**Revised as of 8-24-2016**

SPACE LEASE AGREEMENT

THIS SPACE LEASE AGREEMENT (“***Lease***”) is entered into effective as of \_\_\_\_\_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_ , 20 (“***Effective Date***”), by and between the Landlord and the Tenant hereinafter named. In consideration of the respective covenants, obligations, and agreements of the parties set forth herein, the legal sufficiency of which is acknowledged by each of the undersigned, Landlord and Tenant agree as follows:

**ARTICLE 1 - DEFINITIONS AND BASIC LEASE PROVISIONS**

1.1Definitions and Basic Lease Provisions.For the purposes of this Lease, thefollowing terms and provisions shall have the respective meanings attributed to them below:

1. **Landlord:**
2. **Landlord’s Addresses:**

Notice Address: (Landlord)

(Street address)

(City, State, Zip)

Attn: (Name)

or such other place as Landlord may designate in writing to Tenant pursuant to Section 17.1.

Rent Payment Address: (Landlord)

(Street address)

(City, State, Zip)

Attn: (Name)

or such other place as Landlord may designate in writing to Tenant pursuant to Section 17.1.

1. **Tenant:** Board of Regents of The University of Texas System, for the use and benefit of The University of Texas\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. **Tenant’s Address:** The University of Texas

(Street address)

(City, State, Zip)

Attn: (Name)

With a copy to: The University of Texas System

Real Estate Office

201 W. 7th Street, Suite 600

Austin, Texas 78701

Attention: Executive Director of Real Estate

or such other places as Tenant may designate in writing to Landlord pursuant to Section 17.1.

1. **Project:** The project or center commonly known as consisting of the land more particularly described in **Exhibit A** attached hereto and all improvements located thereon, including but not limited to the Building and the Common Areas.
2. **Building:** The building in the Project that contains the Leased Premises. The Building has a street address of
3. **Leased Premises:** Suite or office number(s) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ located in the Building, as designated on **Exhibit B** attached hereto, containing approximately \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ rentable square feet.
4. **Rent:** Rent Period Annual Rent Monthly Rent

\_\_\_\_\_ – \_\_\_\_\_ $\_\_\_\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_ – \_\_\_\_\_ $\_\_\_\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_ – \_\_\_\_\_ $\_\_\_\_\_\_\_\_\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_\_\_\_\_

1. **Term**: \_\_\_\_\_\_\_\_\_\_ months, beginning on the Commencement Date and ending on the Expiration Date described below, subject to extension or sooner termination in accordance with the provisions of this Lease.
2. **Commencement Date**: The earlier of (a) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_\_, or (b) the date that Landlord delivers the Leased Premises to Tenant in the Required Delivery Conditions (as defined in Section 4.1 below).
3. **Expiration Date**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_\_.
4. **Permitted Use:** Tenant may use the Leased Premises for all lawful purposes, including but not limited to offices,

and any ancillary use related to any of the foregoing.

1. **Normal Business Hours:** Monday through Friday, from \_\_\_\_\_\_ a.m. to \_\_\_\_\_\_ p.m., and Saturday, from \_\_\_\_\_\_ a.m. to \_\_\_\_\_ p.m., except on generally recognized holidays observed by Tenant and/or Landlord.
2. **Landlord’s Broker:**
3. **Tenant’s Broker:**
   1. Construction. Each of the foregoing definitions and basic lease provisions shall be construed in conjunction with and limited by the references thereto in the other provisions of this Lease. If there is a conflict between any provisions of this Article 1 and any other provisions of this Lease, the latter will control.

**ARTICLE 2 – GRANT**

* 1. Leased Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Leased Premises for the Term, on the terms and conditions set forth in this Lease.
  2. Common Areas. Tenant is further granted the non-exclusive right to use the portion of the Project which is for the common use of the tenants in the Project, including but not limited to parking areas, ramps, private streets and alleys, landscaping, curbs, loading and unloading areas, sidewalks and walkways, meeting rooms, public restrooms, Project signs, service areas, entrances, lobbies, hallways, elevators, stairways and access ways, and other common facilities in the Project (collectively, “***Common Areas***”).
  3. Parking Areas. Landlord shall provide Tenant (\_\_\_) reserved parking spaces and \_\_\_\_\_\_\_\_\_\_\_\_\_ (\_\_\_) unreserved parking spaces, as designated on **Exhibit B** attached hereto. The parking spaces must be located within a reasonable distance of the entry to the Leased Premises. The parking charges (“***Parking Charges***”) to Tenant are $\_\_\_\_\_ per month per reserved parking space and $\_\_\_\_\_ per month per unreserved parking space. The Parking Charges are due and payable as follows:

**ARTICLE 3 - TERM**

* 1. Initial Term. The initial term of this Lease (“***Initial Term***”) shall commence on the Commencement Date and expire on the Expiration Date, unless sooner terminated or extended in accordance with the provisions of this Lease.
  2. Extension Term. Tenant, at its option, may extend and renew this Lease for \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (\_\_\_) additional period(s) of \_\_\_ years each (each, an “***Extension Term***.”) if: (i) Tenant sends written notice to Landlord of its intention to do so at least 90 days prior to the end of Initial Term or the then current Extension Term and (ii) Tenant is not then in default beyond any applicable notice and grace periods under the Lease.Each Extension Term exercised hereunder shall begin on the day immediately following the expiration of the Initial Term or then current Extension Term, as applicable. All terms, covenants, and provisions of this Lease applicable to the Initial Term shall apply to an Extension Term, save and except that the Rent for the Leased Premises during an Extension Term shall be as follows:

***[Comment - If applicable, include the following Section 3.3(a) and/ or Section 3.3(b)]***

* 1. Early Termination. Tenant is hereby granted the right to terminate the Lease as follows:

1. Tenant may terminate this Lease at any time during the Term if Tenant’s right or authority to conduct business on the Leased Premises as contemplated herein is terminated or discontinued by governmental action. Tenant shall give at least \_\_\_\_\_\_\_\_days prior written notice to Landlord of Tenant’s intended date of termination of this Lease and shall continue to make its rental payments as due through the date of termination. From and after the date of early termination, the parties shall have no further rights and obligations hereunder except those that expressly survive the termination of this Lease.
2. Tenant may terminate this Lease without cause at any time during the Term. Tenant shall give at least \_\_\_\_\_\_\_days prior written notice to Landlord of Tenant’s intended date of termination of this Lease, which date of termination shall not be earlier than \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_. Tenant shall continue to make its rental payments as due through the date of termination. In addition, Tenant shall pay, no later than the date of termination, an amount equal to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ months’ Rent at the then current rate as liquidated damages for early termination of the Lease. From and after the date of early termination, the parties shall have no further rights and obligations hereunder except those that expressly survive the termination of this Lease.

**ARTICLE 4 – DELIVERY AND ACCESSIBILITY INSPECTION**

* 1. Delivery**.**

(a) Required Delivery Condition. Landlord agrees to deliver possession of the Leased Premises to Tenant on or before \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_ (“***Required Delivery Date***”) (i) broom clean, in good condition and repair; (ii) vacant and free of all rights of possession other than Tenant’s right of possession pursuant to the this Lease, (iii) in compliance with all applicable laws, codes, regulations and ordinances; and (iv) with all Tenant Improvements (if any) completed in accordance with the provisions of **Exhibit C** (collectively, the “***Required Delivery Condition***”).

