

Texas State University System
Special Called Board Telephonic Board of Regents Meeting
Tuesday, August 2, 2016 - 3:30 PM
Austin, Texas

AGENDA

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| 1. Rules and Regulations | |
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| 2. Finance and Audit | |
| 2. A. SHSU: Waiver of Certain Fees | 4 |
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TSUS: Approval of Rules and Regulations

Upon motion of Regent _____, seconded by Regent _____, it was ordered that:

The following revisions to *Chapter III, Paragraph 1.(16)* the Texas State University System *Rules and Regulations* be approved:

- 1.(16) Attorney General Requests. Requests for Attorney General Opinions pertaining to Component or System operations, ~~except for opinions requested in response to a written request for information under the *Public Information Act*, must be requested by the Board Chairman or by the Board, unless, in the Chancellor's judgment, the best interests of the System or of a Component require immediate action. In such a case, the Chancellor shall notify the Board Chairman prior to, or as soon as practicable after filing the request, and share the same with the full Board.~~ except for opinions requested in response to a written request for information. A Component President is authorized to request a *Public Information Act*¹ (*PIA*) opinion when such opinion relates exclusively to the President's Component. The Chancellor is authorized to request a ~~*Public Information Act-PIA*~~ *PIA* opinion when such opinion relates to the System Administration or to two or more Components. ~~Such~~ All *PIA* opinion requests shall be submitted through the Vice Chancellor and General Counsel, who shall designate a System *Public Information Act* Coordinator to work with Component *Public Information Act* Coordinators to manage submission of such requests.

Explanation

At a time when the legislature, the governor's office, judicial decisions and external events and pressures often require immediate response, this proposed rule authorizes the Chancellor to address such issues timely; provided, he or she: 1) first consults with the Chairman; or (if he or she is unavailable), 2) notifies the Chairman as soon feasible after filing the request and shares the request with the full Board. The current rule states that either the Chairman or Board may make such a request, so the proposed change reposes authority in the Chairman or, in case of emergency, in the Chancellor. It is well to note that this authority has been invoked very rarely; the last request the System made for an attorney general's opinion occurred in 1996. The existing delegation of authority to the Chancellor and presidents as to *Public Information Act* opinion requests remains intact.

¹*Government Code, Chapter 552.*

SHSU: Waiver of Certain Fees

Upon motion of Regent _____, seconded by Regent _____, it was ordered that:

Sam Houston State University waive the Recreational Sports Fee, Student Center Fee, and Medical Fee for students who are enrolled exclusively in online distance learning courses.

Explanation

In November of 2015, Sam Houston State University, was authorized to eliminate a waiver of the Student Center Fee and the Recreational Sports Fee for all students who were solely enrolled in electronically delivered distance learning classes. This requests authority to re-instate this waiver for students enrolled exclusively in online distance learning courses.

**Texas State University System
Request for Tuition or Fee Increase**

Section

(Submit a separate form for each proposed Tuition or Fee Increase.)

1 Institution Sam Houston State University Effective Date Fall 2016

2 Type of Revenue Distance Ed Waivers - Total Waivers \$275
(Rec Sports \$100; Std Center Fee \$100; Med Fee \$75)

(Designated Tuition, Student Service Fee, Athletic Fee, Residence Hall Rent, Meal Plan, Laboratory Fee, etc.)

3 Justification These waivers only affect students enrolled exclusively in distance learning courses and will enable SHSU to continue to recruit, motivate, retain qualified students in distance education programs.

4 What Cost-Reduction Initiatives did your Institution consider before deciding to request the increase?

N/A

5 Details	(A)	(B)	(C)	(D)	(E)	(F)
	<i>Current Rate</i>	<i>Proposed Rate</i>	<i>% Change</i>	<i>Type of Revenue Unit (SCH, Student, etc.)</i>	<i>Number of Revenue Units (SCH, Students, etc.)</i>	<i>Revenue from Proposed Change Cols ((B)-(A)) x Col E</i>
Fall	\$ 275.00	\$ -	_____	Student	2,568	\$ (706,200.00)
Spring	\$ 275.00	\$ -	_____	Student	2,580	\$ (709,500.00)
Summer	\$ 275.00	\$ -	_____	Student	3,612	\$ (993,300.00)
Total for Fiscal Year						\$ (2,409,000.00)

