Disadvantaged Business Policies.** On November 8, 2013, the Corporation's Board of Directors unanimously approved Resolution No. 2013-004, which Resolution is incorporated into this Agreement as if set out fully herein. By Resolution No. 2013-004, the Corporation adopted by reference the "minority/women disadvantaged business enterprise policies" stated in Article V ("Minority, Women and Small Business Enterprises") and in Article VI ("Persons with Disabilities Business Enterprises") of Chapter 15 of the City's Code of Ordinances (collectively, the "Disadvantaged Business Policies"). The Corporation will continue to comply with Resolution No. 2013-004 and will neither rescind nor modify the said Resolution absent a variance approved in writing by the Director of the City's Office of Business Opportunity.

**Section 10.03. City's Commitment to Provide Assistance.** The City agrees to provide, through the City's Office of Business Opportunity, timely advice and recommendations to the Corporation regarding the proper application of the Disadvantaged Business Policies, at no cost to the Corporation.

## **ARTICLE 11. FINANCIAL SUPPORT OF THE CORPORATION.**

**Section 11.01. Previous Funding of the Corporation.** The Parties acknowledge that on October 17, 2012, the City Council passed and approved Ordinance No. 2012-912 authorizing Memorandum of Understanding No. 1 between the City and the Corporation, pursuant to which the City disbursed to the Corporation the sum of \$500,000.00 on October 30, 2012. The Parties further acknowledge that on December 11, 2013, the City Council passed and approved Ordinance No. 2013-160 authorizing Memorandum of Understanding No. 2 between the City and the Corporation ("MOU No. 2"), pursuant to which the City disbursed to the Corporation the sum of \$1,567,110.00 on December 30, 2013.

**Section 11.02. Current Funding of the Forensic Operations.** On June 19, 2013, the City Council passed and approved Ordinance No. 2013-617, which Ordinance adopted the final budget of the expenditures of the City's General, Enterprise and Special Revenue Funds for the Fiscal Year beginning July 1, 2013, and ending June 30, 2014 (the "FY14 City Budget", a copy of which document is available for review at <http://www.houstontx.gov/budget/14budadopt/index.html>). The FY14 City Budget is incorporated into this Agreement as if set out fully herein. Page VII-4 of the FY14

City Budget authorizes (at Line 532040) the transfer of \$22,944,904.00 (the "FY14 Forensic Funds") from the City to the Corporation; authorization for the transfer is further acknowledged on Page VII-2. Notwithstanding the said authorization in the FY14 City Budget, the Parties agreed, and continue to agree, that, other than the funds disbursed to the Corporation pursuant to MOU No. 2 (as described in Section 11.01 of this Agreement), no portion of the FY14 Forensic Funds would be transferred to the Corporation until the Management Date, as defined by this Agreement. The Parties further acknowledge that, from July 1, 2013, until the Management Date, the City has paid or will have paid various expenses of the Forensic Operations from the FY14 Forensic Funds, with all such payments having been approved, or the Parties in good faith expect will be approved, by both HPD and the Executive Director.

**Section 11.03. Transfer of Funds to the Corporation.** On the Management Date, the City will transfer to the Corporation all unspent FY14 Forensic Funds. Notwithstanding the preceding sentence, the Parties may agree to adjust the amount of funds transferred to account for any variance between the forensic activities contemplated by the FY14 City Budget and the Forensic Operations to be managed by the Corporation as a result of this Agreement. By way of example only, the FY14 City Budget may have assumed the Corporation will provide polygraph services, when in fact the Corporation will not provide such services. Any adjustment in the amount of funds transferred to the Corporation pursuant to this Section 11.03 shall be on commercially reasonable terms.

**Section 11.04. Future Funding.** In addition to other obligations created by this Agreement, in a manner consistent with its Charter, ordinances, orders, and administrative procedures, as well as applicable laws and regulations, the City from time to time shall disburse to the Corporation such funds as the City reasonably deems necessary and prudent for the Corporation to accomplish the purposes stated in the Corporation's Certificate of Formation or in the aforementioned Resolution No. 2012-17. In addition to this Agreement, the City and the Corporation may enter into such written agreements as are lawful and commercially reasonable to meet the City's needs for analyses of forensic evidence and related services.

**Section 11.05. Funds Received by the Corporation.** Funds lawfully received by the Corporation from any source shall be the sole property of the Corporation, subject to Section 4.02 of this Agreement.

## **ARTICLE 12. ACCOUNTING; MAINTENANCE AND PRESERVATION.**

**Section 12.01. Accounting Procedures and Standards.** Absent a variance

approved in writing by the City's Finance Director, the Corporation will comply with the "Accounting Procedures and Standards for Local Government Corporations" prescribed by the City's Finance Director in his Memorandum dated October 28, 2013, a copy of which Memorandum is attached as Exhibit "E." In addition, the Corporation shall comply with its Bylaws, specifically including Sections 6.04 ("Assistance to City's Director of Finance"), 6.05 ("Audits"), and 7.05 ("Access to Books and Records").

**Section 12.02. Maintenance and Preservation of Records and Things.** As mandated by Section 7.04 of its Bylaws, the Corporation shall maintain books and records as required by Section 3.151 of the Texas Business Organizations Code, together with such additional records, documents, and physical things reasonably expected of a well-managed, fully accredited forensic science center. In addition, the Corporation will preserve all tangible and intangible things within the scope of this Section 12.02 for a minimum of seven years after the expiration or termination of this Agreement.

**Section 12.03. Compliance with Texas Code of Criminal Procedure.** The Corporation will take all actions necessary to ensure compliance with applicable provisions of the Texas Code of Criminal Procedure, specifically including applicable provisions of Article 38.43 of the said Code ("Evidence Containing Biological Material").

### **ARTICLE 13. ADDITIONAL GOODS AND SERVICES.**

**Section 13.01. IT Services.** To facilitate an orderly transition of the Forensic Operations, until the earlier of notice from the Corporation or the expiration or termination of this Agreement, the City shall provide the Corporation with telephone services, together with information technology and network support services (including, but not limited to, access to the City Intranet, the HPD Intranet, network/remote access server, authentication server, and email servers) (collectively, "IT Services") on the same basis as such services were provided to HPD in the ordinary course of business sixty days before the Mayor's Signature Date, *provided that* the City may make such adjustments to the IT Services as necessary to comply with any state or federal law or with any written policy or procedure of HPD or the City in general in effect at least 120 days before the Mayor's Signature Date. **The Corporation commits to obtaining IT Services from a private vendor as promptly as possible in light of operational circumstances and financial constraints.**

**Section 13.02. Access to AFIS.** At no cost to the Corporation, the City will provide the Corporation with access to the Automated Fingerprint Information System ("AFIS") as necessary for the operation of an independent forensic science center as contemplated by the aforementioned Resolution No. 2012-17, including but not limited



to performance of the Forensic Operations.

**Section 13.03. Additional Agreements.** To assist the Corporation in the transition of responsibility for and control of the Forensic Operations from HPD to the Corporation, the City may provide the Corporation with goods and services not specifically addressed elsewhere in this Agreement, *provided that* the terms by which the City provides the goods and services are commercially reasonable and memorialized in a writing duly executed by both Parties. This Section 13.03 specifically contemplates an agreement by which the City's Office of the Inspector General may investigate allegations of misconduct by a New Hire and on the basis of such investigations make non-binding recommendations to the Executive Director.

#### **ARTICLE 14. LEGAL REPRESENTATION; INDEMNIFICATION; INSURANCE**

**Section 14.01. "Covered Person."** The City agrees that the Corporation and each New Hire is a "covered person" within the meaning of Chapter 2, Art. X, of the City's Code of Ordinances.

**Section 14.02. Insurance.** For the purpose of reducing financial risk to the City, the Corporation agrees to use its best good-faith efforts to obtain at reasonable cost, not later than the Completion Date, policies of insurance providing coverage for the activities of the Corporation at levels generally accepted by well-informed insurance professionals as prudent for businesses of a similar size and nature.

#### **ARTICLE 15. FORCE MAJEURE.**

Neither Party shall be liable for an inability to perform, or a delay in the performance of, an obligation under this Agreement (other than the payment of money) *if and only to the extent that* such nonperformance or delay is caused by Force Majeure, so long as the Party claiming Force Majeure is exercising all reasonable diligence to terminate the Force Majeure or its effects on the performance of this Agreement. A Party claiming Force Majeure as an excuse for nonperformance or delay under this Agreement shall provide the other Party with prompt notice of the first Party's invocation of this Article 15 and of the first Party's best good-faith estimate of when the Force Majeure will terminate. Force Majeure shall be deemed terminated with respect to a particular nonperformance or delay when its effects on such future performance have been substantially eliminated. If both Parties reasonably conclude that the Force Majeure will not terminate, or if in fact the Force Majeure does not terminate, until at least 180 days after receipt of the notice to which this Article 15 refers, the Party not claiming Force Majeure may terminate this Agreement by notice to the other Party.

## ARTICLE 16. DEFAULTS AND REMEDIES.

**Section 16.01. Default by Corporation.** The occurrence of any of the events described in this Section 16.01 and the expiration of the applicable cure period without such event being cured shall constitute a "Corporation Default."

(a) The Corporation's breach of any covenant, condition, warranty, or other term of this Agreement, which breach is not cured within 60 days from the date of written notice from the City, *provided, however*, that if such default is not capable of being cured within such 60-day period, the Corporation shall have a reasonable period (not to exceed an additional 120 days) to complete such cure, as long as the Corporation promptly undertakes action to cure such default within such 60-day period and thereafter diligently prosecutes the same to completion.

(b) The dissolution or liquidation of the Corporation or the filing by the Corporation of a voluntary petition in bankruptcy; the failure by the Corporation promptly to remove any execution, garnishment, or attachment of such consequence as will impair materially its ability to carry on the Forensic Operations; the issuance of an order or decree by any court of competent jurisdiction providing for the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Corporation or any substantial part of the Corporation's property or ordering the winding up or liquidation of the Corporation's affairs; a general assignment by the Corporation for the benefit of its creditors; or the approval by a court of competent jurisdiction of a petition applicable to the Corporation in any proceeding for its reorganization instituted under the provisions of Title 11, United States Code, or under any similar act in any domestic or foreign jurisdiction.

**Section 16.02. City's Remedies.** In the event of any Corporation Default, the City shall have the following rights and remedies, together with any other rights or remedies to which it may be entitled at law or in equity:

(a) Upon notice to the Corporation, the City may terminate this Agreement effective not less than 90 nor more than 180 days after the date of the Corporation's receipt of such notice.

(b) The City may sue for injunctive relief as necessary to enforce the performance or observance of any material obligation, agreement, or covenant of

the Corporation arising from this Agreement.

**Section 16.03. Default by City.** The City's breach of any covenant, condition, warranty, or other term of this Agreement, which breach is not cured within 60 days from the date of written notice from the Corporation, shall constitute a "City Default," *provided, however,* that if such default is not capable of being cured within such 60-day period, the City shall have a reasonable period (not to exceed an additional 120 days) to complete such cure, as long as the City promptly undertakes action to cure such default within such 60-day period and thereafter diligently prosecutes the same to completion.

**Section 16.04. Corporation's Remedy.** In the event of any City Default, but only with prior written notice to the City, the Corporation may terminate this Agreement effective not less than 90 nor more than 180 days after the date of the City's receipt of such notice.

**Section 16.05. Non-Waiver.** Every provision hereof imposing an obligation upon the Corporation or the City is a material inducement and consideration for the execution of this Agreement by the Corporation and the City. No waiver by the Corporation or by the City of a breach of any provision of this Agreement shall be deemed a waiver of a breach of any other provision hereof or of any continuing or subsequent breach of the same provision.

**Section 16.06. Limitation of Liability.** Nothing contained in this Agreement is intended to waive, nor shall be construed as waiving, any Party's statutory limitation of liability for actual damages provided by law.

## ARTICLE 17. GENERAL PROVISIONS.

**Section 17.01. No Third-Party Beneficiaries.** The Parties agree that only the Parties to this Agreement are intended to benefit from, or to have any right to enforce, this Agreement. The Parties intend that no entity or person (specifically including each employee and former employee of the City or of the Corporation) will ever be deemed a third-party beneficiary of this Agreement. Without limiting the scope of the preceding two sentences, the Parties declare that reliance on Article 6 or Article 7 of this Agreement by an employee of the City or of the Corporation will be unreasonable, *per se*.

**Section 17.02. Severability.** If any provision of this Agreement is held to be unlawful, invalid, or unenforceable under any present or future laws, such provision shall be fully severable, and this Agreement then will be construed and enforced as if

such unlawful, invalid, or unenforceable provision had not been a part hereof. The remaining provisions of the Agreement shall remain in full force and effect and shall not be affected by such unlawful, invalid, or unenforceable provision or by its severance from this Agreement.

**Section 17.03. Venue; Choice of Law.** Harris County, Texas, shall be the proper place of venue for litigation related to this Agreement. Any legal proceeding in respect of this Agreement shall be brought in the state district courts of Harris County, Texas, or in the United States District Court for the Southern District of Texas, Houston Division. Each of the Parties hereby irrevocably submits to the nonexclusive jurisdiction of the state and federal courts of the State of Texas. This Agreement shall be subject to and construed and enforced in accordance with the internal laws of the State of Texas, without giving effect to any conflict of laws principles.

**Section 17.04. Further Assurances.** Each of the Parties, at all times and from time to time hereafter, and upon reasonable written request to do so, shall make, do, execute, deliver, or cause to be made, done, executed and delivered, all such further acts, deeds, instruments, assurances, and things as may be required to satisfy the obligations of this Agreement, specifically including the obligations created by Article 3. The Mayor is hereby authorized to execute, deliver, or cause to be made, done, executed or delivered all of the foregoing on behalf of the City.

**Section 17.05. Entire Agreement; Amendments.** This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof. This Agreement may not be amended except by a written instrument duly authorized and executed by the City and the Corporation. **Notwithstanding anything to the contrary in this Agreement, the Parties specifically acknowledge their willingness to negotiate an amendment of this Agreement in the event the Corporation's Certificate of Formation is amended to add one or more governmental entities, including but not limited to Harris County, Texas, as a joint sponsor of the Corporation.**

#### ARTICLE 18. NOTICE.

Whenever any notice, consent, or approval (collectively, a "Notice") is required or permitted under this Agreement, the Notice shall be in writing and shall be deemed to be delivered five days after being deposited in the United States mail, postage prepaid, Certified Mail, Return Receipt Requested, or, if delivery is by courier, upon actual receipt by the Party to whom the Notice is being given. In either case the Notice shall be addressed to the Party at its address as set forth below, or at such other address as the Party has provided to the other Party in writing at least ten days earlier, in accordance with this Article 18.

If Notice is to the City:

Mayor  
City of Houston  
901 Bagby  
Houston, Texas 77002

With a copy to:

City of Houston Legal Department  
900 Bagby, 4<sup>th</sup> Floor  
Houston, Texas 77002  
Attention: City Attorney

If Notice is to the Corporation:

Houston Forensic Science LGC, Inc.  
1200 Travis St., 20<sup>th</sup> Floor  
Houston, Texas 77002  
Attention: Executive Director

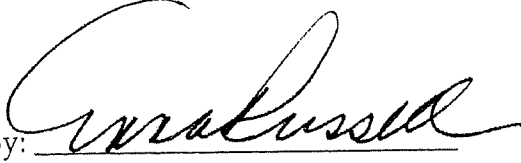
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EXECUTED in multiple counterpart originals as of the dates set forth below.

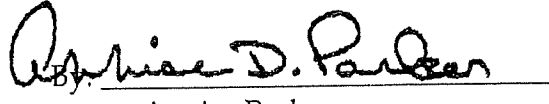
ATTEST:

CITY:

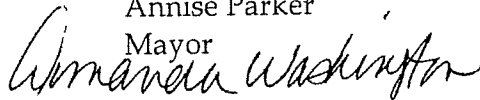
CITY OF HOUSTON, TEXAS

By: 

Anna Russell  
City Secretary

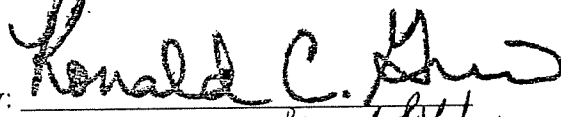
By: 

Annise Parker  
Mayor



Date of Mayor's Signature:

COUNTERSIGNED:

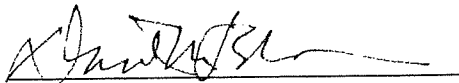
By: 

Ronald Green  
City Controller

Date of Controller's Countersignature:

3-4-14

APPROVED AS TO FORM:

By: 

David M. Feldman  
City Attorney  
City of Houston

CORPORATION:

HOUSTON FORENSIC SCIENCE LGC, INC.

By: *Daniel D. Garner*  
Daniel D. Garner, Ph.D.  
President and Chief Executive Officer

Date of Dr. Garner's Signature:

2-26-14

APPROVED AS TO FORM:

By: *Tom P. Allen*  
Tom P. Allen  
Attorney for Corporation

Exhibits to this Agreement

- |           |  |
|-----------|--|
| Exhibit A | List of Civilians and vacant positions   |
| Exhibit B | List of Classifieds and vacant positions   |
| Exhibit C | Description of Leasehold   |
| Exhibit D | List of Provisional Assets   |
| Exhibit E | Memorandum from City's Finance Director dated October 28, 2013<br>("Accounting Procedures and Standards for Local Government<br>Corporations") |

[END]

Employee No	First Name	Last Name	Classification
1	IRMA	RIOS	ASSISTANT DIRECTOR (EXECUTIVE LEVEL)
2	WILLIAM	ARNOLD	POLICE ADMINISTRATOR (EXECUTIVE LEVEL)
3	ROBIN	GUIDRY	POLICE ADMINISTRATOR (EXECUTIVE LEVEL)
4	DARRELL	STEIN	CRIMINALIST LABORATORY MANAGER
5	JAMES	MILLER	CRIMINALIST LABORATORY MANAGER
6	LORI	WILSON	CRIMINALIST LABORATORY MANAGER
7	COURTNEY	HEAD	CRIMINALIST SPECIALIST
8	KIM	DOWNS	CRIMINALIST SPECIALIST
9	TERESA	CLARK	SENIOR CONTRACT ADMINISTRATOR
10	AMY	CASTILLO	CRIMINALIST SPECIALIST
11	DONNA	EUDALEY	CRIMINALIST SPECIALIST
12	AHTAVEA	BARKER	CRIMINALIST SPECIALIST
13	ROSAURA	RODRIGUEZ	CRIMINALIST SPECIALIST
14	CLEVA	WEST	CRIMINALIST SPECIALIST
15	RAY	ENGELHARDT	ADMINISTRATIVE SPECIALIST
16	HECTOR	SUSTAITA	SENIOR MICROCOMPUTER ANALYST
17	JESSICA	AYALA	CRIMINALIST SPECIALIST
18	MONICA	BRADY MELLON	CRIMINALIST SPECIALIST
19	DIANA	DONLEY	CRIMINALIST
20	JACKELINE	MORAL	CRIMINALIST
21	SHAMIKA	KELLEY	CRIMINALIST
22	LLOYD	HALSELL III	CRIMINALIST
23	AMANDA	PHILLIPS	CRIMINALIST
24	BRITTANY	THOMAS	CRIMINALIST
25	KAREN	GINCOO	CRIMINALIST
26	KIMBERLY	ZELLER	CRIMINALIST
27	CLAY	DAVIS	CRIMINALIST
28	PRISCILLA	HILL	CRIMINALIST
29	KARI	HOFFMAN	CRIMINALIST
30	JULI	REHFUSS	CRIMINALIST
31	LAURA	MAYOR	CRIMINALIST
32	MONA	COLCA	CRIMINALIST
33	JENNIFER	CLAY	CRIMINALIST
34	ANGELICA	NOYOLA	CRIMINALIST
35	CHRISTINE	KONECNY	CRIMINALIST
36	CHANDLER	BASSETT	CRIMINALIST
37	MARIAM	KANE	CRIMINALIST
38	REBECCA	GONZALES	CRIMINALIST
39	ZORAYA	REYES	CRIMINALIST
40	JESSICA	POWERS	CRIMINALIST
41	MARY	SYMONDS	CRIMINALIST
42	PETER	LENTZ	CRIMINALIST
43	ELIZABETH	RICHEY	CRIMINALIST
44	TANUJA	SATHIRAJ	CRIMINALIST
45	JENNIFER	BOURGEOIS	CRIMINALIST
46	HANGNGA	NGUYEN	CRIMINALIST
47	LISSET	SALAZAR	CRIMINALIST
48	KERRY	TODD	CRIMINALIST
49	INDIA	HENRY	CRIMINALIST
50	MICHAEL	DAVIS	CRIMINALIST
51	KRISTINA	BLACKMON	CRIMINALIST
52	MARIA	RUMBLE	CRIMINALIST
53	BENJAMIN	CAMBRIDGE	CRIMINALIST

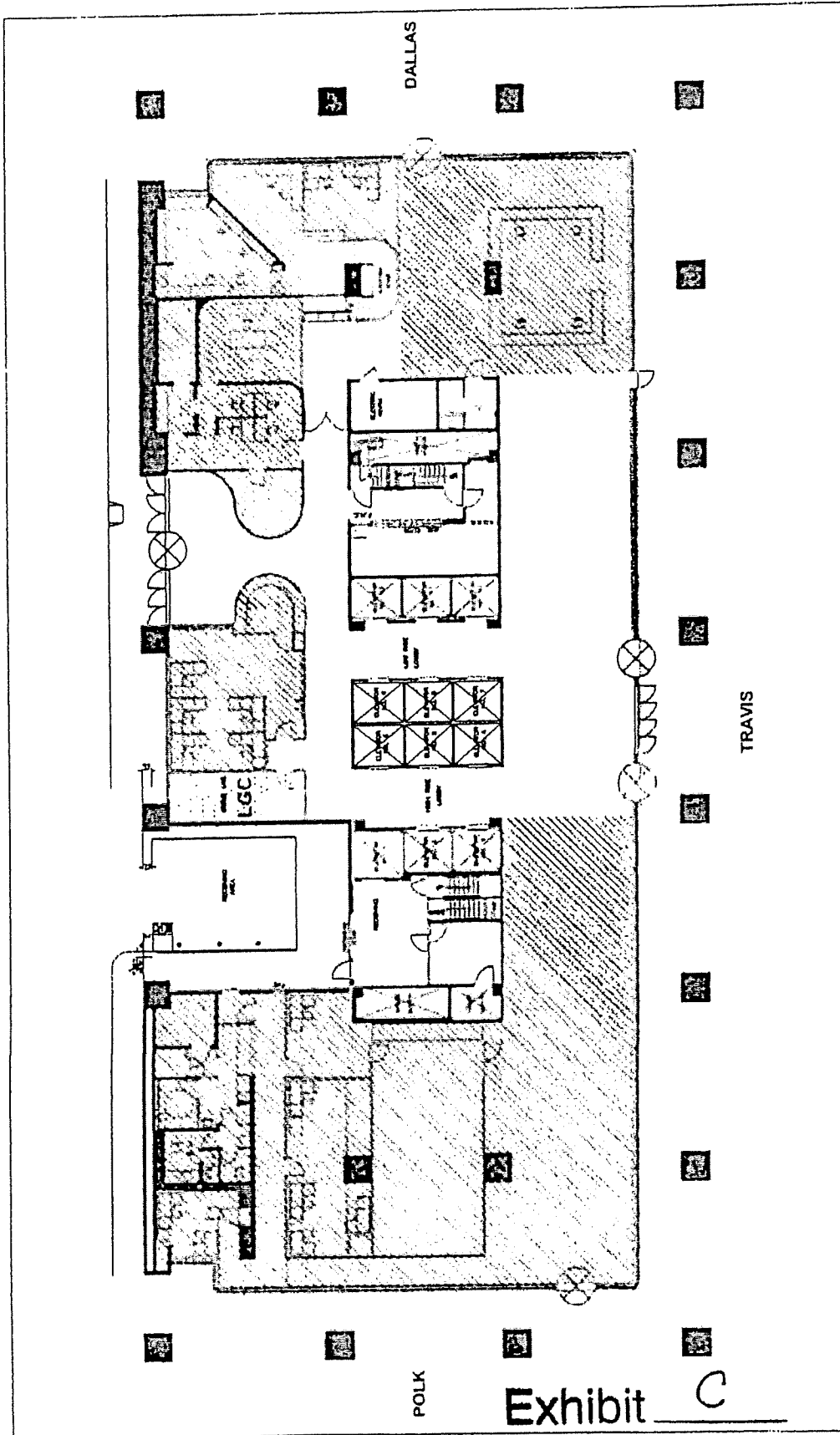


Employee No	First Name	Last Name	Classification
54	141279	DWAN WILSON	CRIMINALIST
55	150032	KATHERINE FOSTER	CRIMINALIST
56	150046	BAO TRAN NGUYEN	CRIMINALIST
57	150136	BELINDA SALINAS	CRIMINALIST
58	150544	CLORESSA KELLY	CRIMINALIST
59	150997	JISEL BAILON	CRIMINALIST
60	151004	RYAN HOOKANO	CRIMINALIST
61	152700	KATHERINE MORGAN	CRIMINALIST
62	152745	MARY MIZE	CRIMINALIST
63	153056	ASHLEY JOHNSON	CRIMINALIST
64	137526	VANESSA ALVAREZ	CRIMINALIST
65	150683	ANDREA GOODEN	CRIMINALIST
66	150918	MICHAEL SALAZAR	CRIMINALIST
67	151455	DAVID HUANG	CRIMINALIST
68	152612	BROOK KNAPP	CRIMINALIST
69	152704	KASI KIRKSEY	CRIMINALIST
70	152739	PATRICK TYNAN	CRIMINALIST
71	152858	JOHN BADEAUX	CRIMINALIST
72	153012	ALAINA ANDERSON	CRIMINALIST
73	153185	KAITLYN BONGIORNO	CRIMINALIST
74	153719	LUCY TEA	CRIMINALIST
75	137403	DARIUS FRANKLIN	SENIOR EVIDENCE TECHNICIAN
76	135623	RITA SANCHEZ	EVIDENCE TECHNICIAN
77	135056	SHERYL MOORE	EVIDENCE TECHNICIAN
78	106585	CAROL FERGUSON	DATA ENTRY OPERATOR
79	115841	ELIZABETH FLORES	SENIOR DATA ENTRY OPERATOR
80	128419	DEMETRIA GUAJARDO	CUSTOMER SERVICE CLERK
81	88288	CHERYL HURTS	FINGERPRINT TECHNICIAN SUPERVISOR
82	106380	DORA LINSOMB	SENIOR DATA ENTRY OPERATOR
83	131059	BETINA LOPEZ	SENIOR OFFICE ASSISTANT
84	81100	BRENDA MITCHELL	CUSTOMER SERVICE CLERK
85	151669	DANIELLE WILLIAMSON	CUSTOMER SERVICE CLERK
86		VACANCY	CRIMINALIST
87		VACANCY	CRIMINALIST
88		VACANCY	CRIMINALIST
89		VACANCY	MANAGER
90		VACANCY	MANAGER
91		VACANCY	EVIDENCE TECHNICIAN

NAME	Rank/Title	EMPL #
AGUILERA, Ernest P.	Senior Police Officer	107637
BARR, Andrew W.	Police Officer	129507
BORGSTEDTE, Janet L.	Sergeant	107856
BOSTAIN, Michael O.	Sergeant	107822
BUTLER, John D.	Police Officer	136355
CROSBY, Cassandra S.	Police Officer	130802
DUERER, James N.	Senior Police Officer	101695
DUNCAN, Christopher D.	Senior Police Officer	99223
ERTONS, Douglas	Senior Police Officer	101032
GABURA, Gino	Sergeant	106141
GALINDO, Justin C.	Police Officer	133460
HALLIMORE, David J.	Sergeant	106991
HAMMERLE, Jay S.	Senior Police Officer	88543
HOLMES, Alton L.	Police Officer	130261
HOOPER, Derek L.	Sergeant	87580
HUFF, Kelley M.	Police Officer	130794
JONES, LaFonda Y.	Police Officer	108080
KING, Adrienne	Police Officer	137312
LACOURT, Edwin G.	Sergeant	102056
LANGFORD, Sheridan R.	Senior Police Officer	113953
LEZAK, MATTHEW	Senior Police Officer	109126
McDERMOTT, Barry J.	Lieutenant	79653
MENEFEE, Svetlana	Police Officer	138617
MILLER, Joel C.	Police Officer	137732
MILLER, Kirk A.	Senior Police Officer	112922
NETTLES, Christopher L.	Lieutenant	121507
NIELSEN, Joshua M.	Police Officer	133490
OLIPHANT, Jason O.	Senior Police Officer	104523
PALATINO, April	Police Officer	120476
PEMBERTON, Rhonda	Senior Police Officer	111667
PEOPLES, Jamie E.	Police Officer	139303
PEREZ, Michael	Senior Police Officer	106169
POWERS, Gary L.	Senior Police Officer	86547
RANDALL, Rodney W.	Police Officer	119701
READ, Jennifer A.	Sergeant	126930
RODRIGUEZ, Juan Jr.	Lieutenant	84259
ROWE, Walter C.	Lieutenant	81561
RULAND, Norman T.	Sergeant	97029
SACHS, Adam M.	Police Officer	121521
SMITH, Denise	Sergeant	106993
STERLING, Duane E.	Senior Police Officer	109629
TARAVELLA, Andrew D.	Senior Police Officer	99261
TESFAY, Bruk T.	Police Officer	129168
VERBITSKEY, Lorenzo R.	Senior Police Officer	84823
WALKER, Ronald D.	Lieutenant	83745
WATKINS, David E.	Captain	56169
WATSON-EVANS, Jeffrey	Senior Police Officer	112923
WILSON, Mark R.	Police Officer	132416
VACANCY	Lieutenant	
VACANCY	Senior Police Officer	
VACANCY—effective 2.15.	Police Officer	

Exhibit B

NAME	Rank/Title	EMPL #
VACANCY--effective 2.21.	Police Officer	
VACANCY--effective 3.5.1	Senior Police Officer	