(b) Delayed Delivery. If Landlord is unable to give Tenant possession of the Leased Premises in the Required Delivery Condition by the Required Delivery Date for any reason, Tenant may either (i) terminate this Lease by delivering written notice thereof to Landlord at any time before possession of the Leased Premises is delivered to Tenant, in which event the parties shall have no further obligations under this Lease, except for those obligations that expressly survive the termination of this Lease, or (ii) opt to extend the Expiration Date by the same number of days between the Required Delivery Date and the date Landlord actually delivers possession of the Leased Premises to Tenant in the Required Delivery Condition. However, if Landlord’s ability to deliver possession by the Required Delivery Date in the Required Delivery Condition is delayed as a result of Tenant’s negligence or willful misconduct or Force Majeure (hereinafter defined) of not more than 10 days in the aggregate, the date of required delivery shall be postponed for a period of time equivalent to the period caused by such delay, and Tenant may terminate this Lease or opt to extend the Expiration Date as provided in the immediately preceding sentence following the expiration of such period of time. If occupancy of the Leased Premises will be delayed beyond the Required Delivery Date for any reason, Landlord shall give Tenant immediate written notice of the cause for delay and the date the Leased Premises will be ready for occupancy.

Notwithstanding anything to the contrary herein, Tenant is not obligated to pay Rent and other sums under this Lease or to perform any of the covenants and conditions herein contained until the Leased Premises have been delivered in the Required Delivery Condition. In the event the Lease is terminated under this Section 4.1, Landlord shall refund all Rent and other sums Tenant has prepaid or deposited with Landlord within 10 days after Landlord receives written notice of termination from Tenant.

***[Comment: If the annual lease expense exceeds $12,000.00, include the following as Section 4.2]***

4.2 Accessibility Inspection**.** Landlord and Tenant acknowledge that the Leased Premises are subject to Chapter 469, *Texas Government Code*, as amended from time to time, concerning accessibility for the disabled, and agree to comply with the requirements thereof, including the following:

(a) On–Site Inspection. Landlord acknowledges that because Tenant is a state agency, by law before the Leased Premises are occupied in whole or in part by Tenant, an on-site inspection of the Project (including the Leased Premises) must be performed by either (i) the Texas Department of Licensing and Regulation (“***TDLR***”); (ii) an entity who has contracted with the Texas Commission of Licensing and Regulation (“***TCLR***”) pursuant to Section 469.055, *Texas Government Code* (as amended from time to time), or (iii) a person who holds a certificate of registration issued pursuant to Section 469.201, *Texas Government Code* (as amended from time to time), to ensure compliance with the accessibility standards and specifications adopted by TCLR (Title 16, *Texas Administrative Code*, Chapter 68, as amended from time to time) under authority of Chapter 469, *Texas Government Code* (as amended from time to time). The term "***Inspector***" as used in this paragraph means any one or more of the following: The TDLR, any contracted entity, or any certificated person described above in this Paragraph as authorized to perform on-site inspections.

(b) Repair. If the Inspector finds any condition in the Leased Premises or the Project not in compliance with TDLR accessibility standards and specifications (conditions as to which the TDLR has waived compliance pursuant to a variance or other written departmental action shall be deemed to be in compliance), Landlord may, but is not obligated, to correct such noncompliance, but if Landlord shall not have corrected such noncompliance by the date that is 60 days after the report of the Inspector shall have been delivered to Landlord or such later date as may be established by the TDLR for correction of such non-complying conditions (such period being the “***Cure Period***”), then pursuant to Chapter 469, *Texas Government Code* 469, as amended from time to time, Tenant must terminate this Lease upon written notice to Landlord given within 30 days after the expiration of the Cure Period and prior to correction of such noncompliance by Landlord, time being of the essence.

(c) Cooperation. Landlord and Tenant shall provide to TDLR and the Inspector all necessary cooperation and information concerning inspection of the Leased Premises and the Project and any corrective action required. Tenant shall pay any fees charged by TDLR for inspection of the Leased Premises and the Project under *Texas Government Code* Chapter 469, as amended from time to time.

(d) Cancellation of Lease. If this Lease is cancelled by Tenant pursuant to the provisions of this Section 4.2, the cancellation shall be effective upon written notice to Landlord, and shall not subject Tenant to any claim by Landlord for Rent or for damages or liability arising from the termination, which are hereby expressly waived by Landlord.

***[Comment - If the annual lease expense is $12,000.00 or less, include the following as Section 4.2]***

4.2 Accessibility Compliance**.** Landlord represents and warrants that the Leased Premises and the Project comply with the accessibility standards and specifications adopted by TCLR under authority of Chapter 469, *Texas Government Code* and amendments thereto.

## ARTICLE 5 - RENT

1. Rent. As compensation to Landlord for the lease of the Leased Premises, Tenant agrees to perform its covenants under this Lease and to pay to Landlord, in the manner and time set forth herein, the Rent described in Section 1.1(h). The Rent is payable by Tenant to Landlord in the monthly installments described in Section 1.1(h). Each monthly installment of Rent is payable in advance, on or before the 5th day of the calendar month for which payment is made. If the first month or last month of the Term is other than a full calendar month, the monthly Rent for such partial month shall be prorated on a daily basis. Rent shall be payable to Landlord at the address specified in Section 1.1(b) or at such other address as Landlord may from time to time designate in writing.
2. Late Charges. If any installment of Rent or any other payment payable by Tenant to Landlord under this Lease shall not be paid within 15 days of the due date, then, to the extent authorized under applicable state law and the Constitution of Texas, such delinquent amount shall accrue interest from the 15th day after the date due until paid at a rate of 6% per annum.
3. Funding Contingency. This Lease is made contingent upon the continuation of the availability of funds designated or appropriated to pay for the Lease. In the event the funds become unavailable, Tenant shall have the right to terminate the Lease upon 30 days prior written notice to Landlord.
4. Texas State Auditor’s Office. Landlord acknowledges and agrees that, notwithstanding anything to the contrary set forth in this Lease, the Texas State Auditor's Office (collectively, with any successor agency thereto, the "***State Auditor***") is authorized under applicable Texas law (including, without limitation, *Texas Education Code* Sections 51.9335(c), 73.115(c) and 74.008(c)), in each case, as may be amended from time to time, to conduct an audit or investigation in connection with any of the funds or payments received and accepted by Landlord from Tenant pursuant to this Lease. Landlord agrees to cooperate with the State Auditor in the conduct of any such audit or investigation, including, without limitation, providing the State Auditor with all records requested as may be required under applicable Texas law. All costs and expenses of any such audit or investigation by the State Auditor shall be Tenant's sole responsibility, except and unless such audit and investigation determines that the amounts paid by Tenant for the applicable period which are the subject of such audit or investigation were in excess of the amounts properly payable under this Lease, in which event Landlord will pay to Tenant the amount determined to be in excess of the correct amount. In addition, if the excess amounts are greater than five percent (5.0%) than the amounts properly payable under this Lease, Landlord shall reimburse Tenant for the actual and reasonable cost of such audit by the State Auditor.