*Based on FY15 100% Online Students only

6 Expenditure Plan

(Indicate how your institution plans to apply the revenue change to your annual budget)

Cost of Goods Sold	
Salaries and Wages	
Payroll Related Costs (e.g., Benefits)	
Professional Fees and Services	
Travel	
Materials and Supplies	(607,000.00)
Communications and Utilities	
Repairs and Maintenance	(1,802,000.00)
Rentals and Leases	
Printing and Reproduction	
Debt Service or Interest Expense	
Scholarships	
Other: Internal Server Hardware	
Other: Software Annual Fees	

Total for Fiscal Year \$ (2,409,000.00)

7 Fiscal Year-End Fund Balances	2015	2014	2013
Education and General Fund	\$ 735,129.58	\$ 1,423,135.99	\$ 2,556,942.67
Designated Fund	\$ 41,170,968.80	\$ 51,999,835.75	\$ 39,038,710.86
Auxiliary Fund	\$ 18,481,232.39	\$ 15,920,703.83	\$ 16,036,750.18

SHSU: Mandatory Fee Increase

Upon motion of Regent _____, seconded by Regent _____, it is ordered that:

Sam Houston State University, effective for the Fall 2016 semester, be authorized to increase the Distance Learning Fee as follows.

Mandatory Fees

Distance Learning Fee	\$101	\$121	SCH	Fall 2016
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Explanation

1. This fee increase is necessary to cover institution-wide costs of providing on-line instruction.

**Texas State University System
Request for Tuition or Fee Increase**

Section

(Submit a separate form for each proposed Tuition or Fee Increase.)

1 Institution Sam Houston State University **Effective Date** Fall 2016

2 Type of Revenue Distance Learning Fee

(Designated Tuition, Student Service Fee, Athletic Fee, Residence Hall Rent, Meal Plan, Laboratory Fee, etc.)

3 Justification Supports institutional costs (direct and indirect) associated with the delivery of on-line instruction.

4 What Cost-Reduction Initiatives did your Institution consider before deciding to request the increase?

SHSU maintains low operational costs and has staff/student ratio that is below the state average.

5 Details	(A)	(B)	(C)	(D)	(E)	(F)
	<i>Current Rate</i>	<i>Proposed Rate</i>	<i>% Change</i>	<i>Type of Revenue Unit (SCH, Student, etc.)</i>	<i>Number of Revenue Units (SCH, Students, etc.)</i>	<i>Revenue from Proposed Change Cols ((B)-(A)) x Col E</i>
Fall	\$ 101.00	\$ 121.00	20%	SCH	45,681	\$ 913,620.00
Spring	\$ 101.00	\$ 121.00	20%	SCH	46,642	\$ 932,840.00
Summer	\$ 101.00	\$ 121.00	20%	SCH	28,127	\$ 562,540.00
Total for Fiscal Year						\$ 2,409,000.00

*Based on adjusted FY15 headcount

6 Expenditure Plan

(Indicate how your institution plans to apply the revenue change to your annual budget)

Cost of Goods Sold	_____
Salaries and Wages	_____
Payroll Related Costs (e.g., Benefits)	_____
Professional Fees and Services	_____
Travel	_____
Materials and Supplies	2,409,000.00
Communications and Utilities	_____
Repairs and Maintenance	_____
Rentals and Leases	_____
Printing and Reproduction	_____
Debt Service or Interest Expense	_____
Scholarships	_____
Other: Internal Server Hardware	_____
Other: Software Annual Fees	_____

Total for Fiscal Year \$ 2,409,000.00

7 Fiscal Year-End Fund Balances

	2015	2014	2013
Education and General Fund	\$ 735,129.58	\$ 1,423,135.99	\$ 2,556,942.67
Designated Fund	\$ 41,170,968.80	\$ 51,999,835.75	\$ 39,038,710.86
Auxiliary Fund	\$ 18,481,232.39	\$ 15,920,703.83	\$ 16,036,750.18

LSC-O Real Property Acquisition

Upon motion of Regent _____, seconded by Regent _____, it was ordered that:

Lamar State College - Orange be authorized to use Higher Education Funds (HEF) money to purchase three tracts of land located at the northeast corner of the intersection of Green Avenue and Fifth Street in Orange, Texas from the First Baptist Church of Orange for \$90,000 plus closing costs, subject to review by the Vice Chancellor and General Counsel.