DALLAS

POLK

TRAVIS



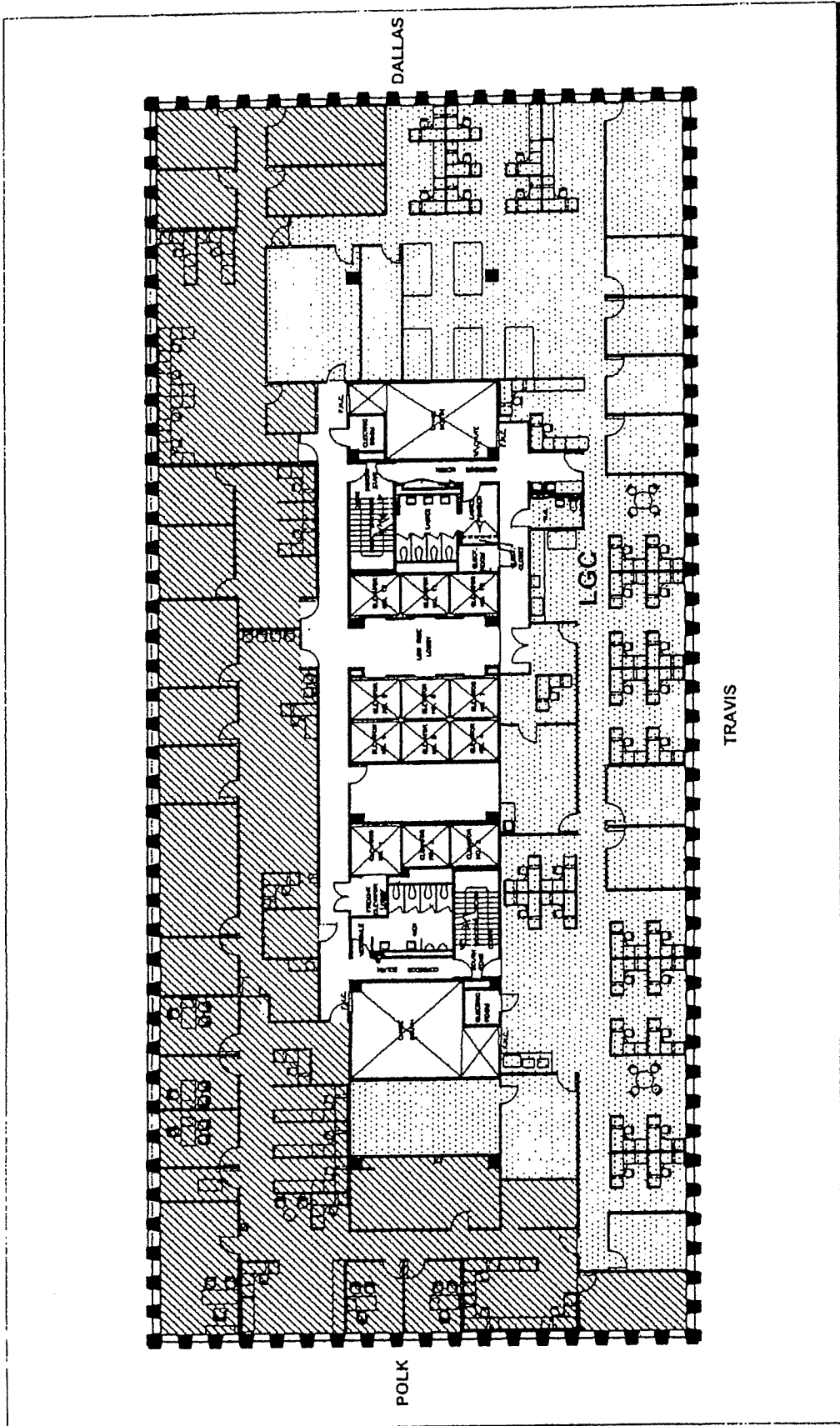
HPD Police Headquarters  
1200 Travis  
1ST FLOOR



DEPARTMENT ALLOCATION 2013

DIVISION	USABLE	TOTAL AREA	DIVISION	USABLE	TOTAL AREA
PUBLIC AFFAIRS	2,378	2,378	COMMON SPACE	3,178	3,178
RECORDS	2,228	2,228			
COMMAND CTR	1,508	1,508			
CRIME LAB / LOC	204	204			
TRAINING	2,180	2,180			
			USABLE	2,847	2,847
			COMMON SPACE	3,178	3,178
			TOTAL AREA	6,025	6,025


Exhibit C




DALLAS

POLK

TRAVIS

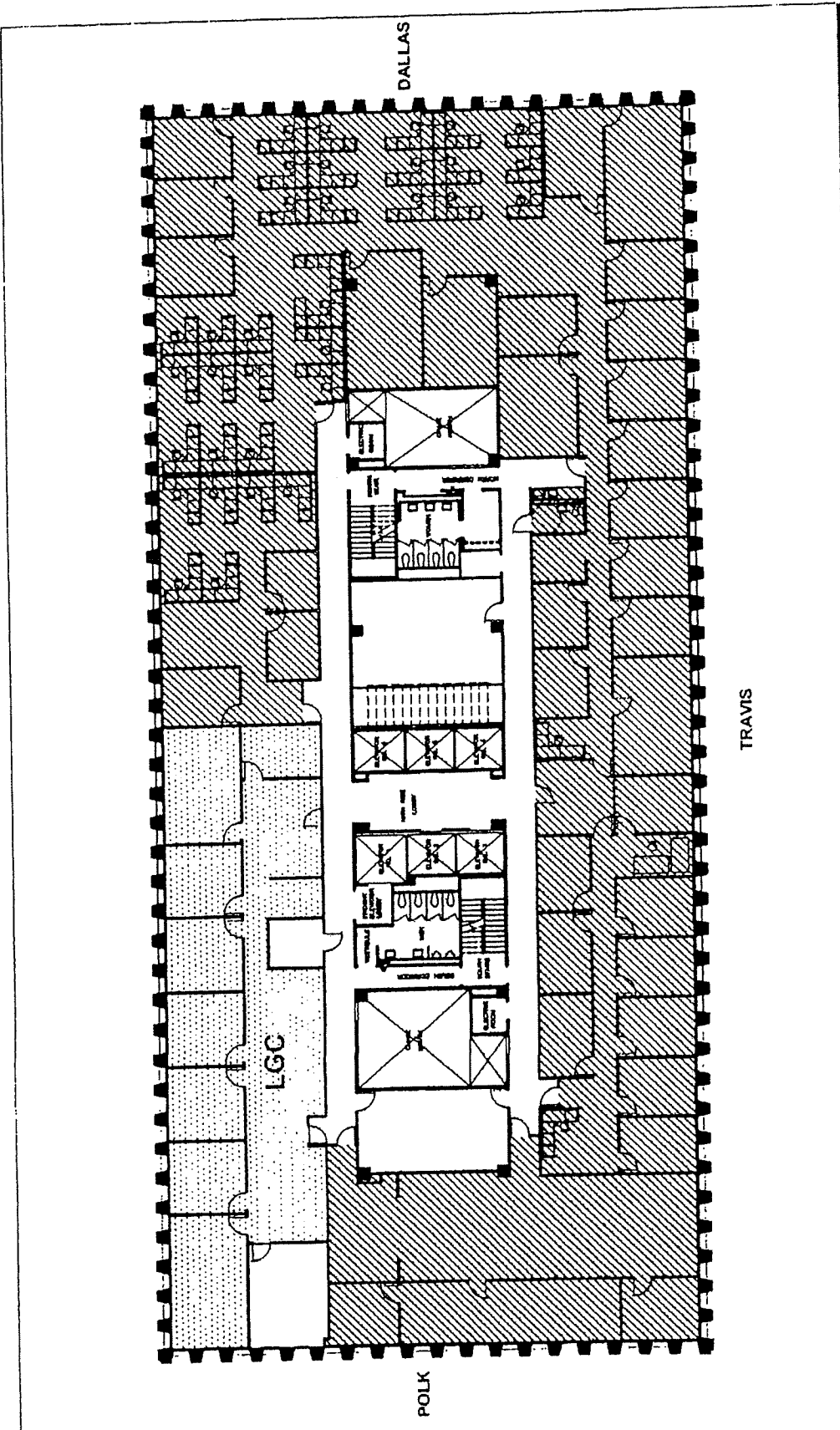


HPD Police Headquarters  
1200 Travis  
10TH FLOOR



DIVISION		USAGE	COMMON SPACE	TOTAL AREA
LGC		7,880		7,880
OTHER		7,441		7,441
CORE			4,118	
		15,321	4,118	19,439

DEPARTMENT ALLOCATION 2013



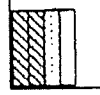
HPD Police Headquarters  
 1200 Travis  
 20TH FLOOR

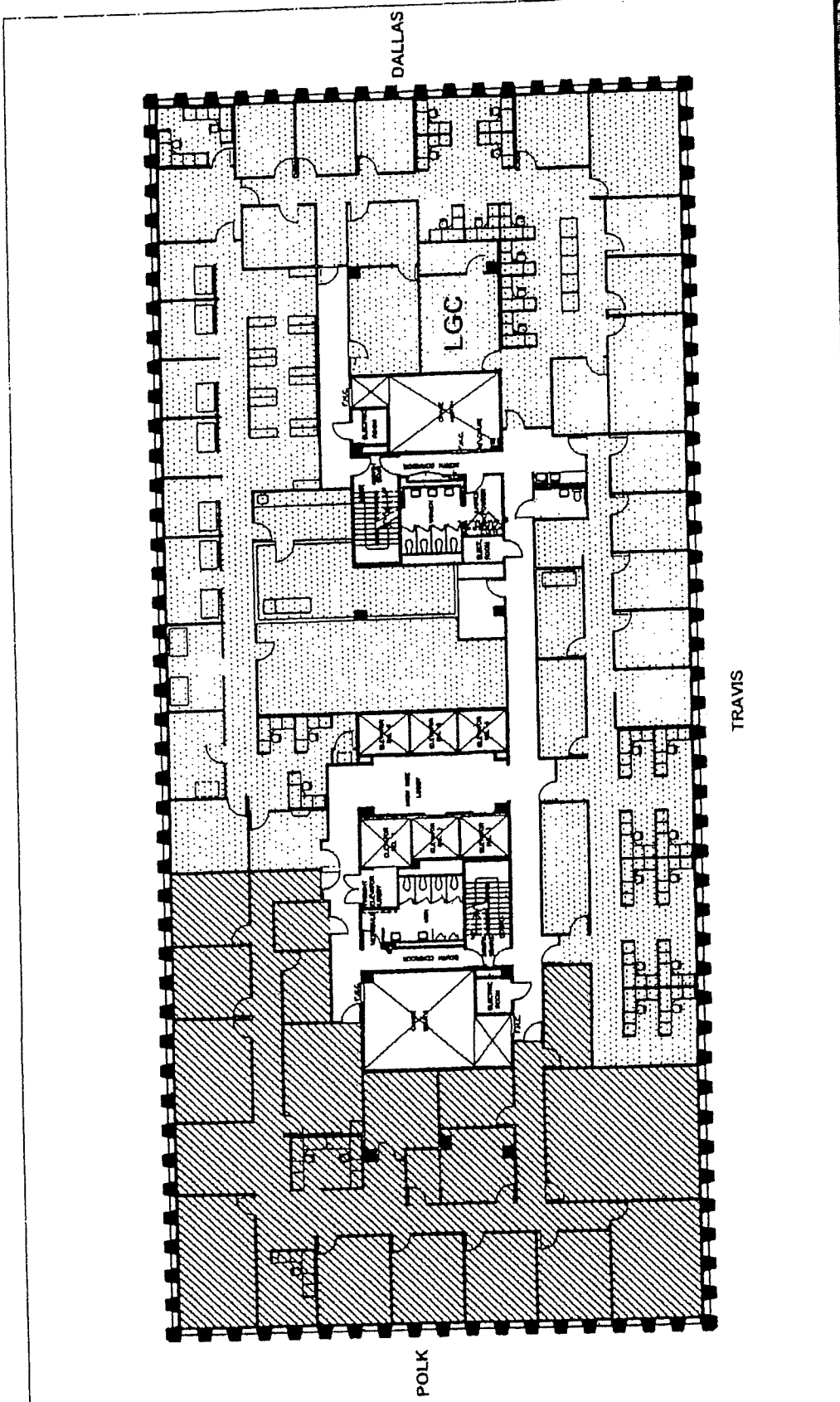


TRAVIS

DEPARTMENT ALLOCATION 2013

DIVISION	USABLE	COMMON SPACE	TOTAL AREA
JAD	8,858		
CREDIT UNION	1,965		
LGC	2,281	5,346	
COPE			
	14,104		5,346



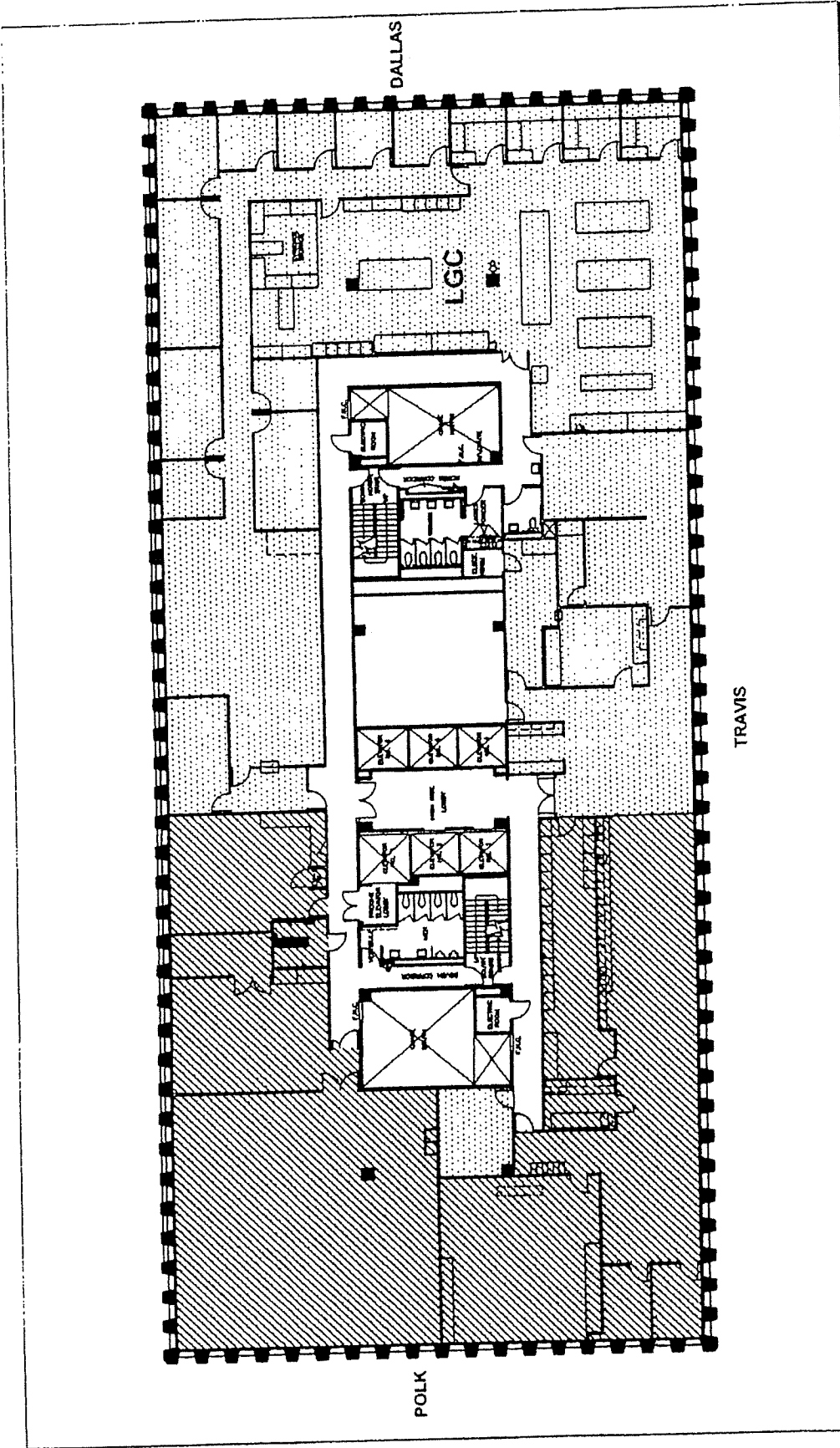


HPD Police Headquarters  
1200 Travis  
24TH FLOOR



DEPARTMENT ALLOCATION 2013

BRANCH	USABLE	COMMON SPACE	TOTAL AREA
CRIME LAB/LOC	7,715		7,715
ADP	5,222		5,222
CSU/LOC	2,637		2,637
CONF		3,916	3,916
	16,574	3,916	20,490



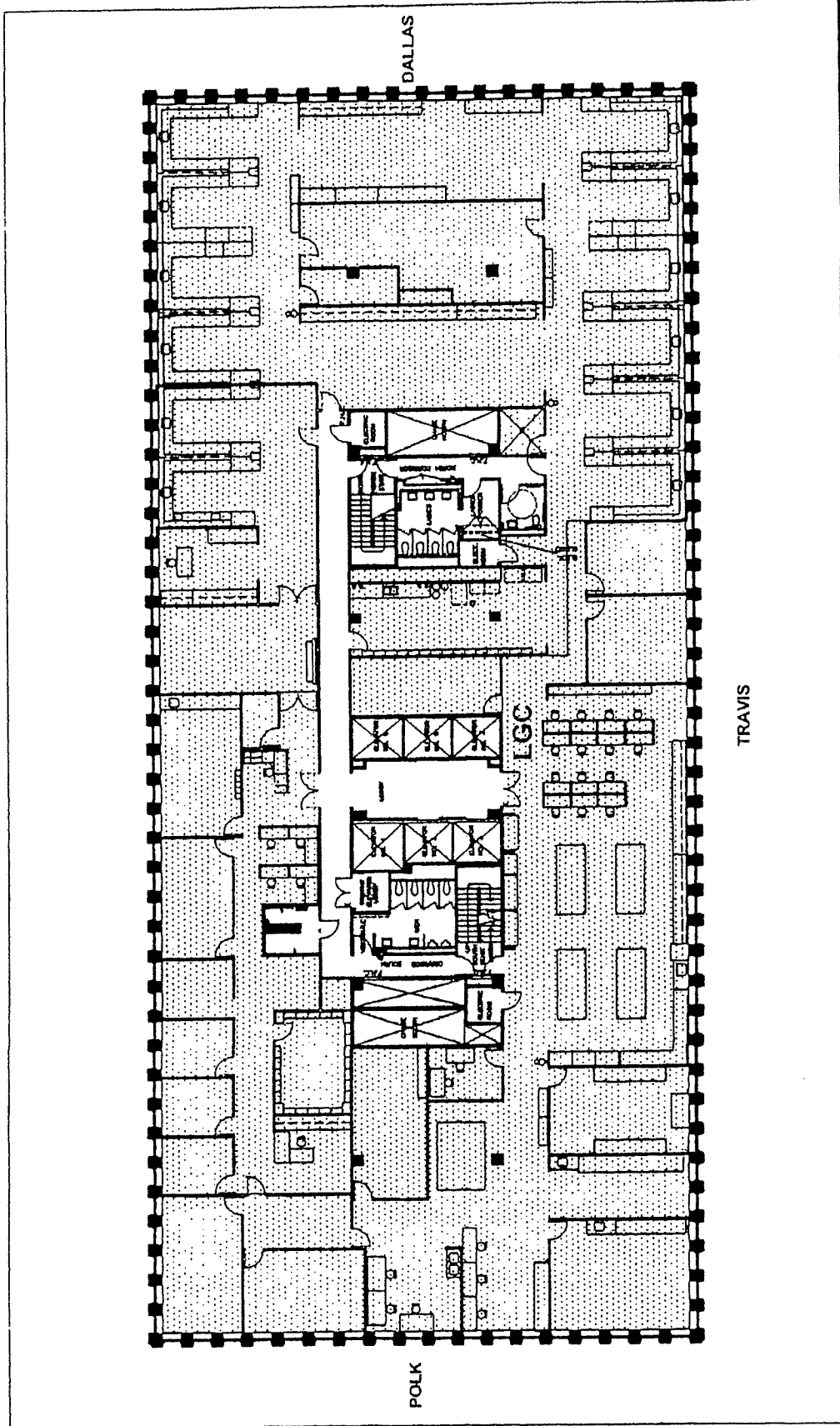
HPD Police Headquarters  
1200 Travis  
25TH FLOOR



DEPARTMENT ALLOCATION 2013

DIVISION	USABLE SPACE	COMMON SPACE	TOTAL AREA
OTHER	6,406		6,406
LATENT LAB, AUDIO LAB, VIDEO LAB, LGC	4,340	4,192	8,530
CORE			
	14,746	4,192	18,938





HPD Police Headquarters  
 1200 Travis  
 26TH FLOOR



TRAVIS

DEPARTMENT ALLOCATION 2011

DIVISION	USABLE	COMMON SPACE	TOTAL AREA
CRIME LAB ADMIN/ALOC	2,473		2,473
CRIME LAB DNA/ALOC	6,830		6,830
CRIME LAB CONTROLLED SUBSTANCE/ALOC	3,302		3,302
CRIME LAB TOXICOLOGY/ALOC	1,480		1,480
CORE		3,023	
	16,515	3,023	19,538

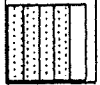


Exhibit D  
Provisional Assets

Inventory No.	Year	Asset	Description	Serial No. / VIN	Marked
29085	1998	CHEVROLET	ASTRO	1GNDM19W3WB195003	
29087	1998	CHEVROLET	ASTRO	1GNDM19W0WB191619	
30698	2000	FORD	EXPEDITION	1FMRU1564YLB47619	Y
31115	2000	DODGE	RAM	2B7LB31Z1YK148383	Y
34043	2004	CHEVROLET	IMPALA	2G1WF52E949410315	
39359	2009	CHEVROLET	IMPALA	2G1WB57K191290056	
39408	2009	CHEVROLET	IMPALA	2G1WB57K291290180	
39447	2009	CHEVROLET	IMPALA	2G1WB57KX91292940	
40310	2010	CHEVROLET	IMPALA	2G1WA5EK7A1167016	
40392	2010	CHEVROLET	SUBURBAN	1GNZCLEGXAR142995	Y
40393	2010	CHEVROLET	SUBURBAN	1GNZCLEG2AR143042	Y
40394	2010	CHEVROLET	SUBURBAN	1GNZCLEGOAR142603	Y
40425	2010	CHEVROLET	IMPALA	2G1WA5EK0A1168749	
40471	2010	CHEVROLET	IMPALA	2G1WA5EK7A1169722	
41807	2011	CHEVROLET	SUBURBAN	1GNWC5EG8BR367920	Y
41808	2011	CHEVROLET	SUBURBAN	1GNWC5EG3BR368084	Y
41809	2011	CHEVROLET	SUBURBAN	1GNWC5EG1BR368150	Y
41834	2011	TOYOTA	COROLLA	2T1BU4EE5BC638391	
42253	2012	CHEVROLET	SUBURBAN	1GNWC5EG7CR282245	Y
42654	2013	FORD	E250	1FTNS2EL2DDA65025	Y
34001	2004	CHEVROLET	SEDAN	2G1WF52E749410877	
34002	2004	CHEVROLET	SEDAN	2G1WF52E749410023	
24998	1995	CHEVROLET	3/4 TON PICKUP	1GCFC24HOSZ256991	
36872	2007	DODGE	CHARGER	2B3KA43G37H822661	
40351	2009	CHEVROLET	SEDAN	2G1WA5EK5A1168682	
40388	2010	CHEVROLET	SEDAN	2G1WA5EK7A1169381	
	2014	FARO-CSU	3D Scanner	In Procurement	
	2014	FARO-CSU	3D Scanner	In Procurement	

Exhibit   D

MEMORANDUM

TO: Tom P. Allen  
First Assistant City Attorney & Acting Counsel for Houston Forensic Science LGC, Inc.

FROM: Kelly Dowe  
Director, Finance Department

DATE: October 28, 2013

RE: Accounting Procedures and Standards for Local Government Corporations

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As authorized by Paragraphs 5.4.1 and 5.4.2 of City of Houston Executive Order No. 1-29 ("E.O. No. 1-29"), this Memorandum prescribes accounting procedures and standards for a local government corporation ("LGC" or "Corporation") created by and receiving funds from the City.

Absent an exception approved in writing by the Director of Finance, the Board of Directors of the LGC must take the following actions as soon as reasonable after the LGC's incorporation:

1. Designate a qualified "Finance Officer" responsible for establishing the LGC's accounting system, controlling expenditures, managing cash and other assets, and preparing financial statements and budgets. The said officer may be, but is not required to be, the Treasurer or other officer of the Corporation. The officer may be an employee of the LGC or of the City, or he may be an independent contractor.
2. Establish and maintain fiscal operations consistent with Generally Accepted Accounting Principles (GAAP) and policies governing budgeting, debt financing (if applicable), and financial reporting.
3. Establish and maintain resources and procedures necessary to ensure the LGC's compliance with Sections 3.151, 22.352, and 22.353, Texas Business Organizations Code, as well as Paragraphs 5.3.2.4 and 5.3.2.5 of E.O. No. 1-29.
4. Establish and maintain the following accounting records or their computerized equivalents:
  - Uniform chart of accounts
  - Controlled numbered official receipts
  - Controlled numbered official checks
  - Detailed receipt journal
  - Detailed disbursement journal
  - General ledger
5. Establish and maintain resources and procedures so that the LGC's financial operations are amenable to (a) audit in accordance with GAAP and with Governmental Auditing Standards (GAS) and (b) inclusion in the City's Comprehensive Annual Financial Report (CAFR).
6. Establish and maintain procedures so that all books, ledgers, journals, accounts, and other financial records of the LGC are maintained in their original forms or computerized equivalents for a minimum of five years after each record's creation.
7. No later than March 1 of each year, the Corporation shall submit to the City's Finance Director a draft budget approved by the Board for the Corporation for the fiscal year commencing on July 1.
8. The Corporation shall submit monthly financial statements to the City's Finance Director or his/her designee no later than 45 days of the end of the period.

Solo Page

Exhibit     E

**Exhibit B**

Lease

## LEASE AGREEMENT

077773  
2018-0793

This LEASE AGREEMENT ("Lease") is made and entered into by and between **JEFFERSON SMITH, LLC** a Texas Company ("Landlord"), whose address for purposes hereof is 22310 Grand Corner Drive, Suite 140, Katy, TX 77494, Attention: President , and the **CITY OF HOUSTON, TEXAS**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties ("Tenant"), whose address for purposes hereof is P. O. Box 1562, Houston, Texas 77251, Attention: Director, General Services Department

### ARTICLE 1.

#### Certain Definitions, Basic Provisions and Cross References

Section 1.1 The following definitions, basic provisions and cross references are placed at the beginning of this Lease for easy reference to certain material terms and provisions of this Lease. Landlord and Tenant hereby agree that each and every provision contained in this Lease is material to the agreements between Landlord and Tenant relating to the Leased Premises (hereinafter defined), and no implication is intended, nor shall any implication be inferred, that the failure to define or reference a term, provision, covenant, agreement or condition in this Article 1 shall mean that such term, provision, covenant, agreement or condition is not material or an integral part of this Lease. This Lease should be read carefully and in full for all the terms, provisions, covenants, agreements and conditions that are material to the intent and agreements of the parties under this Lease.

- (a) "Project" means the land, together with any improvements, common areas and parking facilities thereon located and having a street address of 500 Jefferson, Houston, Harris County, Texas 77002, and as shown on **Exhibit "A"**, attached and made a part of this Lease.
- (b) "Leased Premises" mean (i) floors thirteen (13), fourteen (14), fifteen (15) eighteen (18) and 3,000 square feet of B-1 (the basement) area of the Project, each floor being approximately 20,020 square feet for a total of approximately 83,080 square feet of rentable square feet of space out of the Project; and (ii) the parking facilities adjacent to and in front of the building, as shown on **Exhibit "B"**, attached and made a part of this Lease, together with all alterations, repairs, additions and improvements made pursuant to this Lease, including those shown on **Exhibit "E"**, attached and made a part of this Lease, such space being commonly known by its mailing address of 500 Jefferson, Houston, Texas 77002.
- (c) "Occupancy Date" means the earlier of the date Tenant conducts regular business in the Leased Premises as each floor is occupied by Tenant or March 1, 2019. Landlord and Tenant estimate that Substantial Completion of floors thirteen (13), fourteen (14) and fifteen (15) of the Leased Premises

will occur on March 1, 2019 and Substantial Completion of eighteenth (18<sup>th</sup>) floor and the basement shall be October 1, 2019. Notwithstanding anything to the contrary in this Lease, if Substantial Completion of floor 18 and the basement area occurs prior to November 1, 2019, Tenant may elect, by delivering written notice of the same to Landlord, to occupy floor 18 and the basement area of the Leased Premises (the "Early Occupancy") as of such prior date. During any Early Occupancy, Tenant shall be subject to all of the terms and conditions of this Lease, except that Tenant shall not be obligated to pay Rent; provided, however, (i) Tenant shall be required to pay the cost of electricity consumed by Tenant, and its share of operating expenses as set forth herein and (ii) as of March 1, 2019, Tenant shall commence paying Rent for floors thirteen (13), fourteen (14) and fifteen (15) of the Leased Premises and (iii) as of October 1, 2019, Tenant shall commence paying Rent for floor eighteen (18) and the basement area of the Leased Premises. Landlord and Tenant agree to execute the Certificate of Commencement, in the form attached and made a part of this Lease as **Exhibit "D"**, as soon as reasonably practical after the Occupancy Date of each floor.