**ARTICLE 6 - OCCUPANCY AND USE**

1. Permitted Use Of Leased Premises. Tenant shall use the Leased Premises solely for the Permitted Use, except as otherwise agreed in writing by Landlord.
2. Lawful Use of Leased Premises. Landlord represents and warrants to Tenant that the Permitted Use of the Leased Premises does not violate any building code, zoning ordinance, restrictive covenant, or deed restriction applicable to the Leased Premises. Without releasing the foregoing warranty by Landlord, Tenant agrees not to use the Leased Premises for any purpose that violates any federal, state or local statute, ordinance or regulation that is applicable to Tenant or Tenant’s use and occupancy of the Leased Premises.
3. No Nuisance. Tenant will not use, occupy or permit the use or occupancy of the Leased Premises in any manner that constitutes waste or a public or private nuisance.
4. Hazardous and Toxic Materials.

(a) Definition of Hazardous Materials. For purposes of this Lease, “***Hazardous Materials***” shall mean bio-medical and bio-hazardous materials and waste, asbestos-containing materials, and all other materials, substances, wastes and chemicals classified as hazardous or toxic substances, materials, wastes or chemicals under then-applicable local, state and federal governmental laws, rules or regulations or that are subject to any “right-to-know” laws or requirements.

(b) Tenant’s Covenants Regarding Hazardous Material. Tenant shall not knowingly incorporate into, or use or otherwise place or dispose of at the Leased Premises or any other portion of the Project any Hazardous Materials, save and except for the use, generation and storage on the Leased Premises of commercially reasonable quantities of (i) cleaning and office supplies; and (ii) Hazardous Materials used, generated or stored in the ordinary course of Tenant’s Permitted Use of the Leased Premises, and then only if such Hazardous Materials are in reasonable quantities and are used, stored and disposed of by Tenant in accordance with applicable law.

(c) Landlord’s Covenants. Landlord warrants and represents to Tenant that as of the Commencement Date, the Project (including, without limitation, the Building and the Leased Premises) are free of all Hazardous Materials except for commercially reasonable quantities of routine cleaning, maintenance and office supplies stored, handled, used and disposed of by Landlord in the ordinary course of Landlord’s operation and maintenance of the Project, in accordance with the requirements of applicable law. During the Term, Landlord shall not introduce, store, use or dispose of any Hazardous Materials at the Project (including, without limitation, the Building and the Leased Premises), save and except for the use and storage of cleaning, office and maintenance supplies used in the ordinary course of Landlord’s operation and maintenance of the Project and then only if such materials are in reasonable quantities and are stored, handled, used and disposed of in accordance with applicable law.

(d) Notice of Hazardous Materials. If either Landlord or Tenant has knowledge of the presence of Hazardous Materials other than those permitted under Sections 6.4 (b) and (c) above in or on the Leased Premises or any other portion of the Project, the party having knowledge shall notify the other party thereof in writing promptly after obtaining such knowledge.

(e) Violations. If a party to this Lease shall ever violate the provisions of Section 6.4(b) or (c) or otherwise contaminate the Leased Premises, the Building or the Project, that party shall at its expense (i) remediate the violation in compliance with all then current and applicable governmental standards, laws, rules and regulations and then prevalent industry practice and standards; and (ii) repair any damage to the Leased Premises, the Building or the Project within such period of time as may be reasonable under the circumstances (“***Environmental Corrective Work***”). A party obligated to perform Environmental Corrective Work shall notify the other party in writing of its proposed method, time and procedure for such Environmental Corrective Work and the other party shall have the right to require reasonable changes in such method, time or procedure and/or to require the same to be done after Normal Business Hours.

1. Landlord’s Access. After reasonable prior written notice to Tenant, Landlord and its authorized agents shall have the right during Normal Business Hours, except as otherwise reasonably requested in writing by Tenant, to enter the Leased Premises to (i) inspect the Leased Premises; (ii) show the Leased Premises to prospective lenders or purchasers; (iii) within the last 4 months of the Initial Term or, if applicable, the then current Extension Term, show the Leased Premises to prospective tenants; and (iv) fulfill Landlord’s obligations or exercise its rights under this Lease. Notwithstanding the foregoing, Landlord will not be required to give Tenant prior notice of Landlord’s entry unto the Leased Premises in case of emergency involving the threat of imminent harm to person(s) or material damage to property, but Landlord will notify Tenant of such entry within 48 hours thereafter. Landlord’s entry under this provision shall be made in a reasonable manner and shall not unreasonably interfere with the operation of Tenant’s business.
2. HIPAA. The parties understand and agree that Tenant is a licensed health care provider who is required to comply with state and federal privacy laws as to Tenant’s patients, including the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Subparts A and E of Part 164 and all amendments thereto (commonly known as the “Privacy Standards”), as promulgated by the U.S. Department of Health and Human Services pursuant to the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 and all amendments thereto (“***HIPAA***”). In the event that in its use of the Leased Premises for the Permitted Use, Tenant creates, stores or maintains “protected health information” (“***PHI***”), as that term is defined by 45 CFR §160.103 and all amendment thereto, in the Leased Premises, the parties agree that nothing in this Lease gives Landlord or Landlord’s employees and agents any right to access, use or disclose PHI and that Landlord and its employees and agents shall never need or seek access to, or the use of, any PHI of Tenant. However, in the event PHI is accessed (whether inadvertently or otherwise) by Landlord or its employees or agents, the party discovering such disclosure shall promptly notify the other party and Landlord agrees to promptly take commercially reasonable measures to prevent any subsequent dissemination by Landlord or Landlord’s employees or agents of such PHI to third parties. The parties agree that the provisions of this Section do not create, and are not intended to create, a “business associate” relationship between the parties as that term is defined by the Privacy Standards.

The parties further agree that in the event that Landlord or its employees or agents have a lawful right to enter into the Leased Premises without the permission and/or knowledge of Tenant, Landlord shall have no right to access PHI or deprive Tenant of access to such PHI, provided that Tenant shall take reasonable efforts to safeguard PHI confidentially and securely so as to prevent Landlord or its employees or agents from inadvertently coming into contact with PHI on the Leased Premises. This Section 6.6 shall be interpreted to ensure that, to the extent possible, Tenant remains in compliance with HIPAA and all other state and federal privacy laws. To the extent that any other provision of this Lease can be read to provide Landlord with any right to access PHI, this Section 6.6 shall govern.