Explanation

The First Baptist Church of Orange moved from its downtown Orange location to a site on the north side of town. The former sanctuary and educational buildings were sold to the Stark Foundation. The church still owns three small parcels of property that are adjacent to the Lamar - Orange campus. The college desires to purchase the properties to secure title to a parking lot and a metal building that can accommodate a welding program.

The three tracts of land are located on the west side of campus adjacent to the Wilson Building.

- Tract 1 is a lighted concrete parking lot located at 510 Green Avenue.
- Tract 2 is situated at 410 Fifth Street and includes a metal building that the church used as a bus barn. The building sits on a raised pad and has not been subject to any flooding.
- Tract 3 is the church's interest in an abandoned alleyway located between Tracts 1 and 2.

The selling price of \$90,000 is in line with the price the college paid for similar property located two blocks away.

REAL ESTATE SALES CONTRACT

This Real Estate Sales Contract (hereinafter referred to as the "Agreement") is entered into by and between First Baptist Church of Orange, Texas, a Texas non-profit corporation ("Seller") and Lamar State College-Orange, a Texas state college ("Buyer"), and is effective on the date of the last of the signatures by Seller and Buyer as parties to this Agreement ("Effective Date").

**ARTICLE 1
AGREEMENT OF PURCHASE AND SALE**

Subject to the terms and conditions set forth herein, Seller agrees to sell and convey to Buyer, and, Buyer agrees to buy from Seller all of that certain real property situated in Orange County, Texas, described more particularly in Exhibit "A" attached hereto and incorporated herein by reference (the Property");

together with:

- (a) all buildings, improvements and fixtures;
- (b) all rights, privileges and appurtenances pertaining to the Property, including but not limited to Seller's right, title, and interest in and to any minerals, utilities, adjacent streets, alleys, strips, gores and rights of way;
- (c) Seller's interest in all leases, rents, and security deposits for all or part of the Property; and
- (d) Seller's interest in all licenses and permits related to the Property.

**ARTICLE 2
PURCHASE PRICE**

At or before closing, Buyer will pay the following purchase price (the "Purchase Price") for the Property:

A.	Cash payable by Buyer at the Closing	\$90,000.00
B.	Sum of all financing	\$ -0-
C.	Purchase Price	\$90,000.00

Initialed for Identification by Buyer _____ and Seller _____, _____, _____

**ARTICLE 3
EARNEST MONEY**

No earnest money will be required.

**ARTICLE 4
TITLE COMMITMENT AND SURVEY**

4.1. Title Commitment. Within ten (10) days after the Effective Date, Seller will furnish to Buyer a commitment for title insurance (the "Title Commitment") issued by Sabine Title Company, 719 W. Front Street, Orange, Texas 77630 (the "Title Company") setting forth the status of title of the Property, together with legible copies of recorded documents evidencing title exceptions (collectively, the "Title Commitment"). Seller authorizes the Title Company to deliver the Title Commitment and related documents to Buyer at Buyer's address.

4.2. Survey. Seller will furnish Buyer with Seller's most recent copy of a survey of the Property (the "Survey") within three (3) business days of the Effective Date, if a survey is available to Seller. If Buyer requires a new survey it will be obtained at Buyer's expense.