- (d) "Lease Term" means thirty (30) years commencing on the Occupancy Date, for floor 15, unless sooner terminated or extended pursuant to the terms of this Lease.
- (e) "Lease Effective Date" means the date of countersignature by the City Controller, provided that Landlord has already affixed its signature to the Lease before Tenant's signature is affixed. Tenant acknowledges and agrees that (i) Landlord's affixation of its signature to this Lease and delivery of the same to Tenant shall constitute an offer to lease the Leased Premises to Tenant on the terms and conditions contained in this Lease, and (ii) if Tenant fails to cause the Lease Effective Date to occur within sixty (60) days after Tenant's receipt of the same, Landlord shall have the right to withdraw such offer upon delivering written notice of such withdrawal to Tenant.
- (f) "Monthly Payment" means the following amount due to Landlord each calendar year during the Lease term, payable monthly and is based on the rental rate based on square footage measurement of the Leased Premises as reflected in **Exhibit "C"**, attached hereto and incorporated herein for all purposes.
- (g) "Additional Rent" means that, in addition to the Monthly Rent, Tenant shall pay to the Landlord "Operating Expenses" (as further described in Section 3 below, attached hereto and incorporated for all purposes). Monthly Rent, Operating Expenses and any other amounts to be paid by Tenant under the terms of this Lease shall be referred to collectively as "Rent."

- (h) "Controllable Operating Expense" means all expenses which are within reasonable control of the Landlord either directly or indirectly. Property Taxes shall be reviewed and challenged as appropriate by the Landlord on annual basis. Controllable Operating Expenses shall be capped at 7% per annum.
- (i) "Permitted Uses" mean any and all uses as required for the operation and support of forensic science purposes, including but not limited (i) to receipt, storage, analysis, testing, ballistic testing, transportation and other use; (ii) handling of firearms, ammunition, explosives, seized drugs, blood and bio materials, hazardous substances and other evidence; (iii) shooting tank and, at minimum, a twenty-five (25) foot long firing range (within the basement area of the Leased Premises) in connection with forensic use; and (iv) office space, wet labs, and evidence rooms.
- (j) "Seized Drugs" mean drugs in Tenant's possession in connection with Permitted Uses.
- (k) "Hours of Operation and Access" mean 6:00 am to 7:00 pm with a 24 hour a day, seven (7) days a week access including all holidays observed by the City of Houston. Due to the sensitive nature of the Tenant's activities, Landlord shall coordinate with Tenant any access to Tenant's space, with such access not to be unreasonably denied by Tenant. Tenant will develop procedures for emergency access and provide a copy to the Landlord. Landlord shall, at all times, comply with Tenant's security requirements and measures, including any restrictions, conditions, designations, prohibitions or requirements.
- (l) "Work Letter" means the letter between Landlord and Tenant concerning build-out of the Leased Premises, such letter to be substantially in the form of **Exhibit "E"** attached hereto and incorporated herein.

**ARTICLE 2.**  
**Granting Clause**

Landlord hereby demises and leases to Tenant, and Tenant hereby rents, accepts and takes from Landlord, the Leased Premises, TO HAVE AND TO HOLD said Leased Premises for the Lease Term, all upon the terms, provisions, covenants, agreements and conditions set forth in this Lease.

**ARTICLE 3.**  
**Rent; Operating Expenses; Extension Option**

Section 3.1 Tenant agrees to pay to Landlord each month during the Lease Term, without demand (except as expressly provided in Section 3.2), deduction or offset, the Rent. The first Rent payment shall commence on the Occupancy Date. Subsequent Rent payments shall be due and payable on the first (1st) day of each calendar month during the Lease Term. Rent payments shall be prorated for any partial month. NO SECURITY DEPOSIT SHALL BE REQUIRED FROM TENANT.

Section 3.2

- (a) "Operating Expenses" shall be defined as the actual Operating Expenses incurred by Landlord for any calendar year starting with the year of the Occupancy Date (subject to adjustment pursuant to Section 3.2(e)). During the Term, Tenant shall pay its pro rata share of operating expenses and real estate taxes for the Project, both imputed to ninety-five (95) percent occupancy. Operating Expenses are estimated to be ten (10 dollars per square foot for year 2019. Increases in Controllable expenses shall be capped at seven (7) percent annually. "Operating Expenses" shall be defined as all reasonable costs, charges, and expenses incurred directly by Landlord with respect to operating, repairing, landscaping, maintaining, managing, and insuring the Project, as determined on cash basis accounting consistent with past practices by the Landlord in which shall include, but not be limited to, the heating, cooling, ventilation, electrical, lighting, water, and plumbing systems serving the Project, the costs of maintenance and service agreements maintained on such systems, the costs for those services to be provided by Landlord pursuant to Article 9, the cost of alarm service, the cost of supplies and materials associated with any of the activities described herein, and all accounting, legal, and administrative costs (except as outlined in **Exhibit "F"** of the Project. Except for the amortization charges outlined in **Exhibit "F"**, attached hereto and incorporated herein, Operating Expenses shall not include any improvements or alterations Landlord makes to the Project that would be considered capital improvements under generally accepted accounting principles. Operating Expenses shall also include "Real Estate Taxes," which shall be defined as all real estate taxes and installments of special and annual assessments (as well as any interest due), attributable to the respective Lease Year, which apply to the Project, all personal property taxes which apply to the personal property located in the Project used in connection with the operation and maintenance thereof; and all other governmental charges, general and special, ordinary and extraordinary, foreseen as well as unforeseen, of any kind and nature whatsoever, or other tax, however described, levied or



assessed by the United States of America, the State of Texas, or any political subdivision thereof, including county, municipal, or school district taxes, against Landlord for all or any part of the Project. If any assessments are payable in installments and Landlord elects to pay them in installments, Real Estate Taxes for such year shall include only those installments, plus any interest due thereon, attributable to the respective Lease Year. Real Estate Taxes shall also include any reasonable expenses, including legal fees and court costs, incurred in protesting or challenging any Real Estate Taxes. Notwithstanding the foregoing, Real Estate Taxes shall not include penalties, interest, or late charges assessed for failure to timely pay taxes, any net income tax, estate tax, or inheritance tax. Operating Expenses shall also include the costs of capital improvements or structural repairs or replacements made in or to the Project in order to conform to changes, subsequent to the date of this Lease, in any applicable laws (herein "Required Capital Improvements") or the costs incurred by Landlord to install a new or replacement capital item for the purpose of reducing Operating Expenses (herein "Cost Savings Improvements"), and a reasonable reserve for all other capital improvements and structural repairs and replacements reasonably necessary to permit Landlord to maintain the Project in its current class. The expenditures for Required Capital Improvements and Cost Savings Improvements shall be amortized over the useful life of such capital improvement or structural repair or replacement (as determined by Landlord). All costs so amortized shall bear interest on the unamortized balance at the rate of five (5.0) percent per annum or such higher rate as may have been paid by Landlord on funds borrowed for the purpose of construction of these capital improvements. Notwithstanding any other provisions contained in this Lease, Operating Expenses shall not include (1) major repairs and replacements to the roof, walls, floor slab, plumbing and all structural components, and 2) that portion of the management fees that exceed the lesser of market rate management fees charged for similarly situated and comparable office buildings and properties or three and a half percent (3.5%) of the gross revenues of the Project, or (2) the exclusions set forth on the exclusion list attached hereto and incorporated herein as **Exhibit "F"**. The management fee shall be set and fixed in the Base Operating Expenses. Landlord shall continue to maintain complete, accurate, and detailed books and records of Operating Expenses as it has during its ownership of the Project.

- (b) "Tenant Pro Rata Share" means twenty-one and 62/100 percent (21.62%) share of the Operating Expenses for the applicable Lease Year based on the square footage of the Leased Premises. Anything herein to the contrary notwithstanding, it is agreed that in the event the Project is not fully occupied during any Lease Year, a reasonable and equitable adjustment shall be made by Landlord in computing the Operating Expenses for such year so that the Operating Expenses (including assessed real estate taxes based on 95%

occupancy) are a reasonable approximation of the amount that would have been incurred had the Project been fully occupied during the entirety of such year. Notwithstanding the foregoing, Controllable Operating Expenses shall not increase by more than seven percent (7%) (on a cumulative and compounding basis) each year during the Term of the Lease. Landlord agrees that it will utilize a consistent methodology year to year in making such adjustments and, upon Tenant's request, will provide a reasonably detailed explanation of the adjustment made to Real Estate Taxes and to each component of Operating Expenses adjusted by Landlord. Controllable Operating Expenses are expenses within the reasonable control of Landlord thus excluding, without limitation, Ad Valorem taxes, building insurance, Tenant specific utilities and government-mandated increases in minimum wage. Non-controllable expenses shall be limited to Tenant's pro rata share.

(c) As to each Lease Year, Landlord shall estimate for each such Lease Year and deliver to Tenant:

- (i) the total amount of Operating Expenses estimated to be incurred for such Lease Year;
- (ii) Tenant's Pro Rata Share of Operating Expenses estimated to be incurred for such Lease Year; and

(iii) The computation of the Rent payable during such Lease Year. Said estimate shall be in writing and shall be delivered or mailed to Tenant at the Leased Premises. Upon completion of each Lease Year, Landlord shall determine the actual amount of Operating Expenses for such Lease Year and deliver a written certificate of the amounts thereof to Tenant. Landlord shall use commercially reasonable efforts to deliver such certificate to Tenant within one hundred eighty (180) days after the end of each Lease Year. If for any Lease Year Tenant has paid less than its Pro Rata Share of Operating Expenses, Tenant shall pay the balance of its Additional Rent within fifteen (15) days after the receipt of such certificate. If for any Lease Year Tenant has paid more than its Pro Rata Share of Operating Expenses, Landlord shall credit such excess against the most current monthly installment or installments due Landlord of Additional Rent, except that if an excess exists at the end of the Term, Landlord shall refund such excess to Tenant, less any amounts due and owing to Landlord under this Lease. In no event shall any adjustments as a result of this Article 3 result in Tenant paying less than the Base Rent in any Lease Year. A pro rata adjustment shall be made to Additional Rent for a fractional Lease Year occurring during the Term based upon the number of days of the Term during said Lease Year as compared to three hundred sixty-five (365) days, and all additional sums payable by Tenant or credits due Tenant as a result of the provisions of this Article 2 shall be adjusted accordingly when finally ascertained.

(d) Within thirty (30) days of receipt of the certificate stating the amount of Operating Expenses for a Lease Year, Tenant may request to audit the Operating Expenses for the Lease Year and Landlord shall provide all the information and supporting documentation to the Tenant or its agent within 10 business days of such request. If Tenant shall dispute any item or items included in the determination of Operating Expenses for a particular Lease Year, and such dispute is not mutually resolved by Landlord and Tenant within sixty (60) days after Tenant has given written notice to Landlord thereof, Tenant may request in writing to audit the books and records of Landlord relating to Operating Expenses; provided, however, unless Tenant shall complete said audit within one hundred twenty (120) days from the date of receipt of Landlord's year-end written certificate and make a claim for adjustment within one hundred eighty (180) days of the date of receipt of Landlord's year-end written certificate, Tenant shall forfeit its right to claim any adjustment to Tenant's pro rata share of Operating Expenses or Real Estate Taxes for such Lease Year.

(e) The audit will be conducted at Tenant's expense by a regionally or nationally recognized certified public accounting firm or a CPA (defined below) or by qualified personnel from Tenant's accounting department. Under no circumstance shall the audit be performed by a firm paid upon a contingency basis. If Tenant's audit reveals that the Operating Costs charged to Tenant exceed or were less than Tenant's Proportionate Share of the actual Operating Costs (unless challenged by Landlord within ten (10) days after receipt of a complete copy of such audit), then Landlord will reimburse Tenant for any overcharge, or Tenant will pay to Landlord any undercharge, as applicable, promptly after such final determination. In the event of a confirmed overcharge of Operating Costs to Tenant in excess of five percent (5%) of Tenant's Proportionate Share of actual Operating Costs in any such year, Landlord also shall reimburse Tenant for the reasonable cost of Tenant's audit ("Audit Expense") up to three thousand five hundred and 00/100 dollars (\$3,500). If there is a dispute between Landlord and Tenant relating to the determination of whether or not there is an overcharge or undercharge relating to Operating Costs and the parties cannot in good faith resolve such issue within thirty (30) days, then Landlord and Tenant shall use reasonable efforts to agree, within ten (10) days following the expiration of such thirty (30) -day period upon the appointment of one (1) CPA to resolve the matter. If an agreement on a single CPA cannot be reached within the ten (10)-day period, Landlord and Tenant shall each appoint their own respective CPA within ten (10) business days following the elapse of the ten (10)-day period and shall specify the name and address of their respective CPA to the other party prior to the expiration of such ten (10)-business day period; provided, that if one party fails to specify the name and address of its selected CPA within such ten (10)-business day period, the other party shall give the failing party written notice and if within five (5) days after such written notice the failing party still has not specified a CPA, the CPA selected by the other party shall act as the single CPA as if both parties had agreed to the appointment of such CPA as provided above. The selected CPAs shall then meet within ten (10) days of the appointment of the last of the two, and if such CPAs are unable to agree upon such matter within fifteen (15) days, they shall appoint a third CPA within ten (10) business days

following expiration of this period. If the two CPAs are unable to agree upon a third CPA within such ten (10) -business day period, the third CPA shall be appointed as soon as reasonably possible thereafter by the American Arbitration Association (or any successor organization, or if no successor organization shall then exist, by a court of competent jurisdiction residing in Harris County, Texas), subject to the qualification requirements set forth below. The term "CPA" shall mean a certified public accountant licensed in the State of Texas. The cost and expense incurred by the CPAs' review shall be borne equally by the parties.

Section 3.3 Landlord will invoice Tenant at the Leased Premises, Attention: Director, General Services Department (or such other person as may be designated by Tenant to the Landlord in writing), no later than the twenty-fifth (25th) 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 on or before the first (1st) day of each month. 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 by warrant issued by the Tenant's Controller (or its designee) within ten (10) days of receipt of an invoice by Tenant. Rent will be made payable to Landlord at *22310 Grand Corner Drive, Suite 140, Katy, TX 77494*, Attention: Director of Finance, or to such other address as Landlord may provide to Tenant in writing from time to time. Landlord hereby admits its knowledge and notice that the ability of Tenant to make Rent and any other payments payable to Landlord 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 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 on or before the first (1st) day of each month during the Lease 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.

Section 3.4 During the Lease Term and subject to the rights of any other existing tenant in the Project, as of Effective Date of the Lease, Tenant shall have a continuing and recurring right of refusal and preferential right to lease any space which from time to time shall be or becomes available for direct lease on the floors in the same elevator bank of the Tenant occupied floors at the then Market Rate. Market Rate shall be the then prevailing fair market rental value rate charged to tenants for space of the comparable size and class in downtown area of Houston, Harris County, Texas taking into consideration the following: 1) location, quality and age of the building; 2) use, location, size and/or floor level(s) of the space in question, including view, elevator lobby exposure, etc.; 3) definition of "rentable" area with respect to which rental rates are computed; 4) extent of leasehold improvements in the premises (other than those in the Leased

Premises paid for by Tenant) or to be provided, and/or any leasehold improvement allowance; 5) abatements (including with respect to the base rental, operating expenses and real estate taxes, and parking charges); 6) inclusion of parking charges in rental; 7) lease takeovers/assumptions; 8) programming/space, planning/interior, architecture and engineering allowances; 9) relocation allowance; 10) refurbishment allowances; 11) distinction between "gross" and "net" lease; 12) base year or dollar amount for escalation purposes (operating expenses, real estate taxes and management fee); 13) any other adjustments (including by way of indexes) to base rental; 14) credit standing of the tenant; 15) term or length of lease; 16) the time the particular rental rate under consideration was agreed upon and became or is to become effective; and 17) any other concession or inducement and/or relevant term or condition in making such fair market value rental rate determination. In each and every instance under the Lease in which Market Rate is to be determined, integral to such determination shall be all relevant economic factors as enumerated above (unless this Lease expressly provides otherwise), including, but not limited to, lease takeovers, abatements, leasehold improvements and other allowances. Tenant shall have 30 days from the time notice has been provided to provide a binding commitment to Landlord of its intent to lease the expansion space and if Tenants fails to timely notify Landlord within that time period, Landlord shall be free to lease the expansion space to any other prospective tenant consistent with the terms of this Agreement.

Section 3.5 Tenant may terminate this Lease after 10 years by providing a (5) year written notice to Landlord in the 10<sup>th</sup>, 15<sup>th</sup> or 20<sup>th</sup> year of the Lease Term ( the effective date of Lease termination to be at the end of the 15<sup>th</sup>, 20<sup>th</sup> or 25<sup>th</sup> year), with all remaining Rental Payment, including operating expenses, being abated and any annual payment paid in advance refunded proportionately by applying the square foot rental rate to the remaining annual time. Tenant shall reimburse the Landlord for the unamortized improvements made to the Leased Premises and Tenant's broker fees. For the purposes of this Section, Parties agree that the total amount of the unamortized improvements and broker fees is Twelve (12) Million Dollars or four hundred thousand (400,000.00) dollars per year. In the event of early termination of this Lease, the annualized dollar amount shall be multiplied by the number of years left in the 30-year term after the effective date of the Lease termination and the product of those two numbers shall constitute the termination fee to be paid by Tenant.

Should Tenant not terminate the lease as described above, the Lease shall remain in full force and effect for the remaining term.

#### **ARTICLE 4.**

##### **Improvements, Maintenance and Repair of the Leased Premises**

Section 4.1 Landlord, at its sole cost and expense, shall build out the Leased Premises as listed in the Work Letter attached as **Exhibit "E"** to this Lease (the "Work

Letter") and the Tenant Specifications (hereinafter defined in the Work Letter and attached as **Exhibit "E-1" and Exhibit "E-1"** to this Lease, as listed below and as may additionally be agreed upon in writing by the Parties.

Landlord shall provide separate electrical metering to each floor of the Leased Premises, except to the basement area, to allow accurate measurement of electrical usage for time periods outside of the Hours of Operations and any such usage in excess of the minimal requirements to keep the building operating at night will be paid by Tenant based on the actual metered electricity usage without any Landlord mark up and billed on a monthly basis without any mark-up. Laboratory floor eighteen (18) shall have separate meter and the cost of electricity for floor eighteen (18) shall be paid by the Tenant with a credit adjustment against total operating expenses.

The HVAC system shall have sufficient cooling and heating capacity to maintain an average inside air temperature of 70 degrees +/- 2% FDB and relative humidity at 50% +/-8% during summer and 70 degrees FDB during winter based on 99.6% ASHRAE design conditions.

Landlord shall provide a closed HVAC system to certain portion of the Leased Premises as described in **Exhibit "E-1" and Exhibit "E-1.1"**.

Landlord shall provide connectivity services as part of the construction project as described in **Exhibit "E-1" and Exhibit "E-1"**. Due to the sensitive nature of its business, it is understood the Tenant will manage all information resources and data within its own internal network.

Landlord recognizes the Tenant requires uninterruptible power for certain equipment, which includes but is not limited to, freezers and refrigerators, IT server rooms, security access system, cameras and other selected equipment. Landlord shall provide 500kw generator for such equipment to floor 18, IT server rooms of the Leased Premises and equipment as reflected in **Exhibit "E-1 and Exhibit "E-1.1 attached hereto** to assure uninterruptible power. After the Occupancy Date and to the extent that Tenant needs additional back-up power to other equipment requiring uninterruptible power during the term of the Lease, Landlord shall endeavor to provide the back-up power requested by Tenant to assure uninterruptible electrical service to the selected equipment provided that Tenant pays to Landlord the cost to Landlord (without any mark-up) for the Landlord's cost of providing Tenant with such additional back-up power.

Section 4.2 In the event that Floors 13,14, or 15 of the Leased Premises are not substantially complete by March 1, 2019 through no fault of Tenant, Landlord will be responsible for the payment of any liquidated damages, holdover rent, or damages, fees, and penalties of any kind that may be assessed by the landlord of the building located at 1301 Fannin Street, Houston, Texas against Houston Forensic Science Center, Inc. caused by failing to substantially complete Floors 13,14, and 15 of the Leased Premises

in accordance with the attached Work Letter, **Exhibit "E"**. In the event the Landlord presents build-out plans or related documents for review and approval during the build-out phase, Tenant shall make reasonable effort to respond within three (3) business days; failure to timely response will extend the above deadline by the number of days Tenant exceeds the three (3) business days

Section 4.3 Landlord shall provide Tenant twenty-five (25) reserved spaces in the garage attached to the Project at a rate of One Hundred Twenty-Five and No/100 Dollars (\$125.00) per space per month for the first ten (10) years of this Lease; however, Landlord shall abate reserved garage parking rental for the first five (5) years of this Lease. Additionally, Landlord shall provide 20 unreserved spaces for after hour and overnight and weekend parking in the Project covered garage for Tenant's use during the Term of the Lease at a cost of five (5) dollars per space per month for the first ten (10) years of this Lease.

The reserved parking spaces shall be in the covered part of the garage attached to the Project, separated by a floor to ceiling steel picket fence from other parking spaces with access through an automatic sliding gate which shall be operable solely with the Tenant's key card access. Tenant's reserved parking area shall be equipped with security cameras monitoring the reserved parking area twenty-four hours a day, seven days a week as reflected in the attached **Exhibit "E-1" and Exhibit "E-1.1"**. Landlord may provide covered reserved parking on the roof of the garage attached to the Project under the same conditions as described above. Tenant's visitor parking shall be validated at a flat fee of ten (10) dollars a day for the first ten (10) years of this Lease.

Section 4.4 Landlord shall provide at no cost to Tenant, in a good and workmanlike manner and in accordance with all applicable law, a building card key access system for entry into the Project. Additionally, Landlord shall at no cost to the Tenant, provide an independent key card system for the Leased Premises for Tenant and its management use only and cameras as specified in the Work Letter and **Exhibit "E-1" and Exhibit "E-1.1"**.

Section 4.5 Landlord shall provide base building carpet or other suitable floor covering for the Leased Premises as set forth in the Work Letter. In addition to its regular services, maintenance, and repairs to be provided in Section 4.6 and Article 5, Landlord shall provide, at its sole cost and expense wall paint every ten (10) years. Tenant shall replace carpet tiles as appropriate during the Term of the Lease; however, Tenant does not have the obligation to replace any flooring upon termination of the Lease.

Section 4.6 Subject to the terms of this Section 4.6, Landlord shall perform all maintenance and make any necessary repairs and replacements to the foundation; the exterior and interior walls of the Project; plate glass windows, doors, door closure devices and other exterior openings; window and door frames; molding; exterior and interior lighting fixtures; natural gas, water, sanitary sewer and electricity lines; the roof; heating

and air conditioning equipment; and electrical, mechanical and plumbing equipment serving the Leased Premises, except for such equipment used by Tenant as part of its operation within the Leased Premises. In addition, Landlord shall keep the sidewalks, parking areas and service areas adjacent to the Project in good and clean condition. In the event the Leased Premises shall be in need of repairs required to be made by the Landlord, Tenant shall give immediate written notice thereof to Landlord. Landlord shall immediately start the temporary repairs to assure the integrity of the Leased Premises and all such temporary repairs, absent exigent circumstances beyond the control of Landlord, must be finished within a 24-hour period during normal business hours and within 2 days on nights and weekends (i.e., if notice is received on Friday night, temporary repairs would be completed by Sunday night). Landlord shall complete the final repairs within commercially reasonable time frame, unless agreed to different time frame by the parties in writing. Tenant shall be responsible for the cost to maintain, repair or replace any of the foregoing to the extent necessitated by the negligence or willful misconduct of Tenant, its agents, employees or contractors. Tenant shall have the right to receive from Landlord's Building management system the annunciation of alarms from select Building operated security, mechanical and electrical systems and resolution thereof.

Section 4.7 On each Occupancy Date, Landlord shall deliver the Leased Premises to Tenant free of debris, and provide it in clean, good working order, with all pre-existing mechanical, electrical and plumbing systems in good working condition. To the extent Landlord is providing Tenant furniture, as reflected in the Work Letter, such furniture shall be donated and title transferred to the Houston Forensic Science Center (HFSC) at no additional charge upon effective date of this Lease. Tenant at no additional charge upon effective date of this Lease. Landlord shall have the Leased Premises in compliance with the Americans with Disabilities Act and the regulations thereunder and all other applicable regulatory codes applicable to the Project (collectively, the "Accommodation Laws") as enacted and interpreted as of the Occupancy Date, and any repairs, remodeling or retrofitting required for Landlord to be in compliance with the foregoing as of the Occupancy Date shall be performed by Landlord at Landlord's sole cost and expense.

Section 4.8 By taking possession of the Leased Premises, Tenant is deemed to have accepted the Leased Premises and agreed that the Leased Premises is in good order and satisfactory condition. Following each Occupancy Date, (a) Tenant shall assume all responsibility for compliance with the Accommodation Laws (as enacted and interpreted after the Occupancy Date) relating to the interior of the building on the Leased Premises and the activities conducted by Tenant therein, and (b) Landlord shall retain all responsibility for compliance with the Accommodation Laws (as enacted and interpreted after the Occupancy Date) relating to the exterior of the building and the parking areas on the Leased Premises. In the event Tenant fails to comply with the requirements of this Section 4.8 within a reasonable time after written notice from Landlord, Landlord shall have the right to perform the same on Tenant's behalf and at Tenant's expense.



Section 4.9 At the expiration or termination of this Lease, Tenant shall surrender the Leased Premises in good condition, excluding reasonable wear and tear, Landlord's maintenance obligations and loss by fire or other casualty excepted, and shall surrender all keys for the Leased Premises to Landlord. At the termination of this Lease, Tenant shall, at its option, remove all the laboratory and specialized equipment from floors 18 and B-1 of the Leased Premises.

**ARTICLE 5.**  
**General Services**

Section 5.1 Except as expressly provided to the contrary in this Lease, Landlord agrees to provide and maintain, as part of Operating Expenses, the following services:

- (a) Working and adequate central heating, ventilation and air conditioning;
- (b) Cold water for drinking, lavatory and toilet purposes drawn through fixtures installed by Landlord and hot water for lavatory purposes;
- (c) Mini-blinds, and as may be agreed upon by Landlord and Tenant;
- (d) Building standard fluorescent lighting fixtures installed by Landlord and replacement of non-working lamps in such fixtures as needed from time to time. Lighting for the parking areas for the building shall be operated and maintained using maximum lighting per City of Houston Lighting Code;
- (e) All areas in and about the Leased Premises, including, but not limited to, all restrooms and the public areas and elevator lobbies on all floors shall comply with the Accommodation Laws, subject to Section 4.7 of this Lease. The maintenance of the public areas will occur during all Hours of Operation, including, but not limited to, removal of all trash from the Project and maintain compliance with all applicable law;
- (f) Janitorial services and related supplies in Leased Premises except for floor eighteen (18);
- (g) Pest control services throughout the Leased Premises as needed by Tenant, except for floor eighteen (18);
- (h) Trash dumpsters and disposal service as needed by Tenant during normal business hours for commercially reasonable volumes and types of trash produced by Tenant (and Tenant only) at the Project; provided, however, that Tenant shall not use the dumpsters provided by Landlord hereunder for the disposal of any Hazardous Material (hereinafter defined);

- (i) Landlord shall provide an attendant twenty-four (24) hours per day on-site; and
- (j) Landlord shall provide automatic and immediate back up power to Leased Premises in the event of power interruption, as described in the Work Letter. Additionally, and irrespective of the automatic back-up power, in the event of service interruption of Essential Services to the Leased Premises and common areas of the Project affecting the Tenant and lasting more than twenty-four (24) hours in Leased Premises and three (3) days in common areas, Tenant shall provide notice to the Landlord and suspend payment of the Monthly rent until such services are reestablished. Monthly rent shall be reduced pro rata based on the number of days the services were not provided and number of square feet of the Leased Premises affected. In the event Landlord fails to reestablish Essential Services to floor 18 within-three two (2) business days, Tenant, at its sole discretion, may reestablish such services and deduct such cost from the following month's rent.

Section 5.2 Except as expressly provided to the contrary in this Lease, Tenant agrees to provide and maintain, at Tenant's sole cost and expense, the following services:

- a.) Janitorial services and supplies in and about the floor eighteen (18) of the Leased Premises;
- b.) Pest control services throughout floor eighteen (18) of the Leased Premises as needed by Tenant; and
- c.) Trash dumpsters and disposal service as needed by Tenant for any Hazardous Materials (hereinafter defined).

Section 5.3 Landlord shall pay, before delinquency, all taxes and assessments of every nature which are levied upon or assessed against the Project and/or Leased Premises by any political subdivision and for whatever purpose.

Section 5.4 Tenant shall be responsible for all charges for telephone, internet and other communication services furnished to the Leased Premises. Upon the termination of this Lease, Tenant shall have the right to remove any telephone equipment owned by Tenant. Tenant shall promptly repair any damage to the Leased Premises caused by such removal.

## **ARTICLE 6.**

### **Landlord's Right of Access**

Upon twenty-four (24) hour advance written notice to Tenant, Landlord shall have the right to enter upon the Leased Premises for the purpose of inspecting or making repairs, alterations or additions to the Leased Premises. Landlord shall also have the right to enter Floors 13, 14 and 15 for the purpose of showing the Leased premises to prospective lenders, purchasers or, during the last twelve (12) months of the Lease Term, to prospective tenants; provided, however, Tenant shall the right to select another time or date within during normal business hours but not later than 2 business days after the Landlord's desire to enter the Leased Premises. Landlord and his invitees shall be accompanied by the Tenant at Tenant's sole discretion. Non-emergency entries upon the Leased Premises by Landlord shall be during normal business hours and coordinated with Tenant so as to minimize the interference with Tenant's use of the Leased Premises. Landlord and his invitees shall at all time abide by the security requirements set forth by the Tenant. Notwithstanding the foregoing, Landlord and Tenant acknowledge and agree that certain areas within the Leased Premises may contain sensitive or confidential information of Tenant and that Landlord will be restricted from accessing such areas unless accompanied by Tenant at all times. Tenant agrees to notify Landlord in writing of any such restricted areas as soon as reasonably practical after the Occupancy Date.