1. Quiet Possession. Landlord warrants to Tenant that Tenant shall have the quiet possession of the Leased Premises for the entire Term hereof, subject to all of the terms and conditions of this Lease. Landlord hereby represents and warrants to Tenant that Landlord’s interest in the Project is not a leasehold interest and that there are no restrictions, conditions or covenants in favor of any third party that would require such third party’s consent to Landlord’s execution and performance of this Lease.
2. Permits. Landlord, at its expense, shall obtain the certificate of occupancy, if any, and any other governmental permissions or permits required for Tenant’s physical occupancy of the Leased Premises. Tenant, at its expense, shall obtain any other governmental licenses or permits required specifically for Tenant’s Permitted Use of the Leased Premises. If any subsequent alteration or improvement made to the Leased Premises by or at the request of Tenant requires either the issuance of a new permission or permit, or the modification or amendment of an existing permit, Tenant shall, at its expense, procure such permission, permit, modification or amendment.
3. Signage. Landlord, at Tenant’s request, shall include Tenant’s name and other names reasonably requested by Tenant on any directory at the Project. Subject to Landlord’s written approval (which approval shall not be unreasonably withheld, conditioned or delayed), Tenant may install signage (i) on or next to the doors of the Leased Premises, (ii) on any pylon or monument (if any) located on the Project that has been designated by Landlord for the display of signage by tenants and other occupants of the Building, and (iii) on any other space or area in the Project specified in **Exhibit D** attached hereto.
4. Landlord’s Rules and Regulations.To the extent authorized by the Constitution and laws of the State of Texas, Tenant will abide by all reasonable rules and regulations promulgated by Landlord for the proper operation of the Project that do not unreasonably interfere with Tenant’s use of the Leased Premises and are equally applicable to all Project tenants and other occupants. Any rule or regulation promulgated by Landlord after the Commencement Date shall be effective to Tenant no earlier than 30 days after Tenant has received a written copy of the rule. In case of any conflict between the provisions of this Lease and any of the foregoing rules and regulations as originally or as hereafter promulgated by Landlord, the provisions of this Lease shall control.
5. Compliance with Laws. Landlord shall maintain the Project and all appurtenant improvements in compliance with all applicable federal, state, municipal or other laws, ordinances, rules and regulations, including, without limitation, the Americans with Disabilities Act of 1990 (*Public Law 101-336*), Chapter 469, *Texas Government Code,*  and the administrative rules and regulations adopted by the Texas Department of Licensing and Regulation (Title 16, *Texas Administrative Code*, Chapter 68) under authority of Chapter 469, in each case as amended from time to time.

**ARTICLE 7 - UTILITIES AND SERVICES**

7.1 Services To Be Provided. Except as otherwise expressly provided in this Lease, Landlord agrees at its sole cost and expense to furnish (or cause third parties to furnish) all of the following utilities and services to the Leased Premises (collectively, “***Landlord’s Services***”):

1. Heat and Air Conditioning. During Normal Business Hours, Landlord shall ventilate and furnish to the Leased Premises and the Common Areas heat or air conditioning (“***HVAC***”), as appropriate for the season, at such temperatures and in such amounts as is customary in buildings of comparable size, quality and in the general vicinity of the Building, with such adjustments as Landlord reasonably deems necessary for the comfortable occupancy of the Leased Premises. Upon request, Landlord shall make available, at Tenant’s expense, after hours heat or air conditioning of the Leased Premises on the same terms, conditions and rates as offered by Landlord to other tenants in the Project.
2. Electricity. On a 24 hour per day, 7 day per week basis, electric current in amounts reasonable and customary for the Permitted Use.
3. Gas. On a 24 hour per day, 7 day per week basis, in amounts reasonable and customary for the Permitted Use.
4. Water. On a 24 hour per day, 7 day per week basis, in amounts reasonable and customary for the Permitted Use, hot and cold running water for drinking, cleaning and lavatory purposes.
5. Bulbs and Ballasts. Replacement of Building-standard bulbs and ballasts as necessary.
6. Janitorial. Janitorial services to the Building and Leased Premises in a manner and to a standard that is customary in buildings of comparable size, quality and in the general vicinity of the Building, but in no event less than the greater of (i) 5 days weekly, or (ii) the frequency with which janitorial services are provided to other tenants in the Building.
7. Telecommunications. Connections within the Leased Premises to telecommunications lines and cables for telephone, cable and internet service reasonable and customary for the Permitted Use; provided that Tenant shall be responsible for (i) wiring costs associated with connecting its telecommunications equipment to the connections provided by Landlord; and (ii) costs charged for the telecommunication services used by Tenant in the Leased Premises.
8. Maintenance. Landlord shall maintain in good condition and repair all electric, water, sewer, and other utility lines and facilities in the Project that serve the Leased Premises and which are necessary for or used in the provision of the Landlord Services to the Leased Premises.
9. Elevator Service. If applicable, Elevator service on a 24 hour per day, 7 day per week basis. Landlord shall provide automatic elevator facilities during Normal Business Hours and have at least one (1) elevator available for use at all other times.

If additional services to Tenant are reasonably necessary, and providing the additional service is operationally and economically feasible, then Landlord may, when requested by Tenant and at Tenant's cost, (i) install and maintain separate utility metering devices; (ii) install supplementary heating or air conditioning units, or modify the existing heating or air conditioning system in the Premises; (iii) with respect to lighting beyond Building standard, purchase and replace light bulbs and ballasts, and/or fixtures; or (iv) with respect to additional cleaning work, instruct Landlord's janitorial contractor to provide the above-standard services.

7.2 Utilities. The costs to Tenant of all utilities servicing the Leased Premises are included within the Rent, save and except that by initialing the appropriate blank below, Landlord and Tenant acknowledge and agree that the following utilities are or will be separately metered to the Leased Premises as of the Commencement Date, and that Tenant shall pay directly to the utility provider all costs and fees for such services to the Leased Premises:

Electricity Natural Gas Water

Phone Lines Cable TV Internet

7.3 Telecommunication Equipment.In the event that Tenant wishes at any time to utilize the services of a telephone or telecommunications provider whose equipment is not then servicing the Building, no such provider shall be permitted to install its lines or other equipment within the Building without first securing the prior written approval of the Landlord, which approval shall not be unreasonably withheld, conditioned or delayed.

7.4 Service Interruption.In the event thatLandlord’sServices to the Leased Premises are materially interrupted for any reason, Tenant agrees to promptly notify Landlord in writing of such interruption. Upon learning of any material interruption to the Landlord’s Services, Landlord agrees to promptly and diligently thereafter use commercially reasonable efforts to restore the Landlord’sServices to the Leased Premises. If the interruption of Landlord Services (i) materially interferes with Tenant’s Permitted Use of the Leased Premises for 5 or more consecutive business days, and (ii) is not attributable to the negligence or willful misconduct of Tenant, then Tenant shall be entitled to an equitable abatement or reduction of Rent for the period of such interruption, effective as of the 1st day of loss of service. In the event that an interruption of Landlord’sServices to the Leased Premises (i) is not caused by the negligence or willful misconduct of Tenant, and (ii) substantially and materially interferes with Tenant’s Permitted Use of the Leased Premises, or is reasonably expected to substantially and materially interfere with Tenant’s Permitted Use of the Leased Premises, for a period of 30 or more consecutive calendar days, Tenant at its option may terminate this Lease upon written notice to Landlord; provided, however, that if such interruption of the Landlord’s Services is attributable to fire, weather or other casualty governed by Article 11 of this Lease, then the provisions of Article 11 shall control over the provisions of this sentence.

**ARTICLE 8 – MAINTENANCE AND REPAIRS**

8.1 Landlord’s Obligation to Maintain and Repair. Landlord shall, at Landlord’s sole cost and expense, maintain in good condition and working order (and in connection therewith, replace or repair as necessary) the Project, including without limitation the Building’s foundation, exterior and load-bearing walls, roof and other structural elements and the Building’s plumbing, electrical, mechanical and HVAC systems (collectively, “***Structural and Mechanical Elements***”), except that : (i) Landlord shall not be responsible for the those items to be maintained by Tenant pursuant to Section 8.2 below, and (ii) the cost of performing any maintenance, repairs or replacements attributable to the negligence or willful misconduct of Tenant or Tenant’s employees or agents shall be paid by Tenant, except to the extent covered by insurance policies (plus any applicable deductible)maintained or required to be maintained by Landlord.