4.3. Title Objections. Buyer shall have ten (10) days from the date that Buyer receives the Title Commitment, or the Survey if applicable, whichever date is latest (the "Title Review Period") to review the Title Commitment, the Survey, and legible copies of the title instruments referenced in them and notify Seller of Buyer's objections to any of them (the "Title Objections"). Buyer will be deemed to have waived objection to all matters reflected by the Title Commitment and Survey to which Buyer has made no Title Objection by the end of the Title Review Period, except that Buyer will not be deemed to have waived objection to the requirements in Schedule C of the Title Commitment. The matters that Buyer either approves or is deemed to have waived objection are "Permitted Exceptions." If Buyer notifies Seller of any Title Objections, Seller will have five (5) days from the date of Seller's receipt of such notice to notify Buyer whether Seller agrees to cure the Title Objections before the Closing (the "Cure Notice"). If Seller does not timely give its Cure Notice or timely gives its Cure Notice but does not agree to cure all the Title Objections before the Closing, Buyer may within five (5) days after the deadline for the giving of Seller's Cure Notice, notify Seller that either this Agreement is terminated or Buyer will proceed to close, subject to Seller's obligations to remove all liens against all or a part of the Property and cure only the Title Objections that Seller has agreed to cure in the Cure Notice. At or before the Closing, Seller must remove all liens against all or a part of the Property which will not be satisfied out of the Purchase Price of the Property and cure the Title Objections that Seller has agreed to cure.

Initialed for Identification by Buyer _____ and Seller _____, _____, _____

**ARTICLE 5
FEASIBILITY PERIOD**

5.1 Right to Terminate. Buyer may terminate this Agreement for any reason within ten (10) days after the Effective Date (the "Feasibility Period") by providing Seller with written notice of the termination. Not later than three (3) days after the Effective Date, Buyer must pay Seller \$100.00 as independent consideration for Buyer's right to terminate by tendering such amount to Seller. If Buyer terminates under this Section 5.1, Seller will retain the independent consideration. The independent consideration will be credited to the Purchase Price only upon closing of the sale. If Buyer fails to timely pay the independent consideration, Buyer will not have the right to terminate under this Section 5.1.

5.2 Inspections, Studies, or Assessments. During the Feasibility Period, Buyer, at Buyer's sole cost and expense, may complete or cause to be completed inspections of the Property (including any improvements) by inspectors of Buyer's choice. Inspections may include but are not limited to (i) physical property inspections; (ii) economic feasibility studies; and (iii) any type of environmental assessment or engineering study including the performance of tests such as soil tests or air sampling. Seller shall permit Buyer and Buyer's agents, employees, contractors, subcontractors, representatives and inspectors access to the Property at reasonable times. If the Property is physically altered because of Buyer's inspections, Buyer must return the Property to its pre-inspection condition promptly after the alteration occurs.

**ARTICLE 6
REPRESENTATIONS**

6.1 Representations of Seller.

Seller represents to Buyer that the following are true and correct as of the Effective Date and will be true and correct on the Closing Date:

(a) Seller has the full right, power and authority to enter into this Agreement and to sell and convey the Property as provided for in this Agreement, and otherwise carry out Seller's obligations hereunder;

(b) Seller has not obligated itself to sell all or any portion of the Property to any person or entity other than Buyer, and Seller's performance of this Agreement will not cause a breach of any other agreement or obligation to which Seller is a party or to which Seller is bound;

(c) On the Closing Date, the Property will be free and clear from all mechanic's and materialman's liens and other liens of any nature, and no work or materials will have been

Initialed for Identification by Buyer _____ and Seller _____, _____, _____

furnished to the Property that might give rise to mechanic's, materialman's, or other liens against the Property, other than work or material to which Buyer has given its consent in writing;

(d) Seller is not a "foreign person" as that term is defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder;

(e) Seller has good, marketable, and indefeasible title, in fee simple, to the Property;

(f) All ad valorem taxes for the Property have been paid through all years preceding the year in which the Closing occurs; and

(g) As of the Closing Date, there will be no liens, assessments or Uniform Commercial Code liens against the Property which will not be satisfied out of the Purchase Price.

6.2 Termination by Buyer. If any representation made by Seller in this Agreement is not true and accurate as of the Effective Date and the Closing Date, this Agreement may be terminated by Buyer.

6.3 Representations by Buyer. Buyer represents to Seller that the following are true and correct as of the Effective Date and will be true and correct on the Closing Date:

(a) Buyer has full authority to purchase the Property from Seller, and to carry out Buyer's obligations under this Agreement, and all requisite actions necessary to authorize Buyer to enter into this Agreement and to carry out Buyer's obligations under this Agreement have been taken.