**ARTICLE 7.**  
**Alterations and Fixtures**

Tenant shall not make any alterations, additions or improvements, including but not limited to structural work, to the Leased Premises that exceed One Hundred Thousand and No/100 Dollars ( \$100,000.00) per event without the prior written consent of Landlord, which consent will not unreasonably be delayed or denied (with respect to non-structural alterations only); however, Tenant shall not be required to obtain any consent whatsoever from Landlord for any alterations, additions or improvements which only involve (i) the installation and removal of unattached, movable furniture and trade fixtures which may be installed without drilling, cutting or otherwise defacing the Leased Premises, or (ii) any interior lighting, window or door lettering, placards, decorations or paintings. All alterations, additions, improvements and unattached, movable furniture and trade fixtures made, owned, or installed by Tenant upon the Leased Premises shall remain the property of Tenant and may be removed by Tenant at any time, including upon the expiration or termination of this Lease; provided, however, Tenant shall promptly repair any damage to the Leased Premises caused by such removal. Any linoleum, carpeting or other floor covering which may be cemented or otherwise affixed to the floor of the Leased Premises is a permanent fixture and shall become the property of Landlord.

**ARTICLE 8.**  
**Mutual Release**

**Section 8.1 LANDLORD SHALL RELEASE TENANT FROM, AND HEREBY WAIVES WITH RESPECT TO TENANT, ANY AND ALL CLAIMS OR LIABILITY FOR ANY INJURY OR DAMAGE TO ANY PERSON OR PROPERTY IN, ON OR ABOUT**

THE PROJECT OR ANY PART THEREOF, TO THE EXTENT SUCH INJURY OR DAMAGE SHALL BE CAUSED BY THE ACT, NEGLIGENCE, FAULT OF, OR OMISSION BY LANDLORD, OR ITS AGENTS, SERVANTS OR EMPLOYEES, INCLUDING BUT NOT LIMITED TO CLAIMS UNDER THE ACCOMMODATION LAWS (BUT ONLY WITH RESPECT TO CLAIMS RELATING TO VIOLATIONS ARISING AS OF THE OCCUPANCY DATE).

Section 8.2 TENANT SHALL RELEASE LANDLORD FROM, AND HEREBY WAIVES WITH RESPECT TO LANDLORD, ANY AND ALL CLAIMS OR LIABILITY FOR ANY INJURY OR DAMAGE TO ANY PERSON OR PROPERTY IN, ON OR ABOUT THE PROJECT OR ANY PART THEREOF, TO THE EXTENT SUCH INJURY OR DAMAGE SHALL BE CAUSED BY THE ACT, NEGLIGENCE, FAULT OF, OR OMISSION BY TENANT, OR ITS AGENTS, SERVANTS OR EMPLOYEES, INCLUDING BUT NOT LIMITED TO CLAIMS UNDER THE ACCOMMODATION LAWS (BUT ONLY WITH RESPECT TO CLAIMS RELATING TO VIOLATIONS ARISING AFTER THE OCCUPANCY DATE).

Section 8.3 UPON THE FILING BY ANYONE OF ANY TYPE OF CLAIM, CAUSE OF ACTION OR LAWSUIT AGAINST LANDLORD OR TENANT FOR ANY TYPE OF DAMAGES ARISING OUT OF INCIDENTS FOR WHICH THE OTHER PARTY MAY BE LIABLE, THE PARTY BEING SUBJECT TO SUCH CLAIM, CAUSE OF ACTION OR LAWSUIT SHALL NOTIFY THE OTHER PARTY OF THE SAME.

## ARTICLE 9 Casualty and Liability Insurance

Section 9.1 At Landlord's sole cost and expense, Landlord shall obtain (or cause its applicable vendor or other service professional to obtain) and maintain in full force and effect throughout the Lease Term and any extensions or renewals thereto the following insurance:

(a) Standard Fire and Extended Coverage Insurance insuring the Project and all building-standard improvements or additions to the Leased Premises for the full replacement cost thereof (excepting tenant's personal property and trade fixtures);

(b) Worker's Compensation Insurance in accordance with statutory requirements; and

(c) Commercial General Liability Insurance, including blanket contractual liability, products and completed operations, personal injury, bodily injury, broad form property damage, operations hazard, explosion, collapse and underground hazards for not less than \$1,000,000 combined single limit arising out of any one occurrence and a general 12-month aggregate limit of at least \$2,000,000;

Section 9.2 All insurance policies shall be issued on forms reasonably satisfactory to Tenant by a company or companies with a valid certificate of authority to do business in the State of Texas issued by the Texas State Board of Insurance and rated "A" or better in the most current edition of Best's Insurance Reports. Landlord shall deliver to Tenant copies of all insurance certificates and policies required to be carried by Landlord under this Lease, with evidence of payment of premiums for such policies, within thirty (30) days after execution of this Lease. With respect to renewals of such policies, Landlord shall deliver to Tenant an insurance certificate not later than thirty (30) days prior to the end of the expiring term of coverage and deliver To Tenant a copy of such insurance policies promptly upon their receipt by Landlord. Upon Tenant's request and to the extent reasonably available, Landlord shall deliver to Tenant certified copies of such policies. All such policies and certificates shall contain an agreement that the insurer shall notify Tenant in writing not less than thirty (30) days before any material change, reduction in coverage, or cancellation of any policy (or not less than ten (10) days with respect to the non-payment of premiums). All such insurance policies and certificates shall also include a clause or endorsement denying Landlord's insurer any right of subrogation against Tenant (the "Subrogation Waiver Endorsement"). LANDLORD HEREBY WAIVES ANY RIGHT OF RECOVERY, CLAIM, CAUSE OF ACTION OR ACTION AGAINST TENANT FOR INJURY OR LOSS (INCLUDING, WITHOUT LIMITATION, INJURY OR LOSS CAUSED BY THE SOLE NEGLIGENCE OF TENANT) BY REASON OF ANY CAUSE REQUIRED TO BE INSURED BY LANDLORD IN THIS LEASE, WHICH WAIVER SHALL BE EFFECTIVE FOR PURPOSES OF THE SUBROGATION WAIVER ENDORSEMENT.

Section 9.3 As a political subdivision of the State of Texas and a governmental unit, Tenant is self-insured under the Texas Tort Claims Act (Chapter 101, *et seq.*, Tex. Civ. Pac. & Rem. Code Ann.) and its statutory liability is limited to a maximum amount of \$250,000 per person and \$500,000 for each single occurrence for bodily injury or death and \$100,000 for each single occurrence for injury to or destruction of property. Under its status as a political subdivision, Tenant does not provide or purchase insurance for Commercial General Liability, Blanket Contractual Liability, Broad Form Property Damage, Personal and Advertising Injury, Completed Operations/Products Liability, Medical Expenses, and Interest of Employees as additional insureds. Additionally, as a political subdivision, Tenant provides Workers' Compensation benefits to Tenant's employees involved in the performance of this Agreement under a self-insurance plan pursuant to Tex. Labor Code Ann § 504.011, as amended. TENANT HEREBY WAIVES ON ITS OWN BEHALF AND ON BEHALF OF ANY PARTY CLAIMING BY, THROUGH OR UNDER TENANT, ANY RIGHT OF RECOVERY, CLAIM, OR CAUSE OF ACTION AGAINST LANDLORD FOR INJURY OR LOSS (INCLUDING, WITHOUT LIMITATION, INJURY OR LOSS CAUSED BY THE SOLE NEGLIGENCE OF LANDLORD) TO THE EXTENT THAT SUCH INJURY OR LOSS WOULD HAVE BEEN COVERED UNDER STANDARD INSURANCE POLICIES COMMONLY HELD BY LESSEES IN SIMILAR COMMERCIAL OFFICE BUILDINGS IN HOUSTON, HARRIS COUNTY, TEXAS.

**ARTICLE 10**  
**Damage by Casualty**

In the event the Leased Premises are wholly or partially damaged or destroyed by a fire, storm, tornado, or other casualty, then, unless this Lease is terminated as hereinafter provided, Landlord shall perform Landlord's Restoration Work (as hereinafter defined) with reasonable dispatch and continuity. "Landlord's Restoration Work" shall mean all of the work necessary to repair and restore the Leased Premises to substantially the same condition the Leased Premises was in immediately prior to such casualty, except for Tenant's trade fixtures, and personal property, the restoration of which shall be the sole responsibility of Tenant. Tenant shall give prompt written notice to Landlord of any such damage, and Landlord shall, (i) within thirty (30) days following the receipt of such notice, furnish to Tenant a preliminary estimate and (ii) within additional forty-five (45) furnish a final estimate (the "Estimate") prepared and certified by an independent architect or contractor selected by Landlord and reasonably acceptable to Tenant, of the date (the "Restoration Date") by which Landlord's Restoration Work is reasonably scheduled to be completed. If the Restoration Date is a date later than one hundred twenty (120) days after the date of the Estimate, then Tenant may, at its option, terminate this Lease by giving written notice to Landlord within thirty (30) days after Tenant's receipt of the Estimate. In any case where the Estimate does not give rise to Tenant's termination right set forth above (as well as any case where Tenant does not elect to exercise its termination right set forth above), Tenant shall have the right to terminate this Lease if Landlord's Restoration Work is not completed by the Restoration Date, unless agreed to other date by the Landlord and Tenant in writing. Tenant may exercise the termination right described in the preceding sentence by delivering written notice thereof to Landlord at any time following the Restoration Date and prior to the date Landlord completes Landlord's Restoration Work. If Tenant terminates this Lease as provided in this Article, then such termination shall be effective on the date specified in Tenant's notice of termination but no later than one hundred eighty (180) days after the date of such notice as if such date were the date fixed for the expiration of the Term. Tenant shall have the option to extend the Lease Term for a period equal to the number of days from the occurrence of the casualty until the Restoration Date, with such extension to be at the same rental rate that was in effect immediately prior to the casualty. Each party shall give the other party immediate written notice of any damage caused to the Leased Premises by fire or other casualty. If the Leased Premises are partially damaged or destroyed or rendered unfit for the operation of Tenant's business, then the Monthly Rent shall be abated in proportion to the area of the Leased Premises that has been rendered unfit for the operation of Tenant's business or inaccessible for the period from the date of such damage or destruction until the Restoration Date. If the Leased Premises is totally destroyed or rendered unfit for the operation of Tenant's business, then the Monthly Rent

shall be abated completely as of the date of the damage or destruction and until the Restoration Date.

**ARTICLE 11.**  
**Eminent Domain**

Section 11.1 If any of the floor areas 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 by private purchase in lieu thereof, which taking materially interferes with Tenant's use and occupancy of the Leased Premises, either party shall have the option to terminate this Lease within thirty (30) days after the above determination. If neither party terminates this Lease within such period, Landlord shall make all necessary repairs or alterations to make the Leased Premises an architectural whole.

Section 11.2 All compensation awarded for any taking (or the proceeds of a private sale in lieu thereof) of the Project or the Leased Premises shall be the property of Landlord and Tenant shall not be entitled to any part of the compensation paid for the taking of Tenant's leasehold estate; provided, however, Tenant shall be entitled to seek compensation for any of Tenant's personal property taken by the condemning authority, which would remain the property of Tenant if this Lease expired in accordance with its terms, provided such award in no way diminishes Landlord's award for the taking of the Project, the Leased Premises or any leasehold estate therein.

**ARTICLE 12**  
**Assignment and Subletting**

Section 12.1 Tenant shall have the right to assign, sublet, transfer or encumber this Lease, or any interest therein, without the prior written consent of Landlord to any city, state or federal governmental entity providing substantially the same services as identified in the Permitted Use provided that Tenant shall not be released from liability under this Lease.

Section 12.2 In the event of transfer or assignment by Landlord of its interest in any portion of the Leased Premises or this Lease, Landlord shall be released from any obligations hereunder pertaining to such portion of the Leased Premises or this Lease arising after the date of transfer or assignment; however, Landlord shall not be released and will continue to be liable for any obligations arising prior to such transfer or assignment

**ARTICLE 13.**  
**Default by Tenant and Remedies**

Section 13.1 The occurrence of any of the following events shall constitute an "Event of Default" by Tenant under this Lease:

(a) Tenant shall fail to pay any Rent, or any other expense demanded by Landlord as herein provided, and such failure shall continue for a period of thirty (30) days after written notice thereof to Tenant by Landlord (provided that Landlord shall not be required to provide such notice more than two (2) times during any calendar year, after which time an Event of Default shall occur immediately upon Tenant's failure to pay Monthly Rent when due under this Lease).

(b) Tenant shall fail to comply with any term, provision or covenant of this Lease, other than the Monthly Payment or expenses demanded by Landlord, and such failure shall continue for a period of thirty (30) days after written notice thereof to Tenant by Landlord.

Section 13.2 Upon the occurrence of an Event of Default under Section 13.1(a), Landlord shall have the option to terminate this Lease, or to pursue any other remedies at law or in equity. Upon the occurrence of an Event of Default under Section 13.1(b), Landlord shall have the option, provided Tenant fails to cure such default after Landlord has given Tenant an additional sixty (60) days prior written notice specifying such default with particularity, to terminate this Lease, or to pursue any other remedies at law or in equity.

**ARTICLE 14**  
**Default by Landlord and Remedies**

Section 14.1 If Landlord defaults in the performance of any material covenants, services or agreements contained within this Lease which (i) are within Landlord's reasonable control and (ii) render the Leased Premises or any portion thereof "untenantable" to any material extent to reasonably support the forensic operations of the Tenant, and fails to cure such default within thirty (30) days after written notice thereof is given by Tenant describing such default with particularity (provided, however, that if such default cannot reasonably be cured within said thirty (30) day period said period shall be extended so long as Landlord shall diligently prosecute such cure to completion) then Tenant may, at its option, terminate this Lease or pursue any other remedies available to Tenant at law or in equity. Notwithstanding anything to the contrary contained in this Lease, in the event of a default by Landlord as described above, Tenant shall be



entitled to cure such default on behalf of and at the expense of Landlord (hereinafter referred to as "Tenant's Right of Self-Help"), subject to the terms and conditions of this Section 14.1. Tenant shall not be entitled to exercise Tenant's Right of Self-Help unless and until (a) Tenant has provided Landlord with an additional written notice of Landlord's default under this Lease and thirty (30) days thereafter to cure such default and (b) Landlord fails to cure such default within such additional time period. Tenant's Right of Self-Help shall permit Tenant to perform all reasonable and necessary work and make all necessary payments to protect Tenant's continued use and occupancy of the Leased Premises. Landlord shall pay Tenant on demand the reasonable, out-of-pocket costs incurred and any amounts so paid by Tenant on behalf of Landlord arising out of Tenant's exercise of Tenant's Right of Self-Help, together with all interest accrued thereon at a rate of one percent (1%) per month, or if such rate is above the maximum legal rate then at the maximum legal rate, until Tenant has been completely reimbursed. Landlord and Tenant stipulate that material covenant, services or agreements for the purposes of this Article are those events that impact (i) life and safety of the Tenant's employees; (ii) essential services to Lease Space; or (iii) operation of the forensic laboratory, including but not limited to storing of the forensic evidence.

#### **ARTICLE 15.** **Subordination**

Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter created upon the Project, and to any renewals and extensions thereof. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien hereafter placed upon the Project, and Tenant agrees to execute such further instruments subordinating this Lease as Landlord may request. Tenant's subordination shall be expressly conditioned upon Landlord securing a non-disturbance agreement from any lender, which assures Tenant that in the event of foreclosure, or in the event title to the Project is transferred in lieu of such foreclosure, or in the event any lender directly or indirectly becomes the new landlord of the Leased Premises, that the terms of this Lease will not be terminated, disturbed, or adversely affected, so long as Tenant is not in default at such time. Landlord agrees that, within thirty (30) days from the date of execution of this Lease, it will provide Tenant with commercially reasonable non-disturbance agreements in favor of Tenant from any ground lessors, mortgage holders or lien holders then in existence or, if none are in existence, Landlord shall acknowledge that there are no ground lessors, mortgage holders or lien holders. Said non-disturbance agreements shall be recorded, at Tenant's election and at Tenant's sole cost and expense, in the Real Property Records of Harris County, Texas. In the event Landlord fails to provide such non-disturbance agreements within the time frame set forth herein, Tenant shall have the right to terminate this Lease and Landlord shall reimburse Tenant for all of Tenant's out-

of-pocket costs incurred in connection with this Lease; provided, however, such right shall be waived unless exercised by Tenant within sixty (60) days after Landlord fails to provide the non-disturbance agreement within the time frame set forth herein.

**ARTICLE 16.**  
**Environmental Restrictions**

Section 16.1 Prior to the Occupancy Date, Landlord and Tenant shall provide to each other a list of pesticides or herbicides, used by the Landlord (or by other tenants in the Project to the extent their Lease allows use of such chemicals with in their leased space) or by Tenant and will update the list as each party is made aware of any additional similar substances in the Project. Landlord will not intentionally store or dispose of any hazardous substances on the Leased Premises, and likewise, Tenant agrees it will only use hazardous substances in connection with the Permitted Use. Tenant shall abide by all applicable local, state and federal laws in disposal of hazardous materials and shall establish its own internal policy regarding such substances, providing such policy to Landlord upon request. Tenant or Landlord may request in writing, a list of other substance utilized by the Landlord in maintenance of the Project during the Lease Term.

Section 16.2 Each party shall promptly notify the other party upon the notifying party becoming aware of: (i) any enforcement, cleanup, or other regulatory action taken or threatened against either party by any governmental or regulatory authority with respect to the presence of any Hazardous Material on the Project, (ii) any demands or claims made or threatened by any party against Landlord, Tenant relating to any loss or injury resulting from any Hazardous Material, (iii) any unlawful release, discharge or nonroutine, improper or unlawful disposal or transportation of any Hazardous Material on or from the Project, and (iv) any matters where the party is required by law to give a notice to any governmental or regulatory authority respecting any Hazardous Materials in the Project. At such times as Tenant may reasonably request, Landlord shall provide Tenant with a written list identifying any Hazardous Material then actually known to Landlord to be then used, stored, or maintained upon the Project, a copy of any material safety data sheet ("MSDS") issued by the manufacturer therefore, written information concerning the removal, transportation and disposal of the same, and such other information as the requesting party may reasonably require or as may be required by laws. The term "Hazardous Material" shall mean any chemical, substance, material or waste or component thereof which is now or hereafter listed, defined or regulated as a hazardous or toxic chemical, substance, material or waste or component thereof by any federal, state or local governing or regulatory body having jurisdiction or under any applicable environmental laws, or which would trigger any employee or community "right-to-know" requirements adopted by any such body, or for which any such body has adopted any requirements for the preparation or distribution of an MSDS.

Section 16.3 If any Hazardous Material is released, discharged or disposed of by Landlord or Tenant or their respective employees, agents or contractors, on or about the Project in violation of the foregoing provisions, the releasing, discharging or disposing party shall immediately, properly and in compliance with all applicable laws and ordinances, clean up and remove the Hazardous Material from the Project and any other affected property, at such party's sole cost and expense. Such clean up and removal work shall include, without limitation, any testing, investigation and/or preparation and implementation of any remedial action plan required by any governmental body having jurisdiction. If the releasing, discharging or disposing party shall fail to comply with the provisions of this Section within five (5) days after written notice by the other party, or such shorter time as may be required by law, the other party may (but shall not be obligated to) arrange for such compliance directly through contractors or other parties selected by the other party, at the releasing, discharging or disposing party's expense.

Section 16.4 Landlord represents and warrants to Tenant that, to Landlord's knowledge, (i) the Leased Premises have been tested for airborne fibers (including, but not limited to, asbestos fibers) using the Phase Contrast Microscopy, NIOSH 7400 method, and the amount of airborne fibers on the Leased Premises shown by such testing does not exceed 0.01 fibers per cubic centimeter, and (ii) the air conditioning ducts on the Leased Premises are self-contained from other parts of the Project in a manner which would substantially prevent asbestos containing materials from being transmitted to the Leased Premises through the air conditioning ducts. Landlord has provided or will provide within ten (10) days after the Lease Effective Date copies of all reports in Landlord's possession relating to the tests described above.

Section 16.5 Landlord gives Tenant the right, upon prior written notice to Landlord, to test for airborne fibers, at Tenant's sole cost and expense, during normal business hours within the period of time beginning on the Lease Effective Date and ending thirty (30) days after the Lease Effective Date, and in which event Tenant shall promptly provide Landlord with any "Test Result Notice". Unless required otherwise by any federal, state or local law, rule or ordinance governing asbestos testing in Houston, Harris County, Texas (in which case Landlord covenants to comply with such application requirements), such testing shall be performed using Phase Contract Microscopy. If a Test Result Notice reveals that the airborne fiber level in any portion of the Leased Premises exceeds the "Acceptable Level" (defined as the lesser of (i) the lawful legal limit applicable to real estate in Houston, Harris County, Texas, or (ii) 0.01 fibers per cubic centimeter), Landlord shall have the option, for a period of thirty (30) days ("Retest Period") following such Test Result Notice, to conduct, at Landlord's sole cost and expense, additional testing to verify whether the asbestos fiber level in the Leased Premises exceeds the Acceptable Level. If, upon the expiration of the Retest Period, Landlord has elected not to conduct such additional testing or if Landlord has conducted such additional testing and such additional testing verifies that the asbestos fiber level in the Leased Premises exceeds the Acceptable Level, then Tenant shall have the option to either (a) continue to remain in the Leased Premises with all lease terms and conditions remaining unchanged or (b)

terminate this Lease by giving written notice to Landlord (provided that such termination notice must be supplied within thirty (30) days after the expiration of the Retest Period or such right will be deemed waived by Tenant). Rent shall abate during the Retest Period (and any thirty (30) day period thereafter that Tenant is entitled to terminate this Lease), but only to the extent that Tenant does not occupy the Leased Premises during such periods.

If a Test Result Notice reveals that the airborne fiber level in any portion of the Leased Premises exceeds the "Acceptable Level" (defined as the lesser of (i) the lawful legal limit applicable to real estate in Houston, Harris County, Texas, or (ii) 0.01 fibers per cubic centimeter), then Tenant shall have the option, exercisable only for a period of thirty (30) days after Landlord's receipt of the Test Result Notice, to terminate this Lease by giving written notice to Landlord.

**ARTICLE 17.**  
**Notices**

Wherever any notice is required or permitted hereunder such notice shall be in writing. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered when deposited in the United States mail, postage prepaid, Certified or Registered Mail, Return Receipt Requested, addressed to the parties hereto at their respective addresses set forth in the preamble paragraph of this Lease or such other address as may be specified by written notice.

**ARTICLE 18.**  
**Holding Over by Tenant**

In the event Tenant remains in possession of the Leased Premises without the execution of a new lease, Tenant shall be deemed to be occupying the Leased Premises as a tenant from month-to-month at (a) one hundred twenty-five percent (125%) of the Monthly Payment and any other sums then due and payable by Tenant under this Lease for the first sixty (60) days of Tenant's holdover, and (b) one hundred fifty percent (150%) of the Monthly Payment and any other sums then due and payable by Tenant under this Lease for any holdover period after the first sixty (60) days. Landlord and Tenant shall be subject to all the conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy.

**ARTICLE 19.**  
**Brokerage**

Landlord will pay in full a brokerage commission to Tenant's designated broker Customized Real Estate Services, Inc. dba CRES & Associates and Landlord's

designated broker Greenmark Realty, as provided under separate commission agreements.

**ARTICLE 20.**  
**Estoppel Certificate**

Tenant shall from time to time, upon written request by Landlord or a lender, deliver to Landlord or a lender, within thirty (30) days after receipt of such request, a statement in writing certifying: (i) that this Lease is unmodified and in full force and effect (or if there have been modifications, identifying such modifications and certifying that the Lease, as modified, is in full force and effect); (ii) the dates on which Monthly Payment has been paid; (iii) that Landlord is not in default under any provision of this Lease (or if Landlord is in default, specifying each such default); (iv) the address to which notices to Tenant shall be sent, and (v) such other matters as may be reasonably requested by Landlord; it being understood that any such statement so delivered may be relied upon in connection with any lease, mortgage or transfer.

Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant that: (i) this Lease is in full force and effect and not modified except as Landlord may represent; (ii) not more than one Monthly Payment has been paid in advance; (iii) there are no defaults by Landlord; and (iv) notices to Tenant shall be sent to Tenant's address as set forth in the preamble of this Lease. Notwithstanding the presumptions of this Article, Tenant shall not be relieved of its obligation to deliver said statement.

**ARTICLE 21.**  
**Force Majeure**

Landlord shall be excused for the period of any delay in the performance of any obligation hereunder when prevented from so doing by a cause or causes beyond its control, including all labor disputes, civil commotion, war, war-like operations, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain or delays in obtaining any governmental approvals or permits, fire or other casualty, inability to obtain or delay in obtaining any material, services or financing, or through acts of God. Tenant shall similarly be excused for delay in the performance of any obligation hereunder; provided:

(a) nothing contained in this Article or elsewhere in this Lease shall be deemed to excuse or permit any delay in the Tenant's Monthly Payment, or any delay in the cure of any default which may be cured by the payment of money;

(b) no reliance by Tenant upon this Article shall limit or restrict in any way Landlord's right of self-help as provided in this Lease; and

(c) Tenant shall not be entitled to rely upon this Article unless it shall first have given Landlord notice of the existence of any force majeure preventing the performance of an obligation of Tenant within five (5) days after the commencement of the force majeure.

## **ARTICLE 22.** **Miscellaneous**

Section 22.1 Governmental Capacity: Tenant is entering into this Lease in its governmental capacity. Notwithstanding anything contained in this Lease to the contrary, nothing in this Lease shall constitute a waiver of any provisions of any law relating to governmental immunity or limitations of liability of a governmental entity.

Section 22.2 Landlord acknowledges that Tenant's operations in the Leased Premises for the Permitted Use constitute (1) Tenant's conduct of the governmental functions and (2) involve transportation, use, analysis, testing, storage, disposal, documentation and other handling of dangerous items, Seized Drugs, controlled or regulated substances, confidential information, evidence for use in criminal legal proceedings for which chain of custody controls are mandatory, law enforcement properties and other highly sensitive data, records, items and materials. Any reference to commercially reasonable or reasonable as the standard by which decision are made or the manner or timing by which actions are taken under this Lease shall be interpreted in a manner that recognizes the need to preserve all forensic properties and protect Tenant's operations for the Permitted Use in connection with such forensic properties for the health and safety of the public and in connection with such police powers of Tenant and other governmental and criminal justice entities and programs served by the Tenant.

Section 22.3 Landlord expressly stipulates and agrees that the Permitted Use, including the firing range necessary for ballistic testing, does not, in whole or in part, constitute a nuisance and that Tenant's operations in the Leased Premises for the Permitted Use in accordance with Applicable Laws will not materially interfere with or materially disturb other tenants or Landlord in the management of the Project.

Section 22.4 Landlord expressly agrees to provide notice to other tenants in the Project of Tenant's use of the premises and shall indemnify Tenant against any claims, lawsuits, damages asserted against Tenant by other users of the Project, including all tenants, guests, invitees, or Landlord's personnel, agents or students.

Section 22.5 Landlord shall provide to the Tenant proof of a line of credit in the amount of not less than ten (10) Million dollars where the ten (10) Million dollars of that line of credit is solely dedicated to the build-out of the Leased Premises. The Line of

Credit shall remain in place, unpledged and irrevocable for sixty (60) days after the build-out of the Leased Premises is complete. Landlord shall provide all such other financial documentation reasonably requested by the City to determine Landlord's financial stability.

Section 22.6 Landlord recognizes existing sensitivities of the Permitted Use of the Leased Premises and agrees that the Project or any portion of the Project or related facilities or land shall not be leased to by law enforcement agencies as listed by Texas Department of Public Safety and/or Texas Commission on Law Enforcement; however, Landlord may lease premises within the Project to criminal justice agencies. Additionally, Landlord agrees to land use restrictions during the term of this Lease reflected in **Exhibit "H"** attached hereto and incorporated herein for all purposes.

Section 22.7 Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between Landlord and Tenant, it being understood and agreed that neither the method of computation of Monthly Payment, nor any other provisions contained herein, nor any acts of Landlord and Tenant, shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant. Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender.

Section 22.8 In the event Landlord or Tenant will be interested in pursuing a condominium or purchase of the Leased Premises, the parties shall, in good faith, enter into such negotiations.

Section 22.9 The captions used herein are for convenience only and do not limit or amplify the provisions hereof.

Section 22.10 One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

Section 22.11 Landlord covenants and agrees that, if Tenant shall perform all of the covenants and agreements herein required to be performed by Tenant, Tenant shall, subject to the terms of this Lease, have the peaceable and quiet enjoyment and possession of the Leased Premises.

Section 22.12 This Lease contains the entire agreement between the parties, and no agreement shall be effective to change, modify or terminate this Lease in whole

or in part unless such agreement is in writing and duly signed by the party against whom enforcement of such change, modification or termination is sought. This Lease supersedes all prior proposals.

Section 22.13 The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Lease. Any action brought to enforce or interpret this Lease shall be brought in the court of appropriate jurisdiction in Houston, Harris County, Texas. Should any provision of this Lease require judicial interpretation, Landlord and Tenant hereby agree and stipulate that the court interpreting or considering the same shall not apply the presumption that the terms hereof shall be more strictly construed against a Party by reason of any rule or conclusion that a document should be construed more strictly against the Party who prepared the same, it being agreed that all Parties hereto have participated in the preparation of this Lease and that each Party had full opportunity to consult legal counsel of its choice before the execution of this Lease.

Section 22.14 Each and every agreement contained in this Lease is, and shall be construed as, a separate and independent agreement. If any provision of this Lease should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby.

Section 22.15 Notwithstanding anything to the contrary in this Lease, all remedies of either Party are cumulative and the election of a remedy by a Party shall not foreclose such Party from pursuing any other equitable or legal remedy.

Section 22.16 The terms, provisions and covenants contained in this Lease shall inure to the benefit of and be binding upon the Parties hereto and their respective heirs, successors in interest and legal representatives.

Section 22.17 The Parties have executed this Lease in multiple copies, each of which is an original. Each person signing this Lease represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Lease. Each Party represents and warrants to the other that the execution and delivery of this Lease and the performance of such Party's obligations hereunder have been duly authorized and that this Lease is a valid and legal agreement binding on such Party and enforceable in accordance with its terms.