8.2 Tenant’s Obligation to Maintain and Repair. Tenant shall, at Tenant’s sole cost and expense, maintain in good condition and working order (and in connection therewith, replace and repair as necessary) the interior of the Leased Premises, except that: (i) Tenant shall not be responsible for maintaining the Structural and Mechanical Elements (no matter where located) and other items to be maintained by Landlord pursuant to Section 8.1 above, and (ii) any damage to the Leased Premises attributable to the negligence or willful misconduct of Landlord or Landlord’s employees or agents shall be repairable by Landlord at Landlord’s sole cost and expense.

**ARTICLE 9 – TENANT ALTERATIONS AND LIENS**

9.1 Tenant Alterations.Tenant has the right to install within the Leased Premises any and all fixtures, equipment, and other personal property required by Tenant for the conduct of the Permitted Use.Except as provided otherwise herein, Tenant shall not make any alterations, additions or improvements with a value in excess of $\_\_\_\_\_\_\_\_\_\_ to the Leased Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. If the Landlord consents to such alterations, additions or improvements, the parties shall at the time agree in writing as to whether the whole or any part of the alterations, additions or improvements will at the expiration or earlier termination of the Term be left in place on the Leased Premises or removed from the Leased Premises by and at the expense of Tenant.

9.2 Condition at Termination. All alterations, installations, additions and improvements made and installed and paid for by Landlord shall become the property of Landlord and shall remain upon and be surrendered with the Leased Premises as a part thereof at the end of the Term of this Lease. Upon the expiration or within 30 days after the earlier termination of the Lease, Tenant shall deliver the Leased Premises to Landlord in the same condition as when delivered to Tenant, reasonable wear and tear, damage by casualty or condemnation, Landlord’s maintenance, repair and replacement obligations hereunder, damage for which Tenant is not responsible under the terms of this Lease, and alterations, additions or improvements required to be left in place as set forth in Section 9.1 above excepted. Notwithstanding anything to the contrary herein, Tenant may remove from the Leased Premises at any time any and all machinery, equipment, trade fixtures, furniture, furnishings and other personal property owned by Tenant provided that Tenant repairs any damage to the Leased Premises caused by such removal.

9.3 Liens. Tenant shall keep the Leased Premises, the Building and the Project free from all liens arising out of any work performed, materials furnished or obligations incurred by or for Tenant.

**ARTICLE 10 - INSURANCE**

1. Landlord’s Insurance. At all times during the Lease Term, Landlord shall at its expense maintain in force and effect a policy of property insurance (including earthquake and flood) covering the Project in an amount equal to not less than the full replacement cost thereof; provided that Landlord shall not be obligated to insure any trade fixtures or personal property that Tenant may have placed upon the Leased Premises. Landlord must also maintain at its expense a policy or policies of commercial general liability insurance insuring against loss of life, bodily injury and/or property damage in commercially reasonable amounts, and in no event less than one million dollars ($1,000,000.00) per occurrence with a two million dollars ($2,000,000.00) aggregate and including Tenant as an additional insured. All insurance policies required of Landlord under this Section 10.1 shall be issued by an AM Best A-VII or better carrier duly licensed in the State of Texas. Each of such insurance policies shall also be properly endorsed to provide for not less than 30 days advance written notice to Tenant of any cancellation or material modification or change of such insurance policy. The coverages required herein shall not limit the liability of Landlord.
2. Tenant’s Insurance.
3. Limitations on Tenant’s Insurance. Landlord acknowledges that Tenant is an agency of the State of Texas and has only such authority to obtain insurance from third parties as is granted to Tenant by state law or as may be reasonably implied by such law. Tenant shall have no obligation under this Lease to obtain policies of insurance and shall have the right, in Tenant’s sole discretion, to determine whether Tenant will maintain policies of insurance, operate programs of self-insurance, or utilize any other program of risk-protection in connection with Tenant’s operations.
4. Liability Insurance. Landlord acknowledges that because Tenant is an agency of the State of Texas, liability for the tortious conduct of the agents and employees of Tenant (other than the medical liability of medical staff physicians) or for injuries caused by conditions of tangible state property is provided for solely by the provisions of the Texas Tort Claims Act, *Texas Civil Practice and Remedies Code*, Chapter 101, as amended from time to time.
5. Workers Compensation Insurance. Workers compensation insurance coverage for employees of Tenant will be provided by Tenant as mandated by the provisions of *Texas Labor Code*, Chapter 503, as amended from time to time.
6. Waiver of Subrogation.Landlord and Tenant (to the extent Tenant is authorized by the Constitution and laws of the State of Texas) each agree that with respect to any third–party insurance policy maintained, or required to be maintained, by it under this Lease, such policy of insurance shall contain a waiver of the insurer’s subrogation rights with respect to any amounts paid under such policy or policies. Landlord and Tenant each agree to (i) immediately give written notice to each insurance company that has issued to it, or in the future issues to it, policies of insurance with respect to this Lease; (ii) cause such insurance policies to be properly endorsed, as necessary, to evidence the waiver of the insurer’s subrogation rights; and (iii) provide reasonable proof of such waiver of subrogation rights to the other party. Further, to the extent of insurance proceeds received, the parties respectively waive and release any and all claims against the other party for damages caused or contributed to by the other party.

**ARTICLE 11 - FIRE AND CASUALTY**

1. Repairs Taking Over 120 Days. In the event that the Leased Premises or any portion of the Building or the Project reasonably necessary for Tenant’s use and occupancy of the Leased Premises for the Permitted Use should be so damaged by fire or other casualty that, according to Landlord’s reasonable estimate, rebuilding or repairs of such fire or other casualty damage cannot be completed within 120 days following the date of such fire or other casualty (“***Casualty Date***”), within 30 days of the Casualty Date, Landlord shall deliver to Tenant written notice of Landlord’s reasonable estimate as to the time necessary to rebuild or repair such fire or other casualty damage (but not including any trade fixtures or personal property of Tenant in the Leased Premises) to substantially the same condition that existed immediately prior to the fire or other casualty (“***Casualty Repair Period***”). Within 30 days from the date of Landlord’s delivery of such notice to Tenant, either party may upon written notice to the other party terminate this Lease upon written notice to the other. If neither party timely gives such notice of termination of the Lease, then Landlord shall promptly commence, and thereafter pursue with reasonable diligence, the rebuilding or repair of the damage caused by the fire or other casualty to substantially the same condition that existed immediately prior to the happening of the fire or other casualty; provided, however, that Landlord is not required to rebuild, repair or replace any trade fixtures or personal property that may have been placed by Tenant within the Leased Premises. If the Lease is not terminated as provided under this paragraph and either (i) the rebuilding or repair work is not substantially completed before the expiration of the Casualty Repair Period, or (ii) Landlord has not commenced such rebuilding or repair work within 60 days after the Casualty Date, then Tenant may terminate this Lease with written notice to Landlord within 30 days following the expiration of the Casualty Repair Period or the above-described 60-day period (as applicable).
2. Repairs Taking Under 120 Days. In the event that the Leased Premises or any portion of Building or the Project reasonably necessary for Tenant’s use and occupancy of the Leased Premises for the Permitted Use are damaged by fire or other casualty and, in accordance with Landlord’s reasonable estimate, rebuilding or repairs of such damage can be completed within 120 days following the Casualty Date, Landlord shall within 30 days of the Casualty Date (i) deliver written notice of such estimate to Tenant, and (ii) promptly commence, and thereafter pursue with reasonable diligence, the rebuilding or repair of the damage caused by the fire or other casualty to substantially the same condition that existed immediately prior to the happening of the fire or other casualty; provided, however, that Landlord is not required to rebuild, repair or replace any trade fixtures or personal property that may have been placed by Tenant within the Leased Premises. If either (i) the rebuilding or repair work is not substantially completed within such 120 day period or (ii) Landlord has not commenced such rebuilding and repair work within 60 days after the Casualty Date, then Tenant may terminate this Lease with written notice to Landlord within 30 days after such 120-day period or 60-day period (as applicable).
3. Rent Abatement. Rent shall be equitably abated during the period and to the extent that any unrepaired casualty under this Article 11 interferes with Tenant’s Permitted Use of the Leased Premises. If the Lease is terminated as provided under this Article 11, any Rent paid in advance by Tenant and which Landlord is not entitled to receive hereunder shall be refunded to Tenant.