6.4 Termination by Seller. If any representation made by Buyer in this Agreement is not true and accurate as of the Effective Date and the Closing Date, this Agreement may be terminated by Seller.

ARTICLE 7 PROPERTY CONDITION

7.1 Acceptance of Property in its Present Condition. Buyer accepts the Property in its present condition.

7.2 Maintenance and Operation. Until the Closing, Seller shall (a) maintain the Property as it existed on the Effective Date, except for reasonable wear and tear and casualty damage; (b) use the Property in the same manner as it was used on the Effective Date; and (c) comply with all contracts, laws, and governmental regulations affecting the Property. Until the end of the Feasibility Period, Seller shall not enter into, amend, or terminate any contract that affects the

Initialed for Identification by Buyer _____ and Seller _____, _____, _____

Property other than in the ordinary course of operating the Property and will promptly give notice to Buyer of each new, amended, or terminated contract, including a copy of the contract, in sufficient time so that Buyer may consider the new information before the end of the Feasibility Period. If Seller's notice is given within three (3) days before the end of the Feasibility Period, the Feasibility Period will be extended for three (3) days. After the Feasibility Period, Seller may not enter into, amend, or terminate any contract that affects the Property without first obtaining Buyer's written consent.

ARTICLE 8 CLOSING

8.1 Time and Place.

The Closing of the transaction contemplated by this Agreement shall take place on or before July 29, 2016, or as may be adjusted for a later date as agreed to by the parties in writing (the "Closing"). The Closing shall occur at the Title Company at 719 W. Front Street, Orange, Texas 77630. The date of the Closing is referred to herein as the "Closing Date."

8.2 Items to be Delivered by Seller at the Closing. At the Closing, Seller shall deliver or cause to be delivered to Buyer and/or the settlement agent, as appropriate, each of the following items:

(a) A general warranty deed (the "Deed") in form and substance reasonably satisfactory to Buyer, duly executed and acknowledged, granting and conveying to Buyer indefeasible title to the Property and showing no exceptions other than the Permitted Exceptions;

(b) An Owner's Policy of Title Insurance (the "Title Policy") in a face amount equal to the Purchase Price issued by the Title Company on the standard form in use in the State of Texas;

(c) tax statements showing no delinquent taxes on the Property;

(d) a Non-Foreign Person Affidavit satisfying the requirements of Internal Revenue Code Section 1445; and

(e) Any notices, statements, certificates, affidavits, releases, and/or other documents required by this Agreement, the Title Commitment, or law necessary for the Closing of the transaction and the issuance of the Title Policy, all of which must be completed and executed by Seller as necessary.

8.3 Items to be Delivered by Buyer at the Closing. At the Closing, Buyer shall deliver or cause to be delivered to Seller and/or the settlement agent, as appropriate, each of the following items:

Initialed for Identification by Buyer _____ and Seller _____, _____, _____

(a) The Purchase Price and other amounts that Buyer is obligated to pay under this Agreement in funds acceptable to the settlement agent; and

(b) Any notices, statements, certificates, and/or other documents required by this Agreement or law necessary for the closing of the transaction, all of which must be completed and executed by Buyer as necessary.

8.4 Transaction Costs.

(a) Seller's Costs: Seller shall pay for the following at or before the Closing:

- (i) prepayment penalties on any existing loans paid at the Closing;
- (ii) the costs to obtain, deliver, and record releases of any liens required to be released in connection with the transaction contemplated by this Agreement;
- (iii) costs to record any documents to cure title objections that Seller must cure; and
- (iv) taxes due with respect to the Property for any years preceding the year in which Closing occurs.

(b) Buyer's Costs: Buyer shall pay for the following at or before the Closing:

- (i) the costs to obtain the Title Policy;
- (ii) preparation fees for the Deed;
- (iii) the entirety of any escrow fee;
- (iv) tax statements or certificates;
- (iii) all loan expenses and fees;
- (iv) preparation fees for any deed of trust;
- (v) recording fees for the Deed and any deed of trust;

Initialed for Identification by Buyer _____ and Seller _____, _____, _____

- (vi) premiums for flood and hazard insurance as may be required by Buyer's lender, if any; and
- (vii) any other expenses not imposed on Seller