Section 22.18 Tenant hereby grants the City Attorney or his or her designee the right to enforce all legal rights and obligations under this Lease without further authorization from other City officials. Landlord covenants to provide to the City Attorney all documents and records in Landlord's or its agent's possession that the City Attorney deems necessary to assist in determining Tenant's compliance with this Lease, with the exception of those documents made confidential by federal or state law or regulation.

Section 22.19 Time is of the essence in this Lease.



Section 22.20 Landlord understands that the Tenant may be required to appropriate additional funds for all or portion of the Monthly Payment during the Lease term and agrees that:

(1) Tenant's duty to pay money to Landlord for any purpose under this Lease is limited in its entirety by the provisions of this Section.

(2) Tenant makes a Supplemental Allocation by issuing to Landlord a Service Release Order, or similar form approved by the City Controller, containing the language set out below. When necessary, the Supplemental Allocation shall be approved by motion or ordinance adopted by the City Council.

### **NOTICE OF SUPPLEMENTAL ALLOCATION OF FUNDS**

By the signature below, the City Controller certifies that, upon the request of the responsible director, the supplemental sum set out below has been allocated for the purposes of the Lease out of funds appropriated for this purpose by the City Council of the City of Houston. This supplemental allocation has been charged to such appropriation.

\$ \_\_\_\_\_

The Original Allocation plus all supplemental allocations are the Allocated Funds. The City shall never be obligated to pay any money under this Agreement in excess of the Allocated Funds. Landlord must assure itself that sufficient allocations have been made to pay for services it provides. If Allocated Funds are exhausted, Landlord's only remedy is suspension or termination of this Lease and it has no other remedy in law or in equity against the City and no right to damages of any kind, except for recoupment of any unpaid Rent due and owing at the time of the suspension or termination of this Lease.

Section 22.21 This Lease is subject to all terms and provisions of the Charter and Code of Ordinances of the City of Houston, Texas, and is subject to approval by the City Council of the City of Houston, Texas, and the signature of the Mayor and the counter-signature of the City Controller of the City of Houston, Texas to this Lease, and upon such approval and signatures, Tenant represents and warrants that all consents or approvals required for the execution, delivery and performance of this Lease have been obtained and that Tenant has the right and authority to enter into and perform its covenants and agreements contained in this Lease.

Section 22.22 Exhibits attached hereto and incorporated herein.

Exhibit "A" Project Legal Description

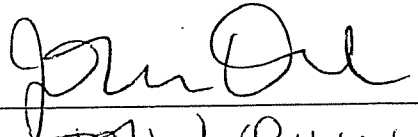
- Exhibit "B" Leased Premises
- Exhibit "C" Monthly Payment
- Exhibit "D" Certificate of Commencement
- Exhibit "E" Work Letter
- Exhibit "E-1" Preliminary Tenant Specifications
- Exhibit "E-1.1" Final Tenant Specifications
- Exhibit "F" Operating Expenses
- Exhibit "G" Use Restrictions

*[Remainder of this page intentionally left blank.]*

*[Signatures are on the following pages.]*

EXECUTED in multiple counterparts, dated as of the date of countersignature by the City Controller, and to be effective upon the Lease Effective Date.

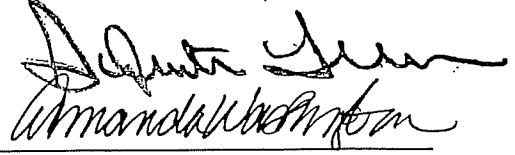
"LANDLORD"  
JEFFERSON SMITH, LLC

By:   
Name: John Quinn  
Title: President  
Tax ID No. 81-4054598

*[Execution page for Tenant on following page]*

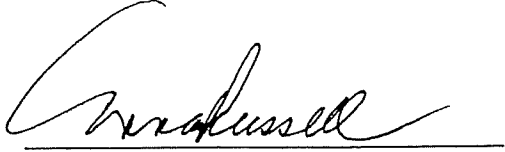
"TENANT"

CITY OF HOUSTON, TEXAS



Sylvester Turner  
Mayor

ATTEST:

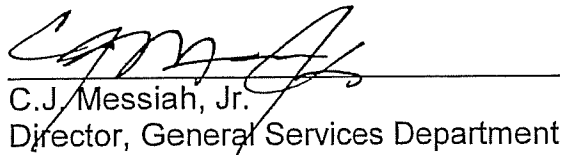


Anna Russell  
City Secretary

APPROVED AND RECOMMENDED:

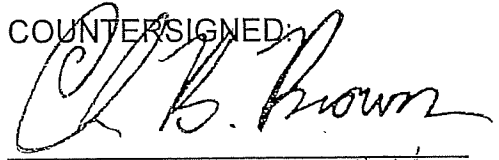


Richard A. Vella, Assistant Director  
of Real Estate, Design & Construction,  
General Services Department



C.J. Messiah, Jr.  
Director, General Services Department

COUNTERSIGNED:



Chris B. Brown  
Controller

Countersignature Date:

10-11-18

APPROVED AS TO FORM:



Alice Adam  
Senior Assistant City Attorney  
LD # 0331800091001

**EXHIBIT "A"**

Project Legal Description

### Legal Description

Being a tract or parcel of land containing 62,410 square feet situated in the City of Houston, Harris County, Texas, and being bounded by the right-of-way (ROW) of Brazos Street (varying width), Jefferson Street (varying width), Smith Street (80 feet wide), Calhoun Street (80 feet wide) and the Easterly ROW of the Gulf Freeway, said tract also being a portion of Block 1 of the West End Addition, as shown on the map recorded in Volume 75, Page 25 of the Harris County Deed Records (HCDR), a portion of the Gregory Institute One Acre Tract in Largo Lot 38, in the Obedience Smith Survey, Abstract 696, Harris County, Texas, and a portion of Block 4, of the Hadley & Franklin Addition as shown on the map recorded in Volume 2, Page 541, of the HCDR, same being a portion of that certain tract described in the deed recorded in Volume 4320, page 493 and being more particularly described as follows with all bearings and coordinates referenced to the Texas Coordinate System, South Central Zone. All distances are surface. To convert to grid, multiply by the combined factor 0.99988970;

COMMENCING, at City of Houston Survey Marker No. S357015050 (City Rod 794 X=3,150,825.75, Y=715,304.14) located at the intersection of the City Engineering Department reference line of said Calhoun Street with the City Engineering Department reference line of Louisiana Street, (80 feet wide) from which City of Houston Survey Marker No. 5357-1606C (City Rod 52), located at the intersection of the City Engineering Department reference lines of said Louisiana Street with Pease Avenue, bears North 32 deg. 52 min. 09 sec. East, 660.10 feet;

THENCE, North 57 deg. 07 min. 49 sec. West, 329.99 feet along said reference line of Calhoun Street to its intersection with the City Engineering Department reference line of Smith Street;

THENCE, departing said reference line of Calhoun Street, North 32 deg. 51 min. 45 sec. East, 42.00 feet along said reference line of Smith Street;

THENCE, departing said reference line of Smith Street, North 57 Deg. 07 min. 49 sec. West, 37.40 feet to a brass marker found for the POINT OF BEGINNING (X=3,150,539.99, Y=715,538.79) said point being the intersection of the Northeasterly ROW line of said Calhoun Street with the Northwesterly ROW line of said Smith Street;

THENCE, North 57 deg. 07 min. 49 sec. West, 223.00 feet along the line common to the Southwesterly line of said 62,410 square foot tract and the Northeasterly ROW line of said Calhoun Street, same being parallel with and 42.00 feet Northeasterly of said City Engineering Department reference line of Calhoun Street to a brass marker found for corner;

THENCE, North 12 deg. 08 min. 02 sec. West, 38.19 feet along the line common to the Westerly line of said 62,410 square foot tract and the Easterly line of that certain 365 square foot tract conveyed to the State of Texas for highway purposes (Gulf Freeway) by deed dated April 28, 1961, executed by Cullen Center, Inc., recorded in Volume 4396, Page 246 of the HCDR to the southeasterly ROW line of said Brazos Street;

THENCE, North 32 deg. 51 min. 46 sec. East, 223.00 feet along the line common to the Northwesterly line of said 62,410 square foot tract and the Southeasterly ROW line of said Brazos Street to a brass marker found for the intersection of said Southeasterly ROW line of Brazos Street with the Southwesterly ROW line of said Jefferson Street;

THENCE, South 57 deg. 08 min. 01 sec. East, 226.15 feet along the line common to the Northeasterly line of said 62,410 square foot tract and said Southwesterly ROW line of Jefferson Street, same being parallel with and 38.01 feet Southwesterly of the City Engineering Department reference line of said Jefferson Street to a brass marker found for corner in the West line of said Gregory Institute One Acre Tract;

THENCE, North 02 deg. 10 min. 04 sec. West, 12.19 feet along the line common to said 62,410 square foot tract, the Easterly line of said Block 1, West End Addition, the ROW line of Jefferson Street and the Westerly line of said Gregory Institute One Acre Tract;

THENCE, departing the Westerly line of said Gregory Institute One Acre Tract, South 57 deg. 08 min. 01 sec. East, 30.85 feet along the line common to said 62,410 square foot tract and the Southwesterly ROW line of said Jefferson Street, same being parallel with and 26.03 feet Southwesterly of said City Engineering Department reference line of Jefferson Street to a brass marker found for the intersection of said Southwesterly ROW line of Jefferson Street with said Northwesterly ROW line of Smith Street;

THENCE, South 32 deg. 51 min. 45 sec. West, 260.00 feet along the line common to said 62,410 square foot tract and said Northwesterly ROW of Smith Street, same being parallel with and 37.40 feet Northwesterly of said City Engineering Department reference line to the POINT OF BEGINNING, containing a computed area of 62,410 square feet of land.

**EXHIBIT "B"**

Leased Premises





HOUSTON FORENSIC  
SCIENCE CENTER

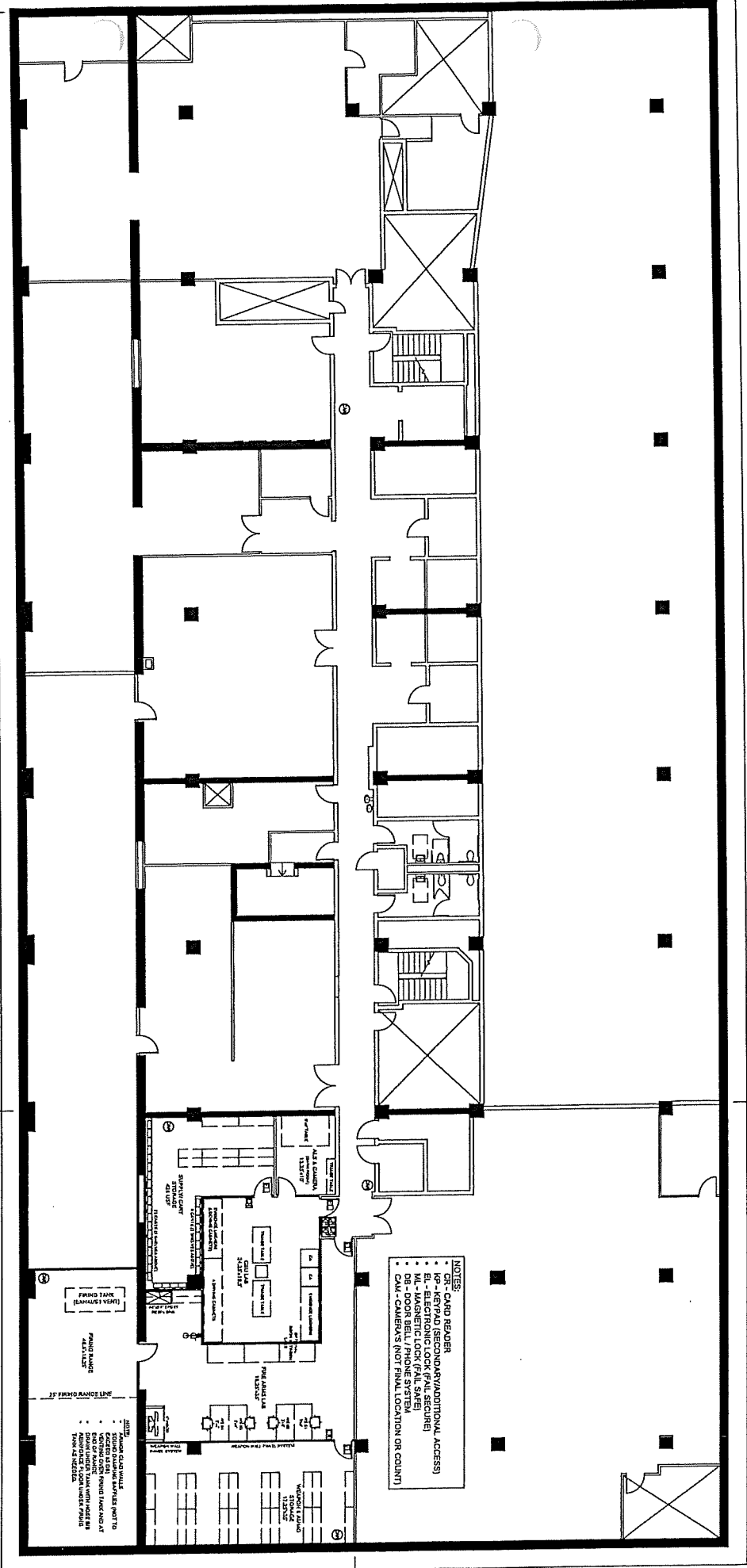
500 JEFFERSON STREET

BUILDING SERVICE & LEASE SPACE

PROPOSED FLOOR PLAN

FIRE ARMS & CSU

BUILDING SERVICE & LEASE SPACE



- NOTES:
- S - SMOKE SENSORS
  - IP - KEYPAD (SECONDARY/ADDITIONAL ACCESS)
  - EL - ELECTRONIC LOCK (FALL SECURE)
  - ML - MAGNETIC LOCK (FALL SECURE)
  - DL - DOOR BELL / PHONE SYSTEM
  - CH - CHAIRS (NO FINAL LOCATION OR COUNT)



PHILIP SMITH ARCHITECTURE INCORPORATED  
10000 WESTHELL DRIVE, SUITE 100, HOUSTON, TX 77036  
713.865.1100

PROJECT #1488

SOULS: HIR - 11" - 1/2"

LEVEL **B1**

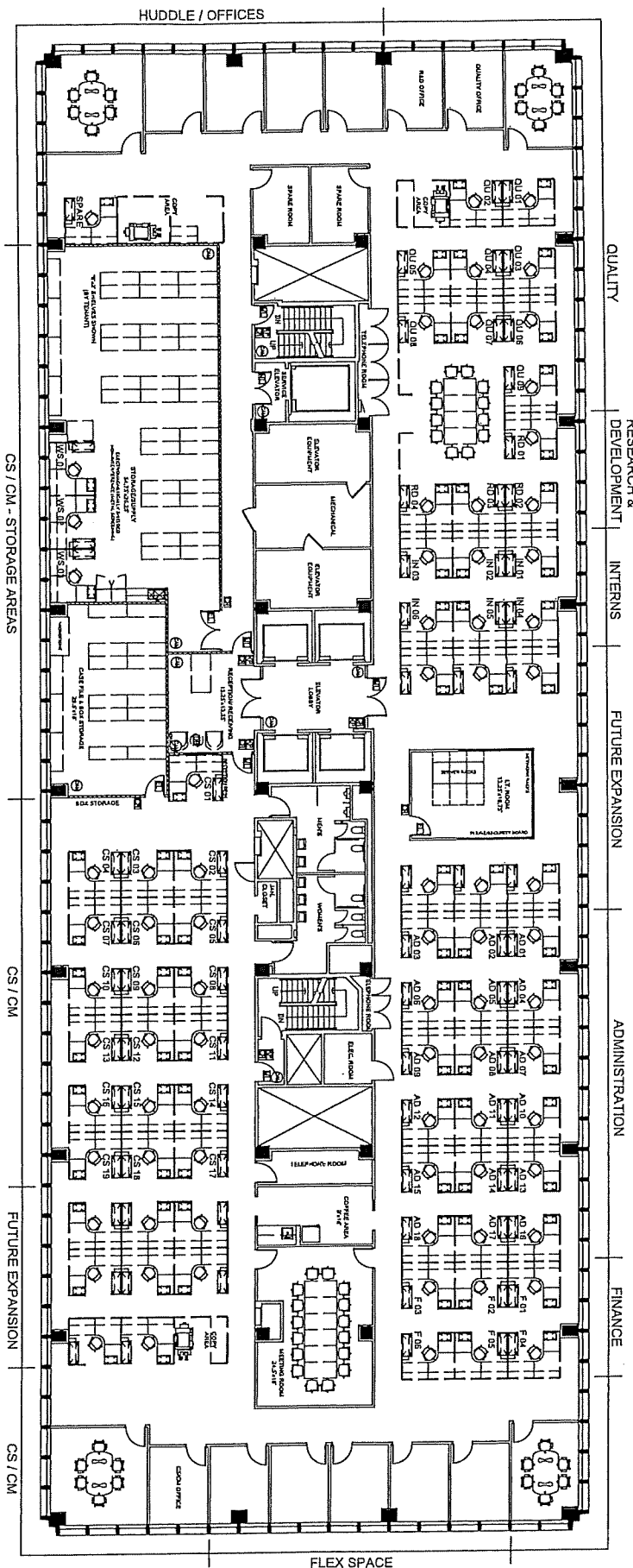
8/29/2011  
NOT FOR REGULATORY / PERMITAL / SCHEDULING OR CONSTRUCTION  
NOT FIELD VERIFIED



HOUSTON FORENSIC  
SCIENCE CENTER

500 JEFFERSON STREET

PROPOSED FLOOR PLAN



- NOTES:
- CARD READER
  - RF - KEYPAD (SECONDARY/ADDITIONAL ACCESS)
  - EL - ELECTRONIC LOCK (FALL SECURE)
  - ML - MAGNETIC LOCK (FALL SECURE)
  - DR - DOOR BELL / PHONES SYSTEM
  - CM - CHIMNEY (NO FINAL LOCATION OR COLUMN)



Philip Ewald Architects Incorporated  
Architects

PROJECT NAME: HOUSTON FORENSIC SCIENCE CENTER  
SCALE: 1/8" = 1'-0"  
DATE: 11/11/11

**LEVEL 13**

NOT FOR REGULATION APPROVAL, PERMITTING OR CONSTRUCTION  
NOT VALID BEYOND

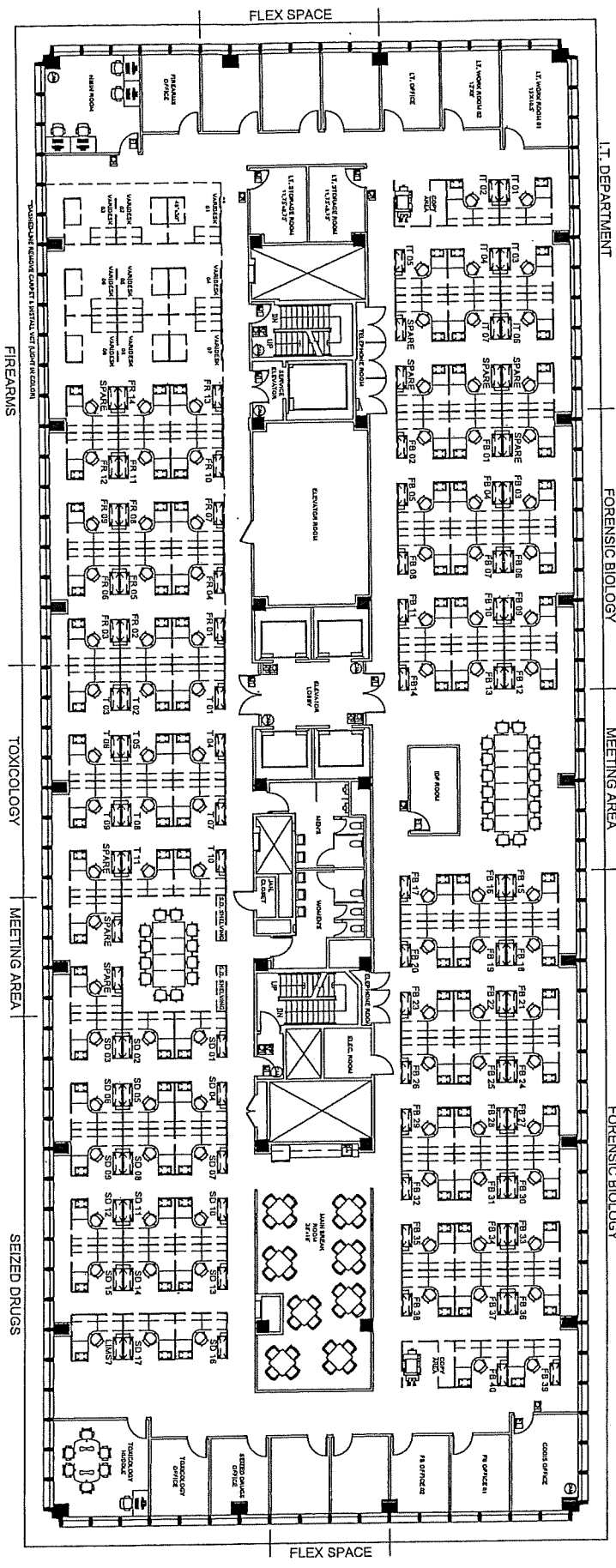


# HOUSTON FORENSIC SCIENCE CENTER

500 JEFFERSON STREET

## PROPOSED FLOOR PLAN

- NOTES:**
- C - CARD READER
  - K - KEYPAD (SECONDARY/ADDITIONAL ACCESS)
  - E - ELECTRONIC LOCK (FAIL SECURE)
  - M - MAGNETIC LOCK (FAIL SAFE)
  - S - SECURITY
  - CAV - CAMERAS (NOT FINAL LOCATION OR COUNT)




  
 HillierSmith Architecture Incorporated

500 JEFFERSON STREET, SUITE 1414-1415, HOUSTON, TX 77002  
 PROJECT NAME: 14 LEVEL  
 DATE: 11/14/13

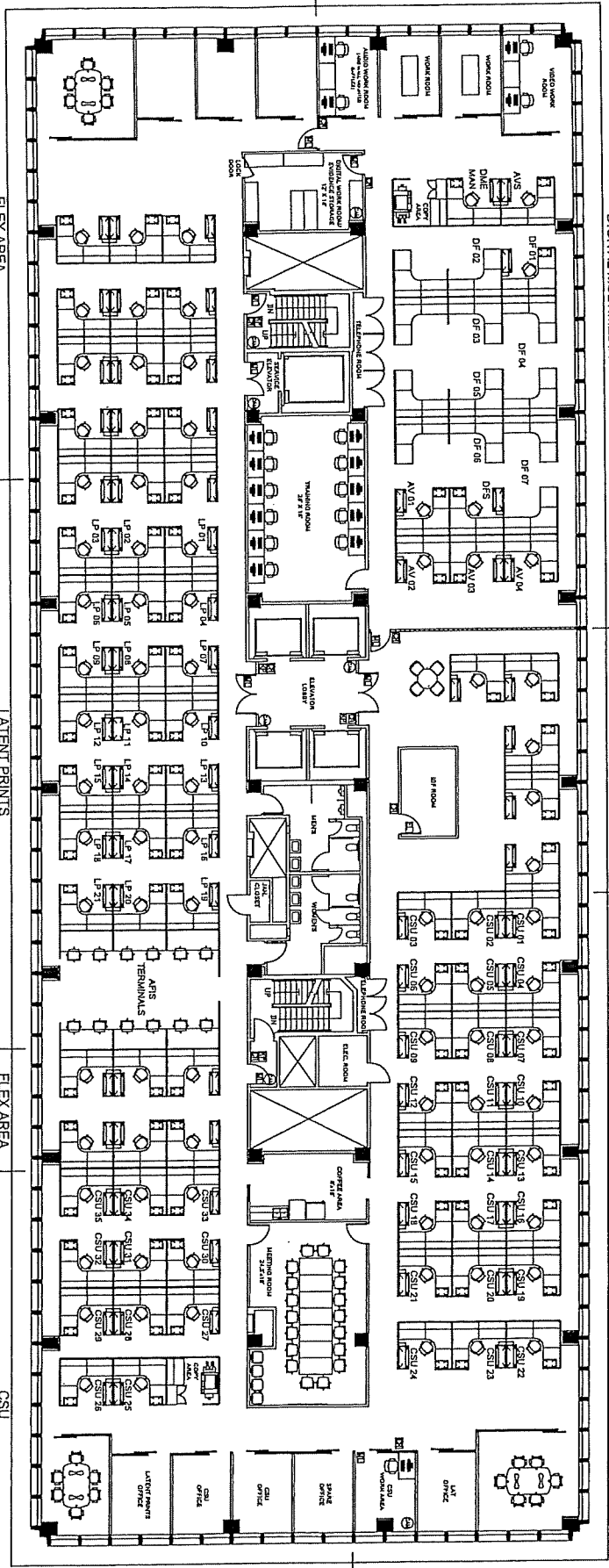



**HOUSTON FORENSIC  
SCIENCE CENTER**

500 JEFFERSON STREET

**PROPOSED FLOOR PLAN**

- NOTES:
- CR - CARD READER
  - KP - KEYPAD (SECONDARY/ADDITIONAL ACCESS)
  - EL - ELECTRONIC LOCK (FULL SECURE)
  - ML - METER BELL / PHONE SYSTEM
  - CAV - CAMERAS (NOT FINAL LOCATION OR COUNT)



  
 Philip Ewald Architects Incorporated  
 15 LEVEL

04/20/11 SCALE: 1/8" = 1'-0"  
 NOT FOR REGULATION APPROVAL, RESULTING OR CONSTRUCTION  
 NOT FIELD VERIFIED PROJECT #1440



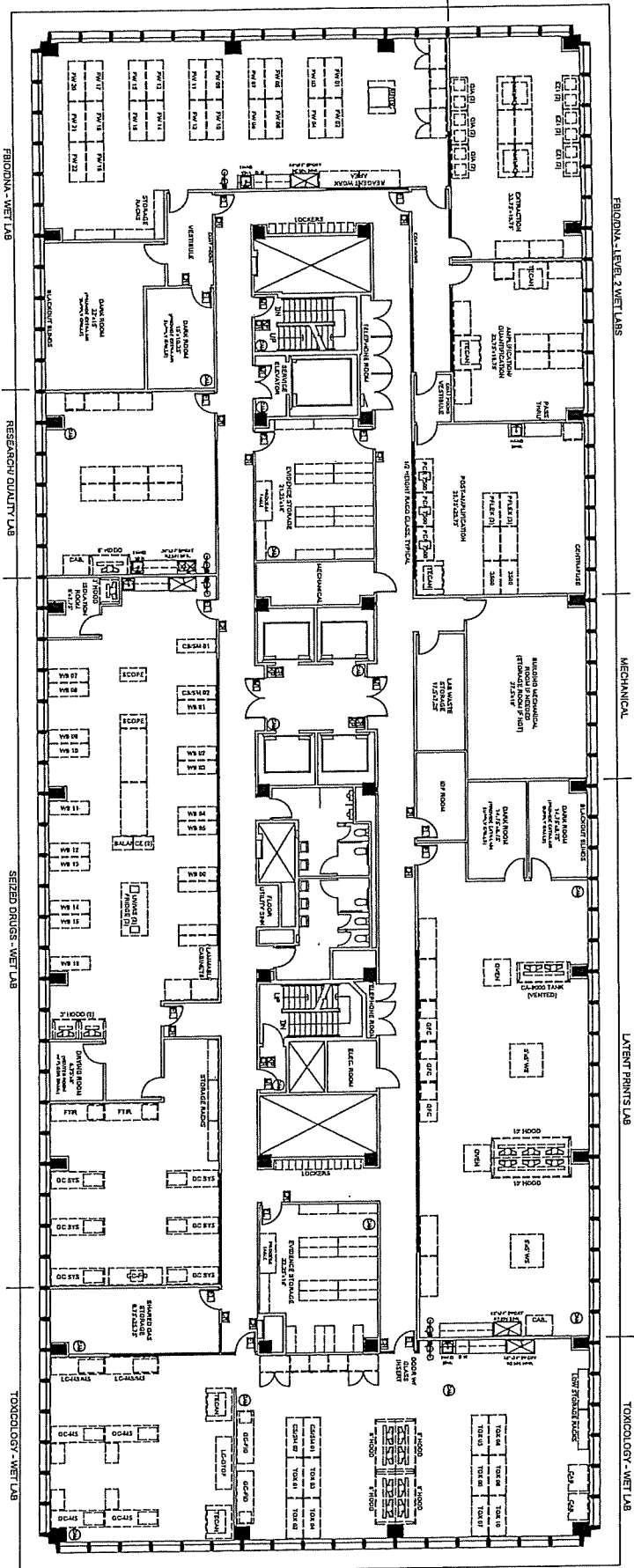
# HOUSTON FORENSIC SCIENCE CENTER


500 JEFFERSON STREET

## PROPOSED LAB PLAN

- NOTES:
- CAB READERS
  - KP - KEYPAD (SECONDARY/ADDITIONAL ACCESS)
  - EL - ELECTRONIC LOCK (FALL SECURE)
  - ML - MAGNETIC LOCK (FALL SECURE)
  - DB - DOOR BELL PHONE SYSTEM
  - CMH - CHAMBERS (MUST HAVE LOCKDOWN OR COUNT)

- NOTES:
- WATER FILTRATION SYSTEM AT ALL SINKS
  - SEAMLESS EPOXY RESIN MEDICAL LAB FLOOR THROUGHOUT
  - ALL REFRIGERATORS AND HVAC TO BE ON BACKUP GENERATOR POWER
  - ALL DRAINAGE SINKS TO BE ON BACKUP GENERATOR POWER
  - ALL DRAINAGE SINKS TO NOT RELEASE AIR FROM LAB FLOOR
  - TOXICOLOGY LAB MAY NOT RECEIVE AIR FROM SERVED DRUGS