**ARTICLE 12 - CONDEMNATION**

1. Condemnation Affecting Leased Premises. If the Leased Premises, the Building or the Project shall be taken or condemned in whole or in part for any public purpose or sold to a condemning authority in lieu of taking (“***Taking***”), and which Taking, in Tenant’s reasonable opinion, will substantially interfere with Tenant’s Permitted Use for the balance of the Term, Tenant may terminate this Lease by delivering written notice of termination to Landlord within 30 days after the date of vesting of title (“***Date of Taking***”) is known by the parties. A termination under this paragraph shall be effective as of the Date of Taking, and Rent shall be apportioned as of that date. Any Rent paid for a period thereafter shall be refunded to Tenant.
2. Condemnation Without Termination. In the event of a Taking and the Lease is not terminated as provided in Section 12.1 above, then this Lease shall continue in full force and effect, provided that (i) if the Taking includes any portion of the Leased Premises, Rent shall be reduced on a pro rata basis in light of the reduction in the net square rentable footage of the Leased Premises; and (ii) if the Taking includes any portion of the Building or Project that interferes with Tenant’s Permitted Use, Rent shall be adjusted as equitable under the circumstances. Following any Taking under this Section, Landlord shall at its sole expense promptly and diligently restore and reconstruct the Project, the Building or the Leased Premises (as applicable) to substantially its former function and condition, to the extent that such is commercially feasible.
3. Condemnation Proceeds. Landlord shall receive the award payable as a result of a Taking, to the extent such award is in excess of Tenant’s leasehold interest. Tenant shall have the right to recover from such authority through a separate award (i) the value at the time of the Taking of the leasehold estate created hereunder; (ii) the value of any personal property of Tenant taken by the proceedings; and (iii) such compensation as may be awarded to Tenant on account of moving and relocation expenses and depreciation to and removal of Tenant’s property.

**ARTICLE 13 - TAXES**

1. Tenant’s Obligations. Tenant shall be liable for and shall pay, prior to delinquency, any and all taxes and assessments levied against Tenant’s personal property and trade fixtures placed by Tenant in or about the Leased Premises.
2. Landlord’s Obligations. Landlord shall be liable for and shall pay, prior to delinquency, any and all taxes and assessments levied against the Project.
3. Payment of Taxes Owed by Another. If any taxes for which a party is liable under this Article 13 are not separately assessed and are levied or assessed against the other party, then the party responsible for such taxes shall pay the same to the other party within 10 business days following written demand.

**ARTICLE 14 - SUBLETTING AND ASSIGNING**

1. Sublease and Assignment. Without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed, Tenant shall not assign, sublease or otherwise transfer any whole or part of the Leased Premises to any other person; save and except that without the necessity of Landlord’s consent, Tenant may assign, sublease or otherwise transfer the Leased Premises or any portion thereof to another state agency or institution of The University of Texas System. Tenant shall deliver to Landlord a copy of each assignment, sublease or other transfer instrument entered into by Tenant promptly after the execution thereof, whether or not Landlord’s consent is required in connection with such assignment, sublease or other transfer.

**ARTICLE 15 - SNDA AND ESTOPPEL CERTIFICATE**

1. Subordination and Non-Disturbance. If Landlord’s interest in the Project is now or hereafter encumbered by a mortgage, deed of trust or other lien (hereafter, whether one or more, “***Lien***”) in favor of any third person (“***Lienholder***”), then Landlord agrees to obtain in favor of Tenant from each such Lienholder and cause to be recorded in the public records of the county in which the Project is located a written subordination and non-disturbance agreement of a form reasonably acceptable to both the Lienholder and Tenant, to the effect that, among such other matters as Tenant and Lienholder may agree, (i) upon Lienholder’s written request, Tenant shall subordinate this Lease in favor of such Lien and attorn to and recognize such Lienholder; and (ii) for so long as Tenant is not in default of its obligations under this Lease beyond any applicable notice and cure periods, Tenant’s possession of the Leased Premises pursuant to this Lease shall not be disturbed by Lienholder, Lienholder’s successors and assigns, and any other person acquiring an interest in the Lien or Project by or through Lienholder or the Lien, notwithstanding a foreclosure or conveyance in lieu of foreclosure of such Lien. Landlord and Tenant further agree to execute and deliver such further instruments as may be reasonably required for such purposes and to carry out the intent of this Section.
2. Estoppel Certificate. Within 30 days of written request by one party to the other party, the other party shall, without additional consideration, execute and deliver to the requesting party an estoppel certificate, consisting of reasonable statements of fact concerning the status of this Lease. If the other party is unable to make any of the statements contained in the estoppel certificate because the same is untrue, the other party shall indicate in reasonable detail why such statement is untrue. Any such certificate may be relied upon for the intended transaction for which the certificate was requested.

**ARTICLE 16 - DEFAULT**

1. Default By Tenant. It shall be an event of default by Tenant under this Lease if Tenant fails to (i) pay any Rent or other monetary obligation owing to Landlord under this Lease when due and such failure is not cured within 10 business days after Landlord delivers written notice of default and demand for payment to Tenant; or (ii) perform any other obligation of this Lease for more than 30 days after Landlord delivers written notice of such default and demand for performance to Tenant, provided that if such failure cannot be reasonably cured within said 30 day period, Tenant shall not be in default hereunder so long as Tenant commences curative action within such 30 day period and diligently and continuously pursues the curative action to completion. Upon the occurrence of an event of default by Tenant, Landlord may (to the extent permitted by the statutes and the Constitution of the State of Texas) (i) terminate this Lease upon written notice to Tenant, (ii) cure such default and be reimbursed by Tenant upon demand for the reasonable costs of such cure, and/or (iii) exercise any other remedy available at law, in equity or by statute for such default.
2. Default by Landlord. It shall be an event of default by Landlord under this Lease if Landlord fails to perform any of its obligations hereunder and said failure continues for a period of 30 days after Tenant delivers written notice of default and demand for performance to Landlord, provided that if such failure cannot be reasonably cured within said 30 day period, Landlord shall not be in default hereunder so long as Landlord commences curative action within such 30 day period and diligently and continuously pursues the curative action to completion. Upon the occurrence of an event of default by Landlord, Tenant may (i) terminate this Lease upon written notice to Landlord, (ii) cure such default and be reimbursed by Landlord upon demand for the reasonable costs of such cure, and/or (iii) exercise any other remedy available at law, in equity or by statute for such default
3. Cumulative Remedies. No right or remedy herein conferred upon or reserved to a party is intended to be exclusive of any other right or remedy set forth herein or otherwise available to the party, and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing at law, in equity or by statute.
4. Dispute Resolution Provisions. Landlord acknowledges thatTenant is an agency of the State of Texas and by law may not participate in binding arbitration with private persons. If at any time there is an issue or dispute between Landlord and Tenant regarding this Lease and the performance of a party hereunder, the parties will, within 10 days following mailing of written request for a meeting concerning such issue or dispute, meet in face-to-face negotiations in an attempt to resolve the matter. If thereafter the parties agree to non-binding mediation in a further effort to resolve the dispute, the parties will choose a mutually agreeable third party neutral to mediate the dispute between the parties. Mediation shall be non-binding and shall be confidential. All expenses of mediation, except expenses of the individual parties, shall be shared equally by the parties. Each party shall be represented in the mediation by a person with authority to settle the dispute. If the parties agree to mediation, then the default remedies of Article 16 shall be suspended for a period lasting for the shorter of (i) the end of the mediation, or (ii) 30 days following the date of the agreement to mediate.

**ARTICLE 17 - NOTICES**

1. Notices. Any notice or communication required or permitted in this Lease shall be given in writing, sent by (i) personal delivery, with proof of delivery; (ii) nationally recognized overnight courier service that regularly maintains records of items delivered; or (iii) United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as provided in Section 1.1(b) or Section 1.1(d) , as applicable, or to such other address or to the attention of such other person as shall be designated from time to time in writing by the applicable party and sent in accordance herewith. Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of courier service or mail, as of the date of first attempted delivery at the address and in the manner provided herein.

**ARTICLE 18 – HOLDING OVER**

1. Holding Over. In the event that Tenant retains possession of the Leased Premises after the expiration or 30 days following the earlier termination of this Lease without the written consent of Landlord, such possession shall constitute and be construed as a week to week tenancy on the same terms, provisions, covenants and agreements of this Lease in effect as of the last day of the Term of the Lease; save and except, however, that Rent for the period of such holdover shall be an amount equal to 125% of the Rent in effect immediately preceding the expiration or earlier termination of the Lease Term, prorated on a daily basis.

**ARTICLE 19 - MISCELLANEOUS PROVISIONS**

1. No Waiver. No waiver by Landlord or by Tenant of any provision of this Lease shall be deemed to be a waiver by that party of any other provision of this Lease. No waiver by a party of any breach of this Lease or event of default by the other party shall be deemed a waiver of any subsequent breach of this Lease or event of default by that other party of the same or any other provision of this Lease.
2. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State of Texas.
3. Successors and Assigns. Subject to any provision hereof restricting assignment, subletting and other transfer by Tenant, all of the covenants, conditions and provisions of this Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns.
4. Brokers. Tenant warrants and represents to Landlord that no broker other than Tenant's Broker named under Section 1.1(o) above (if any) was involved with the leasing of the Leased Premises or the negotiation of this Lease on behalf of Tenant. Landlord warrants and represents to Tenant that no broker other than Landlord's Broker named under Section 1.1(n) above (if any) was involved with the leasing of the Leased Premises or the negotiation of this Lease on behalf of Landlord. Landlord agrees to pay the fees of the Tenant’s Broker and Landlord’s Broker pursuant to a separate written agreement with such brokers. Tenant (to the extent authorized by the laws and Constitution of the State of Texas) and Landlord hereby indemnify each other, and shall hold each other harmless from and against, all liabilities arising from any claim for a "broker's or leasing agent's" commission or other compensation claimed by any broker or agent other than Tenant’s Broker and Landlord’s Broker claiming the same by, through or under the indemnifying party.
5. Force Majeure. If the performance by a party of any provision of this Lease is delayed or prevented by (i) an act of God such as weather or earthquake; (ii) an act of war or terrorism; or (iii) restriction by any governmental authority (“***Force Majeure***”), then, except as otherwise provided in this Lease, the period for the party's performance of the provision shall be automatically extended for the same amount of time that the party is so delayed or hindered. However, this paragraph shall not relieve a party from its obligations hereunder to pay monies or funds when due.
6. Severability. If any provision in this Lease is held by a court with jurisdiction to be invalid or inoperative, the remainder of this Lease shall not be affected by that holding and, so far as is reasonable and possible, effect shall be given to the intent manifested in the portion held invalid or inoperative.
7. Recording of Memorandum of Lease. This Lease shall not be recorded. However, either party shall have the right to record a memorandum of Lease of the form attached as **Exhibit E**, at its expense, at any time during the Term hereof and, if requested, the other party agrees (without charge) to join in the execution thereof.
8. Amendment. This Lease may be amended, modified or supplemented only by an instrument in writing executed by all parties hereto.
9. Interpretation of Lease. Each party and its counsel have reviewed and revised this Lease after arms-length negotiations. Accordingly, the rule of construction that ambiguities are resolved against the drafting party shall not apply to this Lease or any amendments hereof.
10. Headings. The captions in this Lease are for convenience only and shall not be deemed to define, limit or affect in any way the scope, meaning, intent or extent of this Lease or any part of it.
11. Authority.Each party represents and warrants that (a) such party has the full power and authority to enter into this Lease and to perform its provisions and (b) the person signing on behalf of such party has been duly authorized by such party to sign this Lease on its behalf.
12. Entire Agreement. This Lease contains all of the agreements of the parties hereto with respect to the transaction contemplated in this instrument and supersedes any prior understandings or written or oral agreements between the parties concerning the subject matter of this Lease.
13. No Third Party Beneficiaries. No beneficial rights are given to any third parties by or under this Lease.
14. Time of the Essence. Except as otherwise provided in this Lease, time is of the essence in the performance of each and every provision in this Lease.
15. Counterparts. This Lease may be executed in a number of counterparts, each of which for all purposes shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.
16. OFAC. Each party represents and certifies to the other that (a) it is not a person and/or entity with whom United States (“***U.S.***”) persons or entities are restricted from doing business under U.S. law, executive power, or regulation promulgated thereunder by any regulatory body; (b) no person or entity named on any U.S. list of specially designated nationals or blocked persons has any direct interest in it such that the direct investment in it is prohibited by any U.S. law; (c) it is not in violation of any U.S. money laundering law; and (d) none of its funds have been derived from unlawful activity such that the direct investment in it is prohibited by U.S. law.  The foregoing are ongoing covenants of each party. Each party shall immediately advise the other party of any change in the status or accuracy of such representations, and upon request each party shall recertify such representations and certify in writing the identity of all entities and individuals owning or controlling it.
17. Exhibits and Attachments. All Exhibits, attachments, riders and addenda referred to in this Lease are incorporated in this Lease and made a part hereof for all intents and purposes.
18. Board Approval. Notwithstanding any other provision of this Lease to the contrary, to the extent that this Lease has a total cost or monetary value to Tenant in excess of One Million Dollars, the obligations of Tenant pertaining to such portion of the Term of the Lease having the total cost or monetary value in excess of One Million Dollars shall not be enforceable against Tenant unless and until this Lease has been approved by the Board of Regents of The University of Texas System.