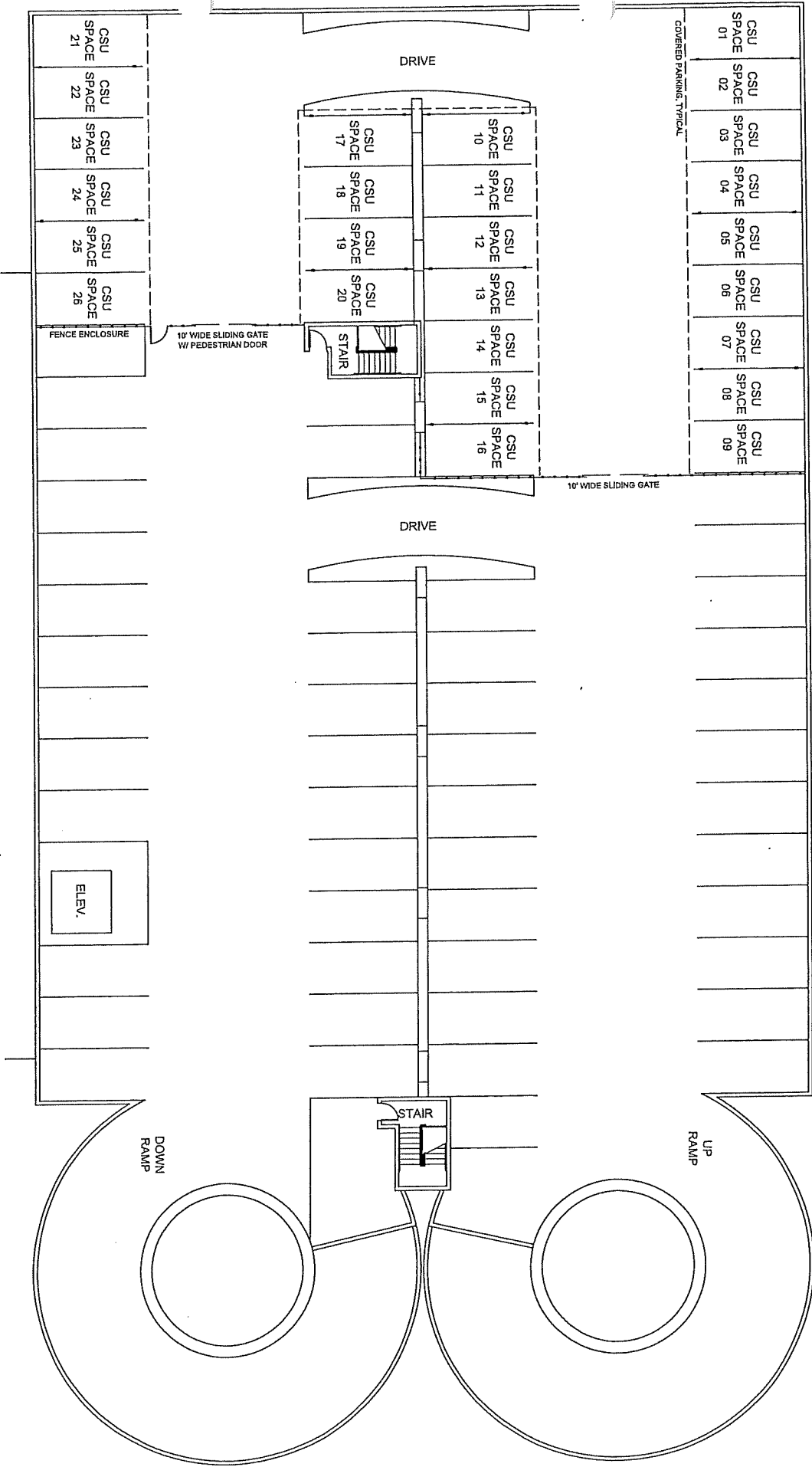

  
 Philp Ewald Architecture Incorporated
   
 18
   
 LEVEL
   
 SCALE: 1/8" = 1'-0"
   
 PROJECT #188
   
 NOT FOR REGULATORY APPROVAL, REPUTATION OR CONSTRUCTION
   
 NOT FOR RECORD



HOUSTON FORENSIC  
SCIENCE CENTER

500 JEFFERSON STREET

PROPOSED GARAGE ROOF FLOOR PLAN



PHILIP ENFIELD ARCHITECTS INCORPORATED  
ARCHITECTS

DATE: 01/11/11 SCALE: 1/8" = 1'-0" PROJECT #1000

NOT FOR CONSTRUCTION APPROVAL, PERMITTING OR CONSTRUCTION NOT FIELD VERIFIED

LEVEL  
G

**EXHIBIT "C"**

Monthly Rent Payments

## EXHIBIT "C"

### Monthly Rent Payments

#### Floors 13,14,15 and 18(80,080 Sq. Ft.)

Years	Base Rent/SF/Year	Monthly Rent
1-10	\$17.50	\$116,783.33
11-20	\$21.18	\$141,341.17
21-30	\$26.82	\$178,978.83

#### Floor B-1 Basement (3000Sq. Ft.)

Years	Base Rent/SF/Year	Monthly Rent
1-10	\$12.50	\$3,125
11-20	\$15.13	\$3,782.50
21-30	\$17.55	\$4,387.50



**EXHIBIT "D"**

Certificate of Commencement

Certificate of Commencement

To: City of Houston, Texas "Tenant"  
Attention  
General Services Department  
P.O. Box 61189  
Houston, Texas 77208-1189  
Facsimile 832/393-8061

From: "Landlord"  
\_\_\_\_\_  
Houston, Texas 770\_\_

Re: Leased Premises consisting of approximately \_\_\_\_\_ square feet of office space of the office building identified as 500 Jefferson, Houston, Texas 77002.

Landlord hereby acknowledges to Tenant that the agreed-upon Tenant Improvements to the Leased Premises as required by the Lease have been completed.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Tenant hereby acknowledges to Landlord that the agreed-upon Tenant Improvements to the Leased Premises as required by the Lease have been completed, and the Leased Premises is ready for occupancy by Tenant as of the date of the signature shown below.

By: \_\_\_\_\_  
C. J. Messiah Jr.  
Director  
General Services Department

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

**EXHIBIT "E"**

Work Letter

## EXHIBIT "E"

### Work Letter

This Work Letter (this "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2018, in connection with that certain Lease Agreement (the "Lease") by and between Jefferson Smith, LLC., a Texas company, as Landlord ("Landlord"), and **THE CITY OF HOUSTON, TEXAS**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, as Tenant ("Tenant"), and, together with the Lease, constitutes the entire agreement between Landlord and Tenant with respect to the construction and completion of the improvements in and to Leased Premises. All capitalized terms used herein, but not defined herein, shall have the meanings ascribed to such terms in the Lease.

To induce Landlord and Tenant to enter into the Lease (which is incorporated herein by reference to the extent that its provisions may apply hereto) and in consideration of the mutual covenants hereinafter contained, Landlord and Tenant mutually agree as follows:

1. Construction Plans. Tenant has provided to Landlord the preliminary specifications and space plans for the Leased Premises attached as **Exhibit "E-1"** to the Lease (the "Preliminary Tenant Specifications"). Landlord and Tenant specifically agree that due to the sensitive nature of the Permitted Use, additional meetings and discussion must occur between the Landlord, Landlord's Architect and the Tenant to finalize the Preliminary Tenant Specifications for floor 18 and Basement Area and to lesser degree for the remainder of the Leased Premises ("Final Tenant Specifications") after the execution of the Lease. Both parties agree to finalize the Preliminary Tenant Specifications ("Final Tenant Specifications") not later than 30 days after the execution of the Lease, unless otherwise agreed to in writing by Landlord and Tenant. Landlord agrees that the Final Tenant Specifications do not constitute a change order and Tenant shall not be charged any cost associated therewith. The Preliminary Tenant Specifications and Final Tenant Specifications are hereinafter referred to as the "Tenant Specifications". Landlord and Tenant agree that the Final Tenant Specifications shall become an **Exhibit "E-1.1"** of the Lease. Landlord will provide, by Landlord's designated "Architect" and/or "Engineer," and at Landlord's sole cost and expense, the following "Construction Plans," based upon the Tenant Specifications and drawn for the Leased Premises on Tenant's behalf:

a. Completed, finished and detailed architectural drawings for Tenant's partition layout, ceiling, telephone and electrical outlets, and for the work to be done by Landlord under Paragraph 2 hereof;

b. Completed plans, where necessary, for installation of air-conditioning grilles and registers, heating, plumbing and electrical facilities for the work to be done by Landlord under Paragraph 2 hereof.

The work required to be performed pursuant to the Construction Plans shall be referred herein to as "Landlord's Work."

When such draft Construction Plans have been completed, Landlord shall promptly deliver them or cause them to be delivered to Tenant. If Tenant has any objections or comments with respect to such draft Construction Plans, Tenant shall notify Landlord of such objections within ten (10) days after receipt of the draft Construction Plans. Tenant's failure to provide the foregoing notification shall be deemed as Tenant's approval of such draft Construction Plans. Landlord, at Landlord's sole cost and expense, shall cause the Architect and/or Engineer to make the requested changes and modifications to the draft Construction Plans that are approved by Landlord (such approval not to be unreasonably withheld, delayed or conditioned), and shall resubmit to Tenant the modified Construction Plans, which shall be subject to the same review, approval and modification procedures set forth above. The agreed-upon Construction Plans shall be hereinafter referred to as the "Final Plans." The parties must agree upon the Final Plans before the Construction Plans are submitted for building permits.

1. The Landlord shall employ a Commissioning Authority (CxA), an independent and knowledgeable third party, to verify that the new systems on the 18<sup>th</sup> floor work as intended per: ASHRAE Guideline 1 – The HVAC Commissioning Process; 1996.

PECI (MCP) – Model Commissioning Plan; Portland Energy Conservation, Inc.; located at <http://www.peci.org/library/mcpgs.htm>

1. The Landlord shall employ a Testing and Balancing (TAB) Contractor who is an independent and knowledgeable third party, hired to complete TAB for the new HVAC system on the 18<sup>th</sup> floor per: AABC: National Standards for Testing and Balancing Heating, Ventilating and Air Conditioning Systems.
2. AABC: Testing and Balancing Procedures.
3. ASHRAE HVAC Applications Chapter 37: Testing, Adjusting and Balancing. ANSI/ASHRAE Standard 111: Practices for Measurement, Testing, Adjusting and Balancing of Buildings, Heating, Ventilation, Air Conditioning and Refrigeration Systems

Landlord, at its sole cost and expense, will cause the Final Plans to be filed with the appropriate governmental agencies in such form (building notice, alteration or other form) as may be required.

After the Final Plans have been approved by Landlord and Tenant, any subsequent changes to those Final Plans specifically requested by the Tenant in writing (other than changes required by city permitting process) and result in change orders being issued and additional costs being incurred, such additional costs shall be paid by Tenant.

2. Landlord's Work. Landlord agrees to perform, at its sole cost and expense (except as otherwise expressly provided herein), Landlord's Work in the Leased Premises, said work to be commenced after Tenant has approved in writing (or has been deemed to approve) the Final Plans. Landlord's Work required to be performed pursuant to the Final Plans shall include the following:

- a. Partitioning. Landlord will furnish and install interior partitions and walls in accordance with the Tenant Specifications reflected on **Exhibit "E-1" and Exhibit "E-1.1"**.

b. Painting. Landlord will paint all interior partitions with one (1) primer and two (2) finish coats in accordance with the Tenant Specifications reflected on **Exhibit "E-1" and Exhibit "E-1.1"**.

c. Doors, Frames and Hardware. Landlord will furnish and install doors and door frames, including corridor door(s) required by City of Houston Building or Fire Codes, in accordance with the Tenant Specifications reflected on **Exhibit "E-1" and Exhibit "E-1.1"**.

d. Electrical Outlets. Landlord will furnish and install electrical outlets in accordance with the Tenant Specifications reflected on **Exhibit "E-1" and Exhibit "E-1.1"**.

e. Telephone Outlets. Landlord will provide for the installation of wall-mounted telephone outlets in accordance with the Tenant Specifications reflected on **Exhibit "E-1" and Exhibit "E-1.1"**.

f. Light Fixtures. Landlord will furnish and install light fixtures in accordance with the Tenant Specifications reflected on **Exhibit "E-1" and Exhibit "E-1.1"**.

g. Light Switches. Landlord will furnish and install wall switches in each designated office/conference room/storage room/break area in accordance with the Tenant Specifications reflected on **Exhibit "E-1" and Exhibit "E-1.1"**.

h. Ceiling. Landlord will furnish and install ceiling throughout in accordance with the Tenant Specifications reflected on **Exhibit "E-1" and Exhibit "E-1.1" and Final Tenant Specifications**.

i. Flooring. Landlord will furnish and install floor treatments in accordance with the Tenant Specifications **Exhibit "E-1" and Exhibit "E-1.1"**.

j. Window Covering. Landlord will furnish and install building standard mini-blinds on all exterior windows in accordance with the Tenant Specifications reflected on **Exhibit "E-1" and Exhibit "E-1.1"**.

k. Heating, Ventilation and Air-Conditioning. Landlord will ensure that the HVAC system as reflected in **Exhibit "E-1" and Exhibit "E-1.1"** in place on the Occupancy Date is in good working order so that it will perform its intended function and will satisfactorily service the Leased Premises as of the Occupancy Date as reflected in Tenant Specifications Exhibit E-1 and Final Tenant Specifications. The cost of the inspection and, if appropriate, repair or upgrading before the Occupancy Date will be borne by Landlord.

i. Plumbing. Landlord will, at no cost to the Tenant, furnish and install plumbing in accordance with the Tenant Specifications reflected on **Exhibit "E-1" and Exhibit "E-1.1"** unless otherwise agreed to by Landlord and Tenant after Final Plans are submitted.

o. Back-up power. Landlord shall provide separate circuits and back-up power to the Leased Premises which shall power the facilities and equipment as specified in **Exhibit "E-1" and Exhibit "E-1.1"**.

3. Tenant's Right to Enter Premises to Perform Work. Landlord will permit Tenant and its agents reasonable access to the Leased Premises during normal working hours prior to the date specified for the commencement of Tenant's occupancy under the Lease, in order that Tenant may perform through its own contractors such work and decorations as Tenant may desire at the time that Landlord's contractors are working in the Leased Premises. The foregoing license to enter prior to the commencement of the Lease Term, however, is conditioned upon Tenant's workmen and mechanics working in harmony and not interfering with any person employed by Landlord, Landlord's mechanics or contractor or by any other tenant or that tenant's contractor. Any delay to Landlord's Work caused by Tenant's work at this time will be deemed Delay and will be treated as such as provided for in this Work Letter. Such license is further conditioned upon workmen's compensation and public liability insurance and property damage insurance, all in amounts and with companies and on forms satisfactory to Landlord, being provided and at all times maintained by Tenant's contractors engaged in the performance of the work, and certificates of such insurance being furnished to Landlord prior to proceeding with the work. If at any time such entry shall cause disharmony or interference with Landlord's agents, employees, mechanics or contractors, this license may be withdrawn by Landlord upon forty-eight (48) hours written notice to Tenant. Such entry shall be deemed to be subject to all of the terms, covenants, provisions and conditions of said Lease except as to the covenant to pay Rent. Landlord shall not be liable in any way for any injury, loss or damage which may occur to Tenant, its employees, contractors, agents, workmen and mechanics, or any one or more of them, or to any of Tenant's decorations or installations so made prior to commencement of the Lease Term, the same being solely at Tenant's risk, and Tenant hereby agrees to hold Landlord harmless from any and all claims therefor or arising therefrom. Tenant shall have full access to the Leased Premises starting January 2, 2019 to install Tenant Specific Information Technology and Security equipment, in the Leased Premises and modify existing furniture set up on Floors 13, 14 and 15 of Leased Premises.

4. Inspection of Tenant's Work. Landlord and its agents may, at any time inspect any of Tenant's work performed under Section 3 of this Work Letter, to ensure that such work is of acceptable quality and does not conflict with the Final Plans. To the extent that any of Tenant's work is not of an acceptable quality and/or conflicts with the Final Plans, Tenant shall immediately cease such work and at Tenant's sole cost and expense repair or replace the same, as reasonably required by Landlord.

5. Negation of Landlord's Warranties. Except for Landlord's warranties set forth in the Lease, LANDLORD MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, IN CONNECTION WITH THE LANDLORD'S WORK OR ANY OTHER IMPROVEMENTS

MADE TO THE FLOORS 13, 14, AND 15 OF LEASED PREMISES OR THE PROJECT. LANDLORD HEREBY PROVIDES BOTH, EXPRESS OR IMPLIED, WARRANTIES, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, IN CONNECTION WITH THE LANDLORD'S WORK OR ANY OTHER IMPROVEMENTS MADE TO FLOOR 18 AND THE BASEMENT AREA OF THE LEASED PREMISES. Tenant will also hold Landlord and its property manager and agents harmless from and against any claim, cost, damage, suit, or liability in respect of any damage or injury to any person arising from any construction activities engaged in by Tenant or any agent or independent contractor thereof (or by any agent or sub-contractor of any such party) other than caused by the gross negligence or willful misconduct of Landlord.

6. For the purposes of this Work Letter and the Lease, the terms "Substantial Completion" or "Substantially Completes" or any similar expression of like import shall mean when (a) the Landlord Work to be performed by Landlord has been completed in accordance with this Work Letter and the Final Plans, except for normal and typical punch list items which do not adversely affect Tenant's use or occupancy of the Leased Premises in any material respect, and (b) Landlord has delivered (or caused to be delivered) to Tenant a Certificate of Occupancy for the Leased Premises from the governmental authority which has authority to issue such certificates in the City of Houston, Texas.

7. For the purposes of this Work Letter and the Lease, "Delay" shall mean any actual delay experienced by Landlord or its developer or contractors in substantially completing the Landlord's Work resulting from Tenant's actions or inactions including, without limitation:

(a) Tenant's failure to complete any action or item or give approval or comments on or before the due date, which is the responsibility of Tenant, pursuant to the schedules set forth herein;

(b) Tenant's request for materials, finishes or installations, other than building standard items for the Leased Premises or the Project, which require lead times greater than those required for building standard items or changes to the Final Plans which are incompatible with the design, construction or equipment of the Leased Premises or the Project; or

(c) Any event expressly identified as Delay in this Work Letter or the Lease.

Each day of delay caused by any of the foregoing shall be considered one (1) day of Delay for the purposes of determining the Occupancy Date under the Lease.

8. Both parties acknowledge that it is Tenant's intent to occupy Floors 13, 14 and 15 of the Leased Premises on or before March 1, 2019 and Floor 18 and Basement Area on or before October 1, 2019. Accordingly, notwithstanding any provision in the Lease otherwise to the contrary, if Landlord Substantially Completes all of Landlord's Work as described above and delivers the Leased Premises to Tenant on or before February 1, 2019 for Floors 13, 14 and 15, Tenant will execute the Certificate of Commencement (Exhibit D) and commence paying Rent as specified in the Lease. In all other events, the terms of the Lease shall control.



"LANDLORD"

By: \_\_\_\_\_  
Print name: \_\_\_\_\_

"TENANT"  
CITY OF HOUSTON, TEXAS

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

**EXHIBIT "E-1"**

Preliminary Tenant Specifications

Exhibit "E-1"

Preliminary Tenant Specifications

1. Purpose of Tenant Specifications: These provisions are intended to provide Landlord and Tenant with specific guidance about the Landlord's Work to be provided in accordance with that certain Lease Agreement between the City of Houston (Tenant) and Jefferson Smith, LLC (Landlord) executed of even date herein and which this Exhibit E and E-1 is a material inducement for Landlord and Tenant to enter into such Lease. Landlord, at its sole cost and expense unless otherwise specified below or by signed and approved change order is to provide Tenant with the office space, laboratory space and firearms shooting tank/firing range space as described in the Lease and this Exhibit E and E-1.
  
2. Space Design/Engineering/Permits: Landlord shall be responsible for all architectural fees, space planning, engineering and, obtaining all building, and occupancy permits necessary to construct the Landlord's Work. Landlord's representatives will meet with Tenant weekly to ensure full sharing of information, input, redrafts through the entire construction period. Landlord and Tenant agree that all necessary personnel, including all decision makers, shall attend all weekly meetings.
  
3. Construction: Landlord will fully manage construction/fit-out phase, including hiring architects, space planners, general contractors, consultants, engineers and any trade or skill necessary to complete the Landlord's Work. Tenant will retain its own project manager, engineers, and architects, as deemed necessary, at its expense, to monitor and assist the project progress, quality, and schedule and Tenant's project manager shall provide timely input and attend weekly meetings.
  
4. Project timetable: Landlord will deliver office floors 13, 14 and 15 (including design, engineering, permits, workstation moves, IT, security), ready for Tenant move-in on March 1, 2019 (1 month move-in). Landlord will deliver laboratory and basement floors on October 1, 2019 (design, architectural, mechanical, permits, construction, fit-out, occupancy permit),

ready for Tenant move-in (3 month move-in). Landlord will permit Tenant access to space 3 months before move-in dates to ensure IT, security, furniture configurations and move-in preparation are completed. Tenant will ensure that final approval is received by City Council prior to the move-in dates.

5. Floors: Tenant shall occupy the following floors at 500 Jefferson. Schematic space plans have been developed, indicating laboratory locations, space allocation by discipline, organizational fit. These schematic plans will be finalized, including lab bench and equipment final locations, as part of final detailed space plans/construction drawings (the "Final Plans") The specifics below confirm the Tenant office, lab and basement requirements, finishes, Landlord responsibilities, with the understanding that the Final Plans may be modified by City of Houston permitting process and Tenant agrees that those required changes will be accepted.
  - a. Floor 18: Laboratory floor to accommodate Forensic Biology (5,100sf, 18 analyst work areas), Toxicology (1,800sf, 9 analyst work areas), Latent Prints/CSU (1,800sf, 8 analyst work areas), Seized Drugs (3,000sf, 20 analyst work areas) and Quality/R&D (600sf, 2 analyst work areas). The entire lab will have 24/7 HVAC Facilities, including dark rooms and gas bottle storage.
  - b. Specific additional comments on section laboratory space:
    - i. The 18<sup>th</sup> floor shall include a viewing corridor around the laboratory perimeter wide enough to allow movement of equipment/carts. The viewing wall to the labs is to be half height ¼ inch glass unless such glass is cost prohibitive (the secondary choice for viewing panes is for selected windows in each of the operating labs on the 18<sup>th</sup> floor)
    - ii. There are to be 15 fume hoods installed on the 18<sup>th</sup> floor and 1 fume hood installed in the basement (6 hoods to be provided by Tenant and 10 to be purchased new by Landlord). Purchased hoods specifications are: manufacturer Labconco, model Protector, or equivalent. The fume hoods are to be placed in a way to accommodate venting to the outside atmosphere thru the

- existing building chase and will not require an Ansel system or other specific fire protection equipment.
- iii. There will be 2 evidence storage vaults constructed by Landlord (1 for seized drugs and the 2<sup>nd</sup> shared by biology, toxicology, and latent prints). Tenant will provide the racks for the evidence storage vaults.
  - iv. There will be 5 eyewash/safety showers installed on the 18<sup>th</sup> floor. (1 additional eyewash/safety shower will be installed in the basement space). Locations to be determined, ensuring accessibility by all staff.
  - v. The laboratory space on the 18<sup>th</sup> floor shall be connected to an appropriately sized backup generator for emergency power, whether from the existing generator owned and operated by Landlord at the Property or from a new generator that is purchased/installed by Landlord). There will be refrigerators, freezers and selected instruments on the 18<sup>th</sup> floor provided or purchased by Tenant. There will be IT server rooms, and security access/camera systems on floors 13, 14, 15 and 18, and the basement connected to the emergency power system. Equipment/hardware, including server rooms on other floors, to be connected to emergency power will be detailed in final space plans/construction documents.
  - vi. The 18<sup>th</sup> floor shall have 10 stainless steel or chemical resistant, laboratory grade sinks installed in the laboratory space (2 faucets per sink). All sinks 48 inches long, 24 inches wide, 24 inches deep, except store room and Quality/R&D.
    1. Forensic Biology (floor 18): 3 sinks
    2. Seized Drugs (floor 18): 2 sinks (hand wash, reagents), centralized in Seized Drugs' laboratory.
    3. Toxicology (floor 18): 3 sinks, 6 faucets (purified water, dishwashing, hand wash), centralized in Toxicology laboratory.
    4. Latent Prints (floor 18): 1 sink
    5. Quality/R&D (floor 18): 1 sink
  - vii. The laboratory space will be designed with minimal built-in casework. No millwork is required. The work surfaces/furniture to be placed in the lab will be laboratory grade, resin topped, with

the majority “movable” (on lockable casters) tables or tables with fixed legs to facilitate future changes/configurations within the labs. Landlord will provide a \$300,000 allowance for Tenant to purchase lab furniture.

- viii. There shall be a storage room (approximately 180 sf) on the 18<sup>th</sup> floor for storing compressed gas cylinders. (Stored gases include helium, hydrogen, nitrogen, and zero air, 24-30-cylinder requirement). Nitrogen will be provided via 3 on-floor portable dewars, approximately 61-gallon each (2 Toxicology, 1 Seized Drugs). Tenant to provide stored gases, gas cylinders and dewars. Landlord will provide cylinder security hardware to strap to wall.
  - ix. The 18<sup>th</sup> floor will include 4 dark rooms of approximately 120 sf each (3 Latent Prints, 1 Biology) and 1 dark room (Biology) of approximately 350 sf. The dark rooms shall be equipped with work tables for equipment/instruments. Worktables will either be (1) provided by Tenant, or (2) provided by Landlord from Landlords existing in stock available supply of furniture, which shall be donated and transferred to Tenant or (3) purchased by Landlord as part of the \$300,000 equipment and furniture Landlord allowance as set forth herein. Dark rooms will be ventilated to ensure temperature/humidity requirements when doors are shut.
  - x. The 18<sup>th</sup> floor will have a vented drying room (Seized Drugs) of approximately 100 sf for drying green plant evidence.
  - xi. Access and security on the 18<sup>th</sup> floor will be controlled and monitored by 20 card readers and 11 cameras. Card readers at the elevator lobby, freight elevator landing and stairwells will be two-factor (card and pin reader).
- c. Floor 15: Office floor to accommodate 35 CSU staff (3,800 sf), 15 Digital Multimedia staff (2,200sf) inside a partitioned area with 2 card reader access doors, 25 Latent Prints staff (3200sf) with allowance for organization growth. CSU space will have access to 24/7 HVAC, as needed. All staff shall be accommodated in existing Landlord owned workstations, which shall be donated and transferred to Tenant. Existing Tenant owned furniture for Digital Multi Media will be moved to the 15th floor. Tenant will take existing furniture layouts

with minor reconfiguration at Landlord's expense to accommodate staff and work/collaboration areas. Modifications will be specified in final space plans/construction drawings. A 3,000sf supply room, closed offices, and meeting/huddle rooms will be included on the 15<sup>th</sup> floor. The supply room will be storing reagents and requires durable vinyl floor, double door access. Supply room shall be an "electromagnetically shielded non-interference" area (Faraday cage) for RFID. The shielding will be metal screening within the partition walls. Staff will occupy 5 existing closed offices on this floor.

- i. Digital Multimedia will have a 12' x 12' room with sound baffles added to dampen the noise

- d. Floor 14: Office floor to accommodate staff as follows: 42 Forensic Biology, 11 Toxicology, 20 Seized Drugs, 7 Information Technology, and 18 Firearms (plus 10 comparison microscopes' area with durable vinyl floor) To the extent that comparison microscopes use electricity, Tenant will provide model numbers to Landlord. Allow space on floor for

organizational growth by having vacant, excess workstations. All staff accommodated in existing Landlord owned workstations, which will be donated and transferred to Tenant. Closed offices will be used as meeting/huddle rooms and storage with furniture installed or removed as requested by Tenant. Tenant will take existing furniture layouts with minor reconfiguration at Landlord's expense to accommodate staff and work/collaboration areas. Modifications will be specified in final space plans/construction drawings. Staff will occupy 7 existing closed offices on this floor. CODIS work team/terminals will be accommodated in an existing corner closed office.

- e. Floor 13: Office floor to accommodate 19 Administration (includes space for grant visitor), 20 Customer Service/Client Management (CS/CM), 9 Quality, 4 Research & Development, and 6 Finance, plus allow for organizational growth. Landlord and Tenant acknowledge that, if the Final Plans for Floor 13 do not accommodate this level of staffing or allow for an area for organizational growth, Landlord shall

not be responsible for this loss of space. All staff accommodated in existing Landlord owned workstations, which will be donated and transferred to Tenant as part of the lease. Closed offices will be used as meeting/huddle rooms and storage. Floor 13 will include a Tenant reception area and an adjoining office to receive evidence from other jurisdictions. All visitors will go to floor 13 reception, and then be personally escorted to their visitor/floor. CS/CM will use private offices on floor for case files. Tenant will take existing furniture layouts with minor reconfiguration at Landlord's expense to accommodate staff and work/collaboration areas. Modifications will be specified in final space plans/construction drawings. Staff will occupy 9 existing closed offices on this floor

- f. Basement Level B1: Firearms shooting tank/shooting range, separate weapon and ammunition storage, CSU evidence processing area with drying cabinets. If required by code, space may need two entrance/exit doors for safety Armored walls enclosing 25ft+ shooting range. Tenant will supply shooting tank and drying cabinets. Shooting tank needs to be installed before space is prepared/finished (location needs to be agreed with Tenant/architect/space planners). Shooting tank dimensions: 30x48x120 inches. Weight: tank 1,200 lbs., water 3,750 lbs., total 5,000 lbs. Weapon storage 400sf, ammunition storage 150sf. 8 work surfaces 3x6ft each, plus standard office chairs from existing Landlord owner workstations, which shall be donated and transferred to Tenant as part of the Lease. Schematic plans have been developed. Final space plans will be completed as part of space plans/construction drawings.
  - i. Firearms space for 3D imaging instruments (instruments provided by Tenant), log-in desk, decontamination area with sink (vented), serial number restoration area (with 6 feet fume hood, venting), area for swabbing (clean, separate room)
  - ii. CSU: Drying area includes 4 drying cabinets (cabinets provided by Tenant) and laydown tables. Space needs include CSU investigator cart/equipment/camera (to be provided by Tenant) and general supplies storage.
  - iii. Landlord to purchase and install 2 stainless steel, laboratory grade sinks (48 inches long, 24 inches wide, 24 inches deep), one in



Firearms basement area, one in CSU basement area. Landlord to provide one eyewash/safety shower, positioned for easy staff access.