***[Comment: if the lease transaction has a total cost or value in excess of $1 million or otherwise requires approval by the Board of Regents, a Form 1295 filing is required under state law and the following section 19.19 should be included in the Lease. USE OF THIS FORM LEASE AND/OR FILING A FORM 1295 DOES NOT RELIEVE THE CAMPUS OF ITS OBLIGATION TO OBTAIN BOARD OF REGENTS APPROVAL FOR CONTRACTS IN EXCESS OF THE CAMPUS’S DELEGATED CONTRACT AUTHORITY. ]***

1. State Requirements Concerning the Disclosure of Interested Parties in a State Contract. Pursuant to Texas Government Code §2252.908 and Chapter 46 of the rules of the Texas Ethics Commission, a state agency such as the Board of Regents of The University of Texas System may not enter into certain statutorily defined contracts with a business entity unless the business entity, in accordance with said statute and administrative rules, fills out and electronically files Texas Ethics Commission Form 1295 “Certificate of Interested Parties” with the Texas Ethics Commission at its website. The business entity then must generate a copy of the filing (either hard copy or electronic) showing the filing certification number issued by the Commission’s website, sign and swear to the hard copy, and deliver that copy to the state agency along with the signed contract. The state agency will then file notice of its receipt of both the completed disclosure of interested parties and the certification of filing with the Texas Ethics Commission not later than the 30th day after the state agency receives the Form 1295. This Lease is subject to the requirements of Texas Government Code §2252.908 and Chapter 46 of the rules of the Texas Ethics Commission. Accordingly, Landlord must comply with the statutory requirements before the Board of Regents of The University of Texas System may execute and enter into this Lease. For this purpose, Landlord is advised that:
2. An electronic version of Form 1295 may be obtained and filed at the following website maintained by the Texas Ethics Commission: <https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm>
3. The current text of Texas Government Code §2252.908 may be reviewed at:

<http://www.statutes.legis.state.tx.us/Docs/GV/htm/GV.2252.htm#2252.908>

1. The current text of Texas Ethics Commission Chapter 46 may be reviewed at

<https://www.ethics.state.tx.us/rules/adopted_Nov_2015.html>

***The remainder of this page is left intentionally blank.***

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Lease, as of the date first written in this Lease.

**LANDLORD:**

By:

Name:

Title:

**TENANT: Board of Regents of The University of Texas System, for the use and benefit of The University of Texas\_\_\_\_\_\_\_\_\_\_\_**

By:

Name:

Title:

**EXHIBIT A**

**TO**

**SPACE LEASE AGREEMENT**

**Description of Land**

**EXHIBIT B**

**TO**

**SPACE LEASE AGREEMENT**

**Description of Leased Premises and Parking Areas**

**EXHIBIT C**

**TO**

**SPACE LEASE AGREEMENT**

***[Comment: Include on Exhibit C-1 all finish-out and other construction obligations of Landlord. If there is no Landlord’s construction obligation, delete all Landlord’s Work provisions below and insert “DELETED BY AGREEMENT OF THE PARTIES” as the text for this Exhibit C and delete Exhibit C-1.]***

**Landlord’s Work**

1. Plans for Tenant Improvements. Landlord agrees to finish out the Leased Premises (“***Tenant Improvements***”) in accordance with the construction plans and specifications agreed upon by Landlord and Tenant and attached to this **Exhibit C** ("***Agreed Plans***”) as **Exhibit C-1**.

2. Finish-out Costs. Landlord and Tenant acknowledge that all costs of building the Tenant Improvements in accordance with the Agreed Plans have been taken into consideration by the parties in establishing the amount of the Rent payable by Tenant under Section 1.1(h) of this Lease. The risk of constructing the Tenant Improvements is assumed by Landlord, save and except that Tenant agrees to reimburse Landlord for all actual and reasonable additional costs incurred by Landlord in the completion of the Tenant Improvements that are caused by the negligence or willful misconduct of Tenant or that arise from additional work that is approved in writing by Tenant but that is not included in the Agreed Plans.

3. Changes to Agreed Plans. No changes or alterations to the Agreed Plans will be permitted except upon the mutual consent of Landlord and Tenant.

4. Construction Requirements. Construction of the Tenant Improvements shall be performed and completed by Landlord and its contractors in accordance with the Agreed Plans in a good and workmanlike manner and compliance with all applicable law, and free of all liens, charges and other claims by any suppliers, laborers or materialmen. All materials and equipment installed in the Tenant Improvements shall be new unless otherwise specified in the Agreed Plans. Tenant will be provided access necessary for review of the construction of the Tenant Improvements and Landlord agrees to cooperate with Tenant and to promptly act when notified by Tenant with respect to review, inspection, or correction of aspects of the construction that Tenant may bring to Landlord’s attention. Construction shall begin promptly after issuance of any necessary building permits and other required permits, including without limitation, any required approval of the Agreed Plans by the Texas Department of Licensing and Regulation.

5. Permits. Landlord shall be responsible for obtaining at its sole cost and expense all necessary building and other permits pertaining to (i) the construction of the Tenant Improvements, and (ii) the occupancy of the Leased Premises after completion of the Tenant Improvements.

6. Tenant’s Access During Construction. Tenant shall have access to the Leased Premises during the Tenant Improvements construction period in order to prepare the Leased Premises for occupancy and commencement of Tenant’s business operations on the Commencement Date. Such occupancy shall be subject to all of the terms and conditions of the Lease, except that Tenant shall not be required to pay Rent and other sums during such period of occupancy.

**EXHIBIT C-1**

**TO**

**SPACE LEASE AGREEMENT**

**Plans and Specifications for Tenant Improvements**

**EXHIBIT D**

**TO**

**SPACE LEASE AGREEMENT**

**Signage Provisions**

.

**EXHIBIT E**

**TO**

**SPACE LEASE AGREEMENT**

**Memorandum of Lease**

THE STATE OF TEXAS §

§

COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_ §

**MEMORANDUM OF LEASE**

Notice is hereby given that **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** (“***Landlord***”)has entered into a written lease (“***Lease***”) with **Board of Regents of** **The University of Texas System, for the use and benefit of The University of Texas \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** (“***Tenant***”)dated as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_, pertaining to certain leased premises that are part of the center commonly known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in the city of \_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_ County, Texas, and located on the real property (“***Land***”) owned by Landlord. The leased premises and the Land are more particularly described in **Exhibit A** attached hereto. The Lease is for a term of \_\_\_\_\_ months, commencing on or about \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_, and Tenant is further granted the option to extend and renew the term of the Lease for \_\_\_\_\_\_\_\_\_\_\_\_\_ (\_\_\_\_) additional period(s) of \_\_\_\_\_\_ years each.

Attachments:

Exhibit A – Description of Leased Premises

Exhibit B – Description of Land

EXECUTED to be effective as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_\_.

**LANDLORD:**

By:

Name:

Title:

**TENANT: Board of Regents of The University of Texas System, for the use and benefit of The University of Texas\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

By:

Name:

Title:

STATE OF TEXAS §

§

COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_ by **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ on behalf of said \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Notary Public, State of Texas

STATE OF TEXAS §

§

COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_\_ by **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ of The University of Texas \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, on behalf of the Board of Regents of The University of Texas System, for the use and benefit of The University of Texas \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Notary Public, State of Texas

**After Recording, Return to:**

The University of Texas

**Exhibit A to Memorandum of Lease**

Description of Leased Premises

**Exhibit B to Memorandum of Lease**

Description of Land