6. Workstations/Chairs: Landlord shall provide workstations for all office spaces on floors 15, 14 and 13 from existing Landlord owned onsite stock, which shall be donated and transferred to Tenant. Lay-out as currently provided in floor schematics (finance on floor 13 moved to workstations), but as amended by space planning consultant. Each workstation (occupied or for expansion space) shall have working electrical and IT connectivity. All workstations will include one staff and one guest chair. Individual work stations will be approximately 7x8 feet. Tenant will take existing furniture layouts with minor reconfiguration at Landlord's expense to accommodate staff and work/collaboration areas. Modifications will be specified in final space plans/construction drawings.
7. Conference rooms/huddle rooms/break-rooms: Conference rooms/huddle rooms will include existing Landlord provided in stock available conference/huddle room tables and chairs, which shall be donated and transferred to Tenant. One main break room/multi-purpose room will be on floor 14, with tables/chairs for 32 staff (microwaves, refrigerator all to be provided by Landlord as a part of Landlord's Work). Landlord shall provide room for 3 vending machines which will be leased by the Tenant.
8. Laboratory furniture to be selected by Tenant with the Landlord Allowance: Work benches shall be laboratory grade benches/tables, resin topped work surfaces on casters or standing tables (will be mix depending on section). Sturdy laboratory furniture (laboratory benches), no vibration to accommodate equipment/instruments. Landlord to include \$300,000 Tenant allowance for laboratory furniture. Tenant will meet with suppliers to determine needs/layouts, all of which shall fit into the space allowed in the Final Plans.
9. Laboratory temperature: The temperature and humidity on the laboratory floor is critical, to ensure staff perspiration does not impact evidence handling and to ensure effective equipment operation. The laboratory

working environment requires average inside air temperature of 70 degrees, +/- 2 degrees FDB and relative humidity at 50% +/- 8% during summer and 70 degrees FDB during winter based on 99.6% ASHRAE design conditions.

- a. There will be once through air supplied to the Biology laboratory (approximately 5100 sf). Incoming (makeup air) can be sourced as outside air or inside air from the building other than the 18<sup>th</sup> floor.
- b. Air circulation in the Toxicology laboratory cannot contain any air that originates in the Seized Drugs laboratory.
- c. Normal hours of operation are from 6 AM until 7 PM. The CSU (approximately 5000 sf) area on the 15<sup>th</sup> floor and 18<sup>th</sup> floor (total floor) must have access to available 24/7 HVAC. All charges for 24/7 HVAC must be at landlord's actual electrical power cost without any mark-up.
- d. The network closet shall have dedicated HVAC supply with separate thermostat controls.

10. Compressed gas/liquid nitrogen storage: Nitrogen will be provided via three on-floor portable dewars, approximately 61-gallon each (2 Toxicology, 1 Seized Drugs). Other Tenant gas needs (hydrogen, helium, zero air) will be provided by centralizing gas cylinders on laboratory floor (seized drugs, toxicology, 24-30-cylinder space requirement). Tenant to provide gas cylinders and dewars. Landlord will provide cylinder security hardware for securing to wall in cylinder storage area.

11. Office décor/finishes: Office and laboratory finishes will be functional/durable. Office floors will have carpet, standard drop ceiling tile and grid. Space will be repainted, with some use of color to brighten space. Laboratory floor will be durable vinyl tile, painted walls, finished ceiling, again some use of color. Basement will be concrete floor, standard drop ceiling tile and grid. Firing range would have armor-clad walls, sound-damping to in the range of 75 db to 85 db, but under no circumstances exceeding 85db

12. Electrical: Standard electrical panel circuitry (110 volts, 240 volts as required). Final Lab and basement electrical outlet locations will be defined in final space plans/construction drawings.

13. Venting: Landlord will install the requested venting for the Laboratory floor 18 and the Firearms/CSU basement B1 area and ensure it is working properly as per manufacturer's specs. Some equipment needs venting (e.g., Toxicology LCQQQ), either own individual venting or via nearby fume hood. Final venting requirements will be defined in final space plans/construction drawings.

14. Equipment/instruments: Tenant requires the equipment/instruments list attached hereto as Schedule A and provided to Landlord be accommodated in its laboratories and firearms/CSU basement. Tenant will provide/bring its own instruments from its existing office. Instruments will be placed as designed and should be placed away from exterior walls to protect from potential weather/window rain and wind penetration. Final instrument/equipment placement will be defined in final space plans/construction drawings

15. Uninterruptable Power: Tenant requires an appropriately sized generator to meet its uninterruptable power needs (whether from the existing generator owned and operated by Landlord at the Property or from a new generator that is purchased and installed by Landlord), for Tenant use. Landlord will arrange for connectivity by dedicated circuits of the following to this generator: all stand-alone refrigerators and freezers, selected instruments, IT server rooms, security access system and cameras. Final instrument/equipment placement will be defined in final space plans/construction drawings.

EQUIPMENT Connected to Back-up Generator and UPS							
Forensic Biology							
	7500 Real Time PCR System A	3	13.5x20x18	120v/20a	65-95 Deg F, 30%-80% Rel. Hum.	Non e	Post Amplification
	Tecan Robots	1	34x42x30	120v/20a	59-90 Deg F, 15%-80% Rel. Hum.	Non e	Post Amplification

	Tecan Robots	2	34x42 x30	120v /20a	59-90 Deg F, 15%-80% Rel. Hum.	Non e	Amplificati on
	EZ1	6	20x20 x23	120v /20a	59-90 Deg F, 15%-80% Rel. Hum.	Non e	Extraction
	Proflex Thermocyclers	6	8x10x 18	120v /20a	59-86 Deg F, 15%-80% Rel. Hum.	Non e	Post Amplificati on
	Hamilton Robots	2	45x40 x36	120v /20a	65-95 Deg F, 30%-80% Rel. Hum.	Non e	Extraction
	QIAcube A (SN 15071)	6	21x25 x18	120v /20a	59-90 Deg F, 15%-80% Rel. Hum.	Non e	Extraction
Toxicol ogy							
	Tecan Robots	2	34x42 x30	120v /20a	59-90 Deg F, 15%-80% Rel. Hum.	Non e	
	GC-FID	2	20x22 x23	120v /20a	59-95 Deg F	Non e	
	GC-MS	5	35x22 x20	120v /20a	59-95 Deg F	Non e	
	LG48C-MS/MS	2	44x24 x44x	120v /40a	59-90 Deg F, 15%-80% Rel. Hum.	Yes	

16. Refrigerators/freezers: All refrigerators standardized as 25 cu feet, 1 freezers 30 cu feet. Section freezer/refrigerator requirements as follows (totals 15 freezers, 11 refrigerators). Tenant will provide or purchase all freezers and refrigerators:

- a. Toxicology (floor 18): 3 freezers, 3 refrigerators.
- b. Forensic Biology (floor 18): 12 freezers, 5 refrigerators.
- c. Quality (floor 18): 1 refrigerator.
- d. Storeroom (floor 15): 1 refrigerator.
- e. Breakroom (floor 14): 1 refrigerator.

17. Lab viewing glass: Landlord will include in the design of the Laboratory (18 floor), a laboratory viewing corridor. This will enable visitors/guests to

view the laboratories, while not going inside. Half height glass is envisioned. But an alternative is selected window placement, if all half ¼ inch height glass is not feasible.

**18. Information Technology:** Tenant's IT footprint consists of a hybrid environment encompassing on premises hardware and Microsoft Azure; seamlessly joined using a combination of Express Route, dedicated fiber and internet service provider:

- a. The Landlord shall provide the following hardware, infrastructure, and connectivity to Tenant on floors 13, 14, 15, 18, and the basement:
  - i. Each floor shall have at least 1 centralized, secure network closet containing 2 network racks, and 1 secure server rack. Racks are existing in floor server rooms. Racks will be augmented at Landlord's expense as required (with same size as existing racks). Should the length of any cabling from the floor network closet to an end user exceed 300 feet then a second network closet shall be provided on that floor.
  - ii. Each network closet shall have an A/C controlled environment with dedicated controls in each network closet.
  - iii. Fiberoptic cable (12 pair – 24 strands) shall be provided. Two pair – 4 strands will terminate in the main network closet to extend the demark from the preferred ISP provider. The main network closet shall have 2 additional fiber pairs as dedicated fiber for Express Route. Two fiber pairs each are to be provided for outside agencies (CODIS/FBI, NIBIN/ATF, spare.).
  - iv. Two additional fiber pairs will be provided to interconnect the main network closet with the other network closets.
  - v. Each network closet is to be outfitted with standard UPS outlets (industry standard) and connected to back-up/emergency power.
  - vi. Each workstation is to have a minimum of 1 power outlet (capable of supporting a 6-unit power strip) and 2 ethernet connections.
  - vii. All floors shall have wireless connectivity that meets protocols of CJIS Security Policy V5.6, p 66-67.
  - viii. All ethernet cables shall be Category 5 (CAT 5) or better.

b. Landlord will test/validate all electrical/cables to workstations.

19. Security/keys: 50 card readers and 32 cameras (attachment shows locations of card readers and cameras on floor plans):

- a. Floor 18: elevator landing (2 card readers, 2 cameras), freight elevator (1 card reader, 1 camera), 2 stairwells (2 card readers, 2 cameras, one for each stairwell), laboratory areas (11 card readers, 4 cameras), IT (1 card reader), quality and evidence storage (3 card readers, 2 cameras). Total floor 18: 20 card readers, 11 cameras. Card readers are not required in the elevators.
- b. Floor 15: elevator landing (2 card readers, 2 cameras), freight elevator (1 card reader, 1 camera), 2 stairwells (2 card readers, 2 cameras, one for each stairwell), digital multi-media (3 card reader, 1 camera), IT (1 card reader), supply room (2 card readers, 2 cameras).
- c. Total floor 15: 11 card readers, 6 cameras. Card readers are not required in the elevators.
- d. Floor 14: elevator landing (2 card readers, 2 cameras), freight elevator (1 card reader, 1 camera), 2 stairwells (2 card readers, 2 cameras, one for each stairwell), IT (1 card reader). Total floor 14: 6 card readers, 5 cameras. Card readers are not required in the elevators.
- e. Floor 13: elevator landing (2 card readers, 2 cameras), freight elevator (1 card reader, 1 camera), 2 stairwells (2 card readers, 2 cameras, one for each stairwell), IT/CODIS server room (1 card reader), Reception (2 card readers). Total floor 13: 8 card readers, 5 cameras. Card readers are not required in the elevators.
- f. Basement Level B1: firearms and CSU (4 card readers, 4 camera)
- g. CSU/Pool Car parking: 500 Jefferson garage (1 card reader, 1 camera)

- h. All elevator, freight elevator, stairwell card readers will be two-factor (card and pin reader).
- i. Current private offices will have keys.

20. Fire Suppression: Pre-action fire suppression required where there is evidence and instruments (need to validate with Fire Marshall), dry pipe. This applies to floor 18 only.

21. Use of Loading Dock: Landlord will allow Tenant shared access to the loading dock and freight elevator as required. Tenant shall only transport equipment and other personal property set forth herein to the Leased Premises via the freight elevator. Access to Tenant floors will be via card reader/keypad.

22. Signage: Tenant will use its logo/communication signage on all external doors into its space. Building foyer client name boards will include the floor for Tenant's reception. Foyer signage shall be at Landlord's cost and expense as part of Landlord's Work. Tenant does not require exterior monument signage. Tenant will provide its Logo signage.

23. Flooring will be carpet, double vinyl flooring and sealed concrete in basement area.

24. Parking: 20 undercover parking spaces for CSU vehicles and 5 for pool vehicles (total of 25) at 500 Jefferson garage. CSU/pool vehicle area to be fenced, Tenant card access via automatic sliding fence (fence will be a floor to ceiling, steel picket, rolling steel picket gate, pickets to be on 4-6 inch spacing), plus camera. After hours, non-dedicated, 20 parking spaces at 500 Jefferson garage for staff working late (\$100/month charge to Tenant for all 20 after hours spaces, including weekends,).

25. Moving costs: At Tenant expense. Likely 8-10 weekend moves. 500 Jefferson freight elevator required on Friday/Saturday of move weekends. All HVAC and elevator will be provided at no cost to the Tenant during move in period.

26.Partition specifications:

- a. Partitions provided by Landlord, as follows:
- b. Floor 18 will have partitions as presented in space plans. Partitions between operating sections, inside sections and viewing corridor (biology, seized drugs, latent prints, toxicology and quality/R&D) will be per architectural plans. Building standard.
- c. Floor 15 will have digital multimedia workstations partitioned off with card reader access control.
- d. Floor 15 will have a 12' x 12' room.
- e. Floors 13 and 14 require little, if any, partition changes.
- f. The Basement will have partitions as developed by space plans. The shooting range will have "armor clad" walls.

27.Doors, Frames and Hardware specifications:

- a. Existing doors, frames and hardware of floors 13, 14 and 15 will be used "as is" with no modification; however, all must meet or exceed City of Houston Building and Fire Codes.
- b. Doors, frames and hardware installed on floor 18 and the digital multimedia area on floor 15 must meet or exceed City of Houston Building and Fire Codes and shall match in color and type to those currently in the building

28.Electrical outlet specifications:

- a. Electrical outlets as installed on floors 13, 14 and 15 will be used as-is.
- b. Electrical outlets in basement space and 18<sup>th</sup> floor will be building standard. Outlet locations will be per the agreed detailed design developed by architect/space planner.

29.Telephone outlet specifications:

- a. Telephone outlets as installed on floors 13, 14 and 15 will be used as-is.
- b. Telephone outlets in the basement space and 18<sup>th</sup> floor will be building standard. Outlet location will be per the agreed detailed design developed by architect/space planner.

30.Light fixtures specifications:



- a. All light fixtures will be building standard or better.

31. Light switches specifications:

- a. Light switches installed on floors 13, 14 and 15 will be used as-is.
- b. Light switches in the basement space and 18<sup>th</sup> floor will be building standard. Light switch location will be per the agreed detailed design developed by architect/space planner

32. Ceiling specifications:

- a. Ceilings on floors 13, 14 and 15 will be as-is. Any stained ceiling tiles will be replaced.
- b. The ceiling on the 18<sup>th</sup> floor laboratory will be building standard, suspended tiles, with the exception of Biology which requires a medical grade ceiling.
- c. The basement ceiling will be standard drop ceiling tile and grid.

33. Flooring specifications:

- a. Floors 13 and 15 will have existing as is base building standard carpeting.
- b. Floor 14 will have existing as is base building standard carpeting, except for 10 workstations in the Firearms section that will be durable vinyl tile.
- c. Floor 18 will have lab standard, durable vinyl tile.
- d. The basement space will be sealed concrete.

34. Window covering specifications:

- a. All windows will have building standard mini-blinds. Dark rooms will have black-out shades if dark room on external window wall.

35. Air-conditioning specifications:

- a. The Biology section on 18<sup>th</sup> floor will have "once through air."
- b. Air circulation on the 18<sup>th</sup> floor must ensure that recirculating air flow for Toxicology does not come from Seized Drugs section. Air can flow from Toxicology to Seized Drugs, but not from Seized Drugs to Toxicology.

36. Plumbing specifications:

- a. Plumbing installed to meet sink and eyewash/safety shower requirements. Commercial, durable standard. Tenant agrees to dispose of any hazardous materials according to the requirements of state and federal law and Tenant shall never dispose of any hazardous materials by pouring hazardous materials down the drains at 500 Jefferson even if the hazardous materials have been neutralized.

37. Security specifications:

- a. Commercial grade card reader and camera hardware and systems provided at landlord's cost.

38. Landlord will purchase and install equipment, at landlord cost:

- a. 10 fume hoods. Tenant will provide make/model.
- b. Appropriate sized emergency generator.
- c. 7 freezers and 1 refrigerator to be provided or purchased by Tenant.

39. With regards to the work set forth herein related to the card readers and cameras (equipment and installation), Landlord may elect to pay HFSC \$190,208, which is the amount set forth in the quote from BLTI dated Aug 1, 2018 for CCTV System and Access System at the Leased Premises and, if Landlord so elects to do that, Landlord shall be relieved of the responsibility for completing the work related to the card readers and cameras (equipment and installation) as set forth herein.

40. With regards to the parking garage card access/camera (equipment and installation) set forth herein, which is estimated by HFSC to be about \$10,000, Landlord may elect to pay HFSC the amount of the BLTI or other reasonable quote HFSC will get for that work and, if Landlord so elects to do that, Landlord shall be relieved of the responsibility for completing the work related to the parking garage card readers and cameras (equipment and installation) set forth herein.

41. With regards to the work set forth herein related to the cable and fiber optics (equipment and installation), Landlord may elect to pay HFSC \$123,090.19, which is the amount set forth in the quote from Selrico dated Aug 10, 2018

and, if Landlord so elects to do that, Landlord shall be relieved of the responsibility for completing the work related to the cable and fiber optics (equipment and installation) as set forth herein.

	Houston Forensic Science Center - Master												
Seized Drugs	Equipment/Instruments	Quantity	Footprint wxhxd	Power Reqmt.	Operating Temp. Range	Venting Reqd.	Room Location						
	FTIR - Spectrometer with ATR (Thermo Nicolet 4700 W/Mainframe)	1	25x28x10	120v/2 0a	65-85 Deg F	None							
	GC System	6	35x22x20	120v/2 0a	59-95 Deg F	Yes							
	UV/VIS Spectrophotometer	1	12x16x10	120v/2 0a	59-95 Deg F	None							
	GC-FID	1	20x22x23	120v/2 0a	59-95 Deg F	None							
	Fume Hoods	6	48x37x59	240v/2 0a	n/a	Yes							
Crime Scene Unit													
	Drying Cabinet	4	72x30x90	120v/2 0a	n/a	None							
Latent Print Processing													
	Glue Fuming Chamber	5	27x30x64	120v/2 0a	n/a	None							
	Ovens	2	42x32x84	240v/2 0a	n/a	None							
	Fume Hoods	4	48x37x59	240v/2 0a	n/a	Yes							
Forensic Biology													
	7500 Real Time PCR System A	3	13.5x20x18	120v/2 0a	65-95 Deg F, 30%-80% Rel. Hum.	None	Post Amplification						
	Tecan Robots	1	34x42x30	120v/2 0a	59-90 Deg F, 15%-80% Rel. Hum.	None	Post Amplification						

	Tecan Robots	2	34x42x 30	120v/2 0a	59-90 Deg F, 15%-80% Rel. Hum.	None	Amplification
	EZ1	6	20x20x 23	120v/2 0a	59-90 Deg F, 15%-80% Rel. Hum.	None	Extraction
	Proflex Thermocyclers	6	8x10x1 8	120v/2 0a	59-86 Deg F, 15%-80% Rel. Hum.	None	Post Amplification
	Hamilton Robots	2	45x40x 36	120v/2 0a	65-95 Deg F, 30%-80% Rel. Hum.	None	Extraction
	QIAcube A (SN 15071)	6	21x25x 18	120v/2 0a	59-90 Deg F, 15%-80% Rel. Hum.	None	Extraction
	Compound Microscope with Monitor - 8M16421	1	40x36x 18	120v/2 0a	n/a	None	
	Fume Hoods	3	48x37x 59	240v/2 0a	n/a	Yes	
Firearms							
	Comparison Microscope	8	42x30x 76	120v/2 0a	n/a	None	
	Matchpoint Unit	2	30x30x 50	125v/1 0a	room temp	None	
	Brasstrax Unit	2	84x30x 55	250v/T 5A	room temp	None	
	Shooting Tank	1	108x37 x50	240v/6 0A	n/a	Yes	
	Shooting Tank pump	1	30x36x 84	240v/6 0A	n/a	Yes	
	Fume Hood***	1	48x37x 59	240v/2 0A	n/a	Yes	
	Bullet Trap	1	30x48x 84	n/a	n/a	Yes	
	Cotton shooting box	1	24x72x 52	n/a	n/a	Yes	
	Remote firing device	1	36x30x 60	n/a	n/a	Yes	
Toxicology							

	Tecan Robots	2	34x42x 30	120v/2 0a	59-90 Deg F, 15%-80% Rel. Hum.	None	
	GC-FID	2	20x22x 23	120v/2 0a	59-95 Deg F	None	
	GC-MS	5	35x22x 20	120v/2 0a	59-95 Deg F	None	
	LG48C-MS/MS	2	44x24x 44x	120v/4 0a	59-90 Deg F, 15%-80% Rel. Hum.	Yes	
	Fume Hoods	4	48x37x 59	240v/2 0a		Yes	

**EXHIBIT "E-1.1"**  
Final Tenant Specifications

**EXHIBIT "F"**

Operating Expenses



## EXHIBIT "F"

### OPERATING EXPENSES

The following expenses shall be excluded from the definition of Operating Expenses for the purposes of determining the amount of Additional Rent due from Tenant under the Lease:

1. Cost of repairs, replacements, or other work occasioned by fire, windstorm, or other casualty, covered by insurance (but not excluding insurance deductibles), or the exercise by the governmental authorities of the right of eminent domain covered by proceeds received as a result of such action.
2. Leasing commissions, attorneys' fees, costs, disbursements, and other expenses incurred by Landlord or its agents in connection with negotiations for leases with tenants, other occupants, or prospective tenants or other occupants of the Project, and similar costs incurred in connection with disputes with and/or enforcement of any leases with tenants, other occupants, or prospective tenants or other occupants of the Project.
3. "Tenant allowances", "tenant concessions", work letters, and other costs or expenses (including permit, license, and inspection fees) incurred in completing, fixturing, furnishing, renovating, or otherwise improving, decorating, or redecorating space for tenants or other occupants of the Building, or vacant, leasable space in the Project, including space planning/interior design fees for same.
4. Except as provided in item 37 below, cost for converting chillers in the Project to new chillers that use a coolant other than R11 or other legally prohibited refrigerant as of the date of this Lease, regardless of whether or not such conversion is as a result of a new legal requirement.
5. Costs of correcting defects, including all allowances for same, in the construction of the Project (including latent defects) or equipment used therein (or the replacement of defective equipment), any associated parking facilities, or other improvements, or in the equipment used therein.
6. Depreciation, other "non-cash" expense items, or amortization, except for certain amortization charges specified in item 37 below.
7. Costs of a capital nature, except as provided for in item 37 below, including, but not limited to, capital additions, capital improvements, capital repairs, capital maintenance, capital alterations, capital replacements, capital equipment, capital tools, and/or capital redesign, all in accordance with generally accepted accounting principles, consistently applied.

8. Costs in connection with services (including electricity), items, or other benefits of a type which are not standard for the Project and which are not available to Tenant without specific charge therefore, but which are provided to another tenant or occupant of the Project, whether or not such other tenant or occupant is specifically charge therefore by Landlord.

9. Services, items, and benefits for which Tenant or any other tenant or occupant of the Project specifically reimburses Landlord or for which Tenant or any other tenant or occupant of the Project pays third persons.

10. Costs or expenses (including fines, penalties, and legal fees), incurred due to the violation by Landlord, its employees, agents, and/or contractors, any tenant (other than Tenant), or other occupant of the Project of any terms or conditions (other than by Tenant) of this Lease or of the leases of other tenants in the Project, and/or of any valid applicable laws, rules, regulations, and codes of any federal, state, county, municipal, or other governmental authority having jurisdiction over the Project that would not have incurred but for such violation by Landlord, its employees, agents, and/or contractors, it being intended that each party shall be responsible for the costs resulting from its own violation of such leases and laws, rules, regulations, and codes as same shall pertain to the Project.

11. Penalties for late payment, including, without limitation, taxes, equipment leases, etc.

12. Costs directly resulting from the negligence or willful misconduct of Landlord, its employees, agents, and/or contractors.

13. Payments in respect of overhead and/or profit to any subsidiary or Affiliate (hereinafter defined) of Landlord, or to any other party, as a result of a noncompetitive selection process for services (other than the management fee, if any) on or to the Project and/or the land, or for goods, supplies, or other materials, to the extent that the costs of such services, goods, supplies, and/or materials exceed the costs that would have been paid had the services, goods, supplies, or materials been provided by parties unaffiliated with Landlord, or by third parties, of similar skill, competence, and experience, on a competitive basis.

14. Payments of principal, finance charges, or interest on debt of amortization on any mortgage, deed of trust, or other debt, and rental payments (or increases in same under any ground or underlying lease or leases (except to the extent the same may be made to pay or reimburse, or may be measured by, real estate taxes).

15. Real estate taxes allocable to the above-building-standard leasehold improvements of other tenants in the Project above \$\_\_\_\_\_ per rentable square feet.

16. Except for the management fee, if any, costs of Landlord's general overhead and general administrative expenses (individual, partnership, or corporate, as the case may be), which costs would not be chargeable to Operating Expenses of the Project in accordance with generally accepted accounting principles, consistently applied.

17. Compensation paid to clerks, attendants, or other persons in commercial concessions (such as a snack bar, restaurant, or newsstand), if any, operated by Landlord or any subsidiary or Affiliate of Landlord.

18. Except for emergency or temporary repairs to the Project, rentals and other related expenses, if any, incurred in leasing air conditioning systems, elevators, or other equipment ordinarily considered to be of a capital nature, except equipment which is used in providing janitorial services and which is not affixed to the Building, to the extent costs are in excess of the savings incurred.

19. Costs incurred in installing, operating, maintaining, and owning any specialty items or services not normally installed, operated, and maintained in buildings comparable to the Project and not necessary for Landlord's operation, repair, and maintenance of, and the providing of required services for, the Project and/or any associated parking facilities, including, but not limited to, an observatory, beacon(s), broadcasting facilities (other than the Project's music system, and life support and security systems), luncheon club, athletic or recreational club, helicopter pad, child care center, kiosks, promotions, displays, concierge, etc.

20. Advertising and promotional expenses.

21. Costs in connection with the ownership, operation, and maintenance of any off-site garage facilities associated with the Project, and costs in connection with the operation and maintenance of any parking facilities in the basement of the Project.

22. Costs or expenses for sculpture, paintings, or other works of art, including costs incurred with respect to the purchase, ownership, leasing, showing, promotion, and/or repair.

23. Costs for which Landlord is compensated through or reimbursed by insurance or other means of recovery.

24. Costs of correcting or repairing defects in the Project and/or any associated parking facilities, and /or equipment or the replacement of defective equipment, to the extent such costs are covered by warranties of manufacturers, suppliers, or contractors, or are otherwise borne by parties other than Landlord.

25. Compensation paid to clerks, attendants or other persons in commercial concessions (such as a snack bar, restaurant or newsstand), if any, operated by Landlord or any subsidiary or Affiliate of Landlord.

26. Contributions to operating expense reserves.

27. Initial costs of exterior landscaping.

28. Contributions to charitable organizations.

29. Costs incurred in removing the property of former tenants and/or other occupants of the Project.

30. Rental for Landlord's on-site management and/or leasing offices above 1,000 square feet NRA at the Fair Market Rate.

31. Consulting costs and expenses incurred by Landlord except to the extent same relate exclusively to the improved management or operation of the Project.

32. The costs of any "tap fees" or one-time lump sum sewer or water connection fees for the Project.

33. Costs or fees relating to the defense of Landlord's title to or interest in the Project and/or Land, or any part thereof.

34. Compensation in the form of wages, salaries, and such other compensation and benefits, as well as any adjustments thereto, for all employees and personnel of Landlord above the level of the on-premises manager of the Project.

35. An equitable allocation of wages, salaries, and other compensation and benefits of Landlord's employees, agents, and personnel work on other projects, including, without limitation, those being periodically developed, managed, and/or operated by Landlord or its agents, in addition to the Project and/or the Land, among all such projects in proportion to their time spent in performing services other than the Office Park.

36. Special assessments, federal, state, county, or municipal taxes on income, death taxes, excess profit taxes, franchise taxes, or any taxes imposed or measured on or by the income, gross receipts, or revenue of Landlord from the operation of the Project or imposed in connection with or as a result of any change in the ownership of the Project and/or Land.

37. Amortization charges on account of any capital expenditure incurred by Landlord to effect an annual net reduction in Operating Expenses to the extent that such charge (inclusive of financing costs, all amortized over the reasonable life of the capital investment item in accordance with generally accepted accounting principles, consistently applied, but in no event to the extent beyond the useful life of the Project), in each instance, exceeds Landlord's anticipated savings in Operating Expenses attributable to such expenditure in any given year.

38. Cost of compliance with the City of Houston Energy Code with respect to the Project's common areas only.

39. Taxes on Tenant's personal property and on the value of the leasehold improvements in the Premises to the extent that the same exceed "building standard" (as to quality but not quantity), provided the amount of tax attributable thereto is not expressly stated and allocated by the respective taxing authority in its tax statement to Landlord.

40. Any other expense which, under generally accepted accounting principles, consistently applied, would not be considered to be a normal maintenance or operating expense of the Property.

The term "Affiliate" shall mean and refer to any person or entity controlling, controlled by, or under common control with another such person or entity. "Control" as used herein shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such controlled persons or entity; the ownership, directly or indirectly, of a least fifty-one percent (51%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, at least fifty-one percent (51%) of the voting interest in, any person or entity shall be presumed to constitute such control. In the case of Landlord, the term Affiliate shall include any person or entity controlling or controlled by or under common control with any general partner of Landlord or any general partner of Landlord's general partner.

**EXHIBIT "G"**  
Use Restrictions

## EXHIBIT "G"

### Use Restrictions

In no event shall any portion of the Project on which the Building is located or any land used in connection therewith be used for any of the following purposes:

(i) As the site of a building or group of Building for the treatment or processing of raw products; the processing and converting of raw, unfinished, or finished materials or products, or any of these into an article or substance of different character, or for use for a different character, or for use for a different purpose (provided, however, that the foregoing does not include services and operations commonly performed as a part of a permitted retail use or ancillary uses consistent with the standards from time to time for Downtown Houston Class B? Office Building, including, without limitation, pharmacies, tailors, a retail financial institution, print shop, cafeteria, restaurant, daycare, jewelry and watch manufacture or repair, or retail establishment or other similar non-offensive uses.

(ii) Commercial excavation of building or construction materials (but not including excavation in connection with the construction of improvements);

(iii) Dumping, disposal, incineration or reduction of garbage, sewage, offal, dead animals, refuse, leaves or debris, or the construction or operation of water or sewage treatment plants, or electrical substations (except in the normal operation of allowable uses);

(iv) Refining of petroleum or of its products; smelting of iron, tin, zinc or other ores; drilling for and/or removal of oil, gas or other hydrocarbon substances;

(v) Any use that is illegal;

(vi) Any use that is unreasonably offensive to adjoining properties by reason of odor, fumes, light, dust, smoke, chemicals, noise or pollution (provided, however, that the foregoing shall not restrict or prohibit typical restaurant odors, or the construction of improvements), or which is hazardous by reason of excessive danger of fire, explosion or other potential casualty;

(vii) Any establishment whose premises offers or sells a product or service that is intended to provide sexual gratification to its users in an illegal manner, including, but not limited to, the dissemination or exhibition of obscene materials; any establishment featuring topless, bottomless, or totally nude performances or personnel, or that provides visually recorded entertainment featuring nude or partially nude persons performing or simulating sexual acts; or any establishment that regularly shows X-rated or pornographic movies, or sells or rents pornographic materials; ; not to include said entertainment or movies that are considered first class or normal within community standards.

(viii) Any massage parlor (excluding professional massages offered by licensed masseurs);

(ix) Any restaurant use in which sexual arousal is a material part of the customer experience and which is not consistent with the standards from time to time for Downtown Houston Class B Office Building. Such prohibited use shall include, by way of example but not limitation, a Hooters-type restaurant.

(x) Storage of rubbish or trash outside any building, except in dumpsters properly screened but not including regular trash service for regular office building pick-up.

(xi) Any bowling alley, skating rink, movie theater, gambling facility or operation, night club or discotheque, billiard parlor, amusement park, "bingo" parlor, or game center (provided that any restaurant or bar may offer dancing and music, including live music);

(xii) Any establishment that offers or sells paraphernalia associated with or related to illegal drug usage (except for such items sold as part of a legitimate business, such as a pharmacy or sundry shop, wherein the paraphernalia has a legitimate use);

(xiii) Any manufacture, distribution and/or sale of illegal narcotics and/or controlled substances; provided, however, that the foregoing shall not prohibit or restrict the lawful sale of drugs and pharmaceuticals by pharmacies and other retailers or the lawful storage and use of the same in connection with a permitted medical use;

(xiv) Capturing, trapping or killing of wildlife within the Property, except in circumstances posing an imminent threat to the safety of any Person using the Property, and raising, breeding or keeping of animals, livestock, or poultry of any kind; provided, however, that the foregoing shall not prohibit or restrict the routine trapping or killing of animals as a part of customary pest control;

(xv) A dry cleaner that uses perchloroethylene or other hazardous materials on site; provided, however, that retail drop-off facilities and dry cleaners that do not use the foregoing chemicals or materials and otherwise comply with applicable law shall be permitted;

(xvi) Outdoor business operations of any kind; provided, however, the foregoing shall not prohibit outdoor dining facilities or outdoor sales of merchandise in connection with a retail use that is primarily indoors, or parking facilities (including, without limitation, surface parking and valet parking facilities);

(xvii) Outside storage of any kind, except in connection with retail uses, or storage of construction materials, equipment and similar items relating to the construction and maintenance of improvements on the property;

(xviii) Penny arcades or amusement centers, including, without limitation, any establishments with the primary business of operation of video or arcade games; outdoor carnivals and circuses; provided, however, that the foregoing shall not prohibit or restrict the operation of ancillary video games and other entertainment devices in restaurants or in connection with a hospitality use;

(xix) Any fire sale, bankruptcy sale (unless pursuant to a court order), or auction house operation;

(xx) Any type of "flea market", or "tent" sale, including but not limited to any business that operates by leasing space or booths to exhibitors;



- (xxi) Any "second hand" store or Army, Navy, or governmental type "surplus" store or pawn shop;
- (xxii) Any establishment which has as its primary use the sale of guns or other firearms;
- (xxiii) Any funeral home, cemetery or any mortuary-related use;
- (xxiv) Any establishment which has as its primary purpose the operation of a church or other place of worship including, but not limited to, mosques, synagogues or religious organizations, etc.; provided, however, that chapels and similar facilities ancillary to other permitted uses shall be permitted;
- (xxv) Any tattoo or piercing parlor;
- (xxvi) Any use as the site of a building or group of Building used for the primary purpose of distribution of goods and/or services from a light industrial business or similar business;
- (xxvii) Any medical use which is not consistent with the standards from time to time for Downtown Houston Office Building (medical offices which may feature outpatient services are allowable);
- (xxviii) Any use as the site of a building or group of Building for the primary purpose of servicing motor vehicles (e.g., selling and dispensing gasoline, motor oil, diesel, and other motor fuels and lubricants) or a use that sells gasoline, whether or not together with other ancillary uses and facilities (e.g., a car wash, a convenience store, and a facility selling food and beverages to the public for consumption within the building or for take-out);
- (xxix) Any automobile dealership that operates for the purchase, sale, lease or storage of new or used automobiles, including, but not limited to, cars, trucks, SUVs, motorcycles, scooters, vans, tractor-trailers, motor homes, mobile homes, RVs, or similar vehicles, or any auto mechanic or auto body repair shop that operates for the maintenance or repair of any of the foregoing, or any tire, car stereo or auto parts store;
- (xxx) Any trailer court, junk yard, scrap metal yard or waste material business;
- (xxxi) Any veterinary hospital;
- (xxxii) Any plant nursery; or
- (xxxiii) Parking on the land shall in no way infringe upon the parking garages whether it be during the day or after normal business hours

NOTHING CONTAINED HEREIN SHALL RESTRICT THE USE OF THE BUILDING FOR OFFICE SPACE FOR ANY TYPE OF BUSINESS UNLESS EXPRESSLY ADDRESSED IN THE LEASE.

**Exhibit C**

Occupancy Agreement

C77791  
NCA

## OCCUPANCY AGREEMENT

THIS OCCUPANCY AGREEMENT (this "Agreement") is made and entered into as of the date hereinafter set forth, by and between the CITY OF HOUSTON, TEXAS, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties ("City"), whose address for purposes hereof is P. O. Box 1562, Houston, Texas 77251, Attention: Director, General Services Department and HOUSTON FORENSIC SCIENCE CENTER, INC, a non-profit local governmental corporation ("Occupant"), whose address for purposes hereof is: 1301 Fannin Street, Suite 170, Houston, Texas 77002, Attention: Dr. Peter Stout.

### ARTICLE 1 Definitions and Basic Provisions

"Commencement Date" shall mean the date of countersignature of the Controller.

"Director" shall mean the Director or Acting Director of the General Services Department of the City of Houston, Texas, or Director's designee.

"Expiration Date" shall mean June 30, 2019, unless sooner terminated or extended pursuant to the terms of this Agreement.

"Lease" shall mean the lease entered into between JEFFERSON SMITH, LLC a Texas limited liability company ("Landlord"), and the City on October 11, 2018 under City's Contract No. C77773, attached hereto as **Exhibit "A"**, pursuant to City's Ordinance No. 2018-793 passed and adopted by the City Council on October 3, 2018.

"Landlord" shall mean the same as defined under Lease.

"Monthly Payment" shall mean the amount due each month during the Term in accordance with the payment schedule set out in Section 3.1 of this Agreement.

"Normal Hours of Operation" shall generally mean 6:00 am to 7:00 pm with 24 hour a day, seven (7) days a week access including all holidays observed by the City.

"Occupied Premises" shall mean (i) floors thirteen (13), fourteen (14), fifteen (15) eighteen (18) and 3,000 square feet of B-1 (the basement) area of the Project, each floor being approximately 20,020 square feet for a total of approximately 83,080 square feet of rentable square feet of space out of the Project as shown on the floor plan attached to **Exhibit "A"**.

"Permitted Use" shall mean any and all uses as required for the operation and support of forensic science purposes, including but not limited (i) to receipt,

storage, analysis, testing, ballistic testing, transportation and other use; (ii) handling of firearms, ammunition, explosives, seized drugs, blood and bio materials, hazardous substances and other evidence; (iii) shooting tank and, at minimum, a twenty-five (25) foot long firing range (within the basement area of the Leased Premises) in connection with forensic use; and (iv) office space, wet labs, and evidence rooms.

"Project" shall mean the shared space within the real property and the buildings and improvements, including the garage, thereon known as 500 Jefferson and located at or near 500 Jefferson Street, Houston, Texas 77002.

"Term" shall mean the Commencement Date through the Expiration Date unless sooner terminated or extended pursuant to this Agreement.

## **ARTICLE 2**

### **Granting Clause**

In consideration of the obligation of Occupant to timely pay the Monthly Payment and other charges as herein provided and in consideration of the other terms, covenants, agreements and conditions hereof, City hereby grants and the Occupant hereby accepts a temporary, conditional license to use and to occupy the Occupied Premises, "AS IS", for the Term, and upon all of the terms, provisions, covenants, agreements and conditions set forth in the Lease, attached hereto as **Exhibit "A"**.

## **ARTICLE 3**

### **Monthly Payment**

Section 3.1 Occupant covenants and agrees to pay directly to the Landlord each month during the Term the Monthly Payment in accordance with the Lease, attached hereto as **Exhibit "A"**, and provide the City with a notice of payment made.

Section 3.2 The first Monthly Payment shall be due and payable to the Landlord on the occupancy of the Leased Premises as reflected in the Lease attached hereto as **Exhibit "A"**. Each Monthly Payment shall be due without any prior demand.

## **ARTICLE 4**

### **Occupant's Use of Premises**

Section 4.1 Occupant represents and warrants that it shall use the Occupied Premises only for the Permitted Use, and the Occupied Premises shall not be used for any activity which is not supervised by the Occupant. Occupant shall not change the Permitted Use without a written amendment to this Agreement signed by the Director and Occupant. Occupant will not use or allow

the Occupied Premises to be used for any unlawful purposes; nor cause, maintain or permit the existence of any nuisance, unsafe or unsanitary condition in or about the Occupied Premises. City and the Occupant agree that the Permitted Use does not constitute nuisance.

Section 4.2 Occupant shall comply with all applicable federal and state laws and regulations and City ordinances affecting the Occupied Premises, and/or the Permitted Use and all rules and regulations promulgated from time to time by the City regarding the use and occupancy of the Project. Occupant shall procure, at its sole cost and expense, all permits and licenses required for the Permitted Use of the Occupied Premises.

Section 4.3 Occupant shall not permit the number of its employees, agents, contractors, visitors and invitees admitted to the Occupied Premises or the Project to exceed the number of persons that can safely and freely move about the Occupied Premises, and within limits set by health and fire codes.

Section 4.4 Occupant shall not bring in or permit its employees, agents, contractors, visitors and invitees to bring in anything that will increase the fire hazard of the Occupied Premises or the Project.

## **ARTICLE 5**

### **Care of Premises**

Section 5.1 Occupant shall maintain the Occupied Premises in a good, safe and reasonable manner. Occupant shall not, without the consent of the Director, cause or permit any nails or other items to be driven into any portion of the Project, nor affix any window coverings or signs either to the exterior or interior thereof, nor cause or permit any changes, alteration, repairs, painting or staining of any part of the Project or the furnishings or equipment thereof, nor do, nor permit to be done anything which will damage or change the finish or appearance of the Project or the furnishings thereof unless specifically authorized in the Lease.

Section 5.2 The Occupant shall repair, or cause to be repaired, any damage to the Occupied Premises, its fixtures or furnishings caused by the act or failure to act of the Occupant, its employees, agents, contractors, visitors and invitees. If any repairs required to be made by Occupant hereunder are not made within ten (10) days after written notice delivered to Occupant by Director, the Director may authorize, at Director's option, such repairs to be made, and Occupant shall immediately pay on demand to City all costs of such repairs. If Occupant has moved or removed any fixture or any furniture, the Occupant shall pay the cost of placing whatever item was moved or removed into the condition and place that the item was before such move or removal. Occupant shall be liable to the City for any damages or injury to persons or property arising out of or

in any way connected with Occupant's failure to make repairs required hereunder.

Section 5.3 Either party, upon reasonable notice, shall be entitled to request a mutual inspection of the Occupied Premises before, during or after the occupancy, together with an inspection report signed by Occupant or Occupant's agent and Director.

Section 5.4 Upon termination under Article 9, the Occupied Premises will be vacated and surrendered up to the City in a clean and sanitary condition, excepting only damage due to ordinary wear and tear, fire or other casualty, or any other cause not occasioned by the negligence or intentional act of Occupant. Occupant shall also surrender all badges for the Occupied Premises to the Director and shall inform the Director of all combinations on locks, safes and vaults, if any, in the Occupied Premises.

Section 5.5 City shall not be required to make any repairs occasioned by the acts or negligence of Occupant, Occupant's employees, agents, contractors, visitors and invitees, all of which repairs shall be made by Occupant. In the event that the Common Area of the Project, as hereinafter defined, should become in need of repairs required to be made, Occupant shall give immediate written notice thereof to City and shall notify the Landlord pursuant to the Lease.

## **ARTICLE 6**

### **Utilities**

Section 6.1 The Occupied Premises will be supplied with normal and reasonable lighting, electricity, water, sewer, gas, heating and ventilation which are affixed to and serve the Project and such specific additional improvements for Permitted Use as are delineated in the Lease (**Exhibit "A"**).

Section 6.2 City shall not independently provide or maintain telephone equipment or service for the Occupant or to the Occupied Premises.

## **ARTICLE 7**

### **Renewal; Holding Over**

Section 7.1 This Agreement shall be automatically renewed for additional and consecutive one (1) year terms (individually referred to as "Renewal Term"), up to five (5) terms, at the expiration of the initial Term or any Renewal Term and without any action by either party hereto, with each Renewal Term to be on the same terms. This Agreement shall automatically terminate upon the City and the Occupant entering into a sub-lease agreement.

Section 7.2 In the event this Agreement is not renewed, and Occupant remains in possession of the Occupied Premises after the expiration of the

instant Term or Renewal Term, as applicable, Occupant shall be deemed to be occupying said Occupied Premises as a licensee at sufferance and shall be responsible for all rents and expenses under the Lease. In the event the Director has not consented to such hold over occupancy, such monthly rental fee shall be increased by fifty percent (50%) of such amount, and such hold over occupancy shall be otherwise subject to all the conditions, provisions and obligations of the Lease and this Agreement insofar as applicable to a licensee at sufferance.

**ARTICLE 8**  
**Assignment and Transfer**

Occupant shall not assign or transfer its right to occupy the Occupied Premises without the prior written consent of the City, which consent may be withheld by the City at its sole discretion. Any attempted assignment or transfer by Occupant in violation of the terms and covenants of this Article shall be void.

**ARTICLE 9**  
**Termination by City or Occupant**

The City shall have the right to terminate this Agreement without cause at any time during the term hereof by providing ninety (90) days prior written notice of termination to Occupant. If the City terminates this Agreement without cause, Occupant shall be released from liability for any Monthly Payments for any months following the termination.

**ARTICLE 10**  
**Environmental Restrictions**

Section 10.1 Occupant shall not transport, use, store, maintain, generate, manufacture, handle, dispose, release or discharge any Hazardous Material upon or about the Occupied Premises or Project, nor permit Occupant's employees, agents, contractors, visitors and invitees on the Occupied Premises to engage in such activities, upon or about the Occupied Premises or Project. However, the foregoing provisions shall not prohibit the transportation to and from, and use, storage, maintenance and handling within, the Occupied Premises of substances for forensic science laboratory and for Permitted Use.

Section 10.2 Each party shall promptly notify the other party upon becoming aware of: (i) any enforcement, cleanup, or other regulatory action taken or threatened against either party by any governmental or regulatory authority with respect to the presence of any Hazardous Material on the Occupied Premises or Project, (ii) any demands or claims made or threatened by any party City or Occupant relating to any loss or injury resulting from any Hazardous Material, (iii) any unlawful release, discharge or nonroutine, improper or unlawful disposal or transportation of any Hazardous Material on or from the Project, and (iv) any matters where the party is required by law to give a notice to

any governmental or regulatory authority respecting any Hazardous Materials in the Project.

Section 10.3 If any Hazardous Material is released, discharged or disposed of by Occupant or its employees, agents, contractors, visitors or invitees on or about the Project in violation of the foregoing provisions, Occupant shall immediately notify the City and the Landlord and properly and in compliance with all applicable laws and ordinances clean up and remove the Hazardous Material from the Occupied Premises, the Project and any other affected property, at Occupant's sole cost and expense. Such clean up and removal work shall be subject to City's prior written approval (except in emergencies), not to be unreasonably withheld, and shall include, without limitation, any testing, investigation and/or preparation and implementation of any remedial action plan required by any governmental body having jurisdiction. If Occupant shall fail to comply with the provisions of this Section within five (5) days after written notice by City, or such shorter time as may be required by law, City may (but shall not be obligated to) arrange for such compliance directly or as the Occupant's agent through contractors or other parties selected by the City, at the Occupant's sole expense.

## **ARTICLE 11** **Insurance**

Section 11.1 At Occupant's sole cost and expense, Occupant shall obtain and maintain in full force and effect throughout the Term and any extensions thereto such public liability insurance and other insurance as may be required by applicable law and/or as reasonably requested by the Director.

Section 11.2 All insurance policies shall name City (and its officers and employees) as additional insureds and be issued on forms satisfactory to City by companies rated "A" or better in Best's Insurance Reports. Occupant shall deliver to City copies (or upon City's, request certified copies) of all insurance certificates and policies, with evidence of payment of premiums for such policies, upon execution of this Agreement and, with respect to renewals of such policies, not later than thirty (30) days prior to the end of the expiring term of coverage. All such policies and certificates shall contain an agreement that the insurer: (i) shall notify City in writing not less than thirty (30) days before any material change, reduction in coverage or cancellation of any policy, and (ii) denies any rights of subrogation against City ("Subrogation Waiver Endorsement"). Occupant hereby waives any right of recovery, claim, cause of action or action against City for injury or loss (including, without limitation, injury or loss caused by the sole negligence of City) by reason of any cause required to be insured hereunder, which waiver shall be effective for purposes of the Subrogation Waiver Endorsement.



**ARTICLE 12**  
**Release and Indemnification**

Section 12.1 OCCUPANT, ITS SUCCESSORS AND ASSIGNS HEREBY RELEASE, HOLD HARMLESS, RELINQUISH AND DISCHARGE CITY, ITS SUCCESSORS, ASSIGNS, AND EACH OF ITS AND THEIR ELECTED OFFICIALS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND LEGAL REPRESENTATIVES (THE FOREGOING ARE COLLECTIVELY REFERRED TO IN THIS SECTION 12.1 AS "RELEASEES") INCLUDING BUT NOT LIMITED TO ANY LIABILITY RESULTING FROM THE JOINT OR CONCURRENT NEGLIGENCE OF ONE OR MORE RELEASEES, AS A RESULT OF ANY INJURY, INCLUDING DEATH OR DAMAGE TO PERSONS OR PROPERTY, WHERE SUCH DAMAGE IS SUSTAINED IN CONNECTION WITH THE OPERATION OF THE PROJECT BY CITY OR THE OCCUPANCY OF THE OCCUPIED PREMISES BY OCCUPANT.

Section 12.2 OCCUPANT, ITS SUCCESSORS, AND ASSIGNS, TO THE FULL EXTENT ALLOWED BY LAW, HEREBY AGREES TO INDEMNIFY AND DEFEND CITY, ITS SUCCESSORS, ASSIGNS, AND EACH OF ITS AND THEIR ELECTED OFFICIALS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS AND LEGAL REPRESENTATIVES (THE FOREGOING ARE COLLECTIVELY REFERRED TO IN THIS SECTION 12.2 AS "INDEMNITEES") FROM AND AGAINST (i) ANY AND ALL LIABILITIES, LAWSUITS, CAUSES OF ACTION, LOSSES, CLAIMS, JUDGMENTS, DAMAGES, FINES OR DEMANDS ARISING BY REASON OF OR IN CONNECTION WITH THE USE OF OCCUPIED PREMISES, AND (ii) ALL COSTS FOR THE INVESTIGATION AND DEFENSE OF ANY AND ALL LIABILITIES, LAWSUITS, CAUSES OF ACTION, LOSSES, CLAIMS, JUDGMENTS, DAMAGES, FINES OR DEMANDS REFERRED TO IN THE PRECEDING CLAUSE (INCLUDING BUT NOT LIMITED TO ATTORNEY'S FEES, COURT COSTS, DISCOVERY COSTS AND EXPERT FEES). OCCUPANT'S AGREEMENT TO INDEMNIFY AND DEFEND THE INDEMNITEES EXTENDS TO THE ACTUAL OR ALLEGED JOINT OR CONCURRENT NEGLIGENCE OF OCCUPANT AND ONE OR MORE INDEMNITEE, AND THE ACTUAL OR ALLEGED JOINT OR CONCURRENT NEGLIGENCE OF ANY COMBINATION OF OCCUPANT, ONE OR MORE INDEMNITEE, AND ANY THIRD PARTY. THE INDEMNITY PROVISION PROVIDED HEREIN SHALL HAVE NO APPLICATION TO ANY CLAIM OR DEMAND WHERE BODILY INJURY, DEATH, OR DAMAGE RESULTS ONLY FROM THE SOLE NEGLIGENCE OF CITY UNMIXED WITH THE FAULT OF ANY OTHER PERSON.

Section 12.3 UPON THE FILING BY ANYONE OF ANY TYPE OF CLAIM, CAUSE OF ACTION OR LAWSUIT AGAINST CITY FOR ANY TYPE OF DAMAGES ARISING OUT OF INCIDENTS FOR WHICH OCCUPANT MAY BE LIABLE UNDER THIS ARTICLE 12, CITY SHALL NOTIFY OCCUPANT OF SUCH CLAIM, CAUSE OF ACTION OR LAWSUIT. IN THE EVENT THAT

OCCUPANT DOES NOT PROMPTLY SETTLE OR COMPROMISE SUCH CLAIM, CAUSE OF ACTION OR LAWSUIT, AT ITS OWN COST AND EXPENSE, OCCUPANT, AT ITS SOLE COST AND EXPENSE AND TO THE EXTENT ALLOWED BY LAW, SHALL UNDERTAKE THE LEGAL DEFENSE OF SUCH CLAIM, CAUSE OF ACTION OR LAWSUIT ON BEHALF OF OCCUPANT AND ALL INDEMNITEES UNTIL FINAL DISPOSITION, INCLUDING BUT NOT LIMITED TO ALL APPEALS. CITY MAY, BUT IS NOT REQUIRED TO, PARTICIPATE IN THE LEGAL DEFENSE OF ANY SUCH CLAIM, CAUSE OF ACTION OR LAWSUIT, AND HAS THE RIGHT TO SELECT COUNSEL TO DEFEND AGAINST SUCH CLAIM, CAUSE OF ACTION OR LAWSUIT. ANY FINAL JUDGMENT RENDERED AGAINST ANY ONE OR MORE INDEMNITY FOR ANY CAUSE FOR WHICH OCCUPANT IS LIABLE UNDER THIS ARTICLE 12 SHALL BE CONCLUSIVE (AGAINST BETWEEN OCCUPANT AND THE INDEMNITEE(S)) AS TO LIABILITY AND AMOUNT, UPON THE EXPIRATION OF THE TIME FOR ALL APPEALS.

Section 12.4 OCCUPANT ACKNOWLEDGES THAT CITY IS NOT RESPONSIBLE FOR THE LOSS OF PERSONAL PROPERTY BROUGHT INTO THE PROJECT OR OCCUPIED PREMISES BY OCCUPANT, ITS EMPLOYEES, AGENTS, CONTRACTORS, VISITORS AND INVITEES.

### **ARTICLE 13**

#### **Notices**

Wherever any notice is required or permitted hereunder such notice shall be in writing. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered whether actually received or not when deposited in the United States mail, postage prepaid, Certified or Registered Mail, Return Receipt Requested, addressed to the parties hereto at their respective addresses set forth in the preamble paragraph of this Agreement, or at such other addresses as they may have hereafter specified by written notice.

### **ARTICLE 14**

#### **Miscellaneous**

Section 14.1 Nothing herein contained shall be deemed or construed by City or Occupant, nor by any third party, as creating the relationship of principal and agent or of landlord and tenant or of partnership or of joint venture between City and Occupant, it being understood and agreed no provision contained herein, nor any acts of City and Occupant, shall be deemed to create any relationship between the parties hereto other than the relationship of licensor and licensee. Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender.

Section 14.2 Failure or delay to insist by the City upon strict performance of any covenant, term or condition of this Agreement, or to exercise any rights or remedies provided in this Agreement or by law, or failure of the City to notify the Occupant properly in the Event of Default, as herein defined, or the acceptance of payment or other performance shall not release the Occupant from any and all of the obligations of this Agreement, and shall not be deemed a waiver of any right of the City to insist on strict performance hereof or a waiver of any of its rights or remedies as to prior or subsequent default hereunder.

Section 14.3 Whenever a period of time is herein prescribed for action to be taken by City or the Occupant, City or Occupant shall not be liable or responsible for and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations or restrictions or any other causes of any kind whatsoever which are beyond the reasonable control of City or Occupant.

Section 14.4 This Agreement contains the entire agreement between the parties, and no agreement shall be effective to change, modify or terminate this Agreement in whole or in part unless such agreement is in writing and duly signed by the party against whom enforcement of such change, modification or termination is sought. This Agreement supersedes all prior proposals.

Section 14.5 The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement. Any action brought to enforce or interpret this Agreement shall be brought in the court of appropriate jurisdiction in Houston, Harris County, Texas. Should any provision of this Agreement require judicial interpretation, City and Occupant hereby agree and stipulate that the court interpreting or considering the same shall not apply the presumption that the terms hereof shall be construed against a party by reason of any rule or conclusion that a document should be construed more strictly against the party who prepared the same, it being agreed that all parties hereto have participated in the preparation of this Agreement and that each party had full opportunity to consult legal counsel of its choice before the execution of this Agreement.

Section 14.6 Each and every agreement contained in this Agreement is, and shall be construed as, as separate and independent agreement. If any provision of this Agreement should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

Section 14.7 The terms, provisions and covenants contained in this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors in interest and legal representatives.

Section 14.8 Occupant represents and warrants that all consents or approvals required for the execution, delivery and performance of this Agreement have been obtained and that Occupant has the right and authority to enter into and perform its covenants and agreements contained in this Agreement.

Section 14.9 In all instances where Occupant is required hereunder to pay any sum or do any act at a particular time or within any indicated period, it is understood that time is of the essence.

Section 14.10 This Agreement is subject to all terms and provisions of the Charter and Code of Ordinances of the City of Houston, Texas.

Section 14.11 The Occupant shall remain obligated to the City under all clauses of this Agreement which expressly or by implication survive such acceptances and the expiration of the Term.

Section 14.12 The City Attorney, or his or her designee, shall have the right to enforce all legal rights and obligations under this Agreement without further authorization. Occupant covenants to provide to the City Attorney all documents and records that the City Attorney deems necessary to assist in determining Occupant's compliance with this Agreement, with the exception of those documents made confidential by federal or State law or regulation.

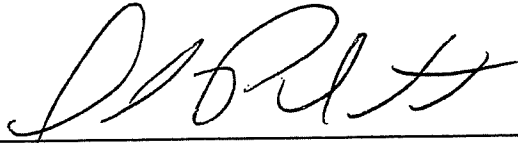
**OCCUPANT HAS MADE AN INSPECTION OF THE OCCUPIED PREMISES AND IS OCCUPYING SUCH PREMISES "AS IS." OCCUPANT AND CITY EXPRESSLY DISCLAIM ANY IMPLIED WARRANTY OF FITNESS AND ANY IMPLIED WARRANTY THAT THE OCCUPIED PREMISES ARE SUITABLE ON THE COMMENCEMENT DATE AND SHALL REMAIN SUITABLE FOR THE PERMITTED USE OR OCCUPANT'S INTENDED PURPOSE.**

***[Signature pages follow]***

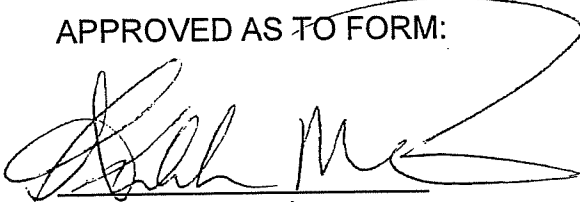
EXECUTED in multiple original counterparts to be effective on the date of countersignature by the City Controller.

**"OCCUPANT"**

Houston Forensic Science Center, Inc.

By:   
Name: Dr. Peter Stout  
Title: CEO/President

APPROVED AS TO FORM:

  
General Counsel

"CITY"

CITY OF HOUSTON, TEXAS

ATTEST:

Anna Russell  
Anna Russell  
City Secretary *Asst. J. Klansid*

Sylvester Turner  
Sylvester Turner  
Mayor  
*Wimanda Washington*

COUNTERSIGNED:

Chris B. Brown  
Chris B. Brown  
City Controller  
*Sherrina Hollie*

Date: 11-6-18

APPROVED AND RECOMMENDED:

Richard Vella  
Richard Vella, Assistant Director  
Real Estate, Design & Construction,  
General Services Department

C.J. Messiah, Jr.  
C.J. Messiah, Jr., Director  
General Services Department

APPROVED AS TO FORM:

Allt  
Senior Assistant City Attorney

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**Exhibit "A" (Lease) to Occupancy Agreement**

**(Intentionally not attached; see Exhibit B to the  
First Amendment to the First Interlocal Agreement; they are the same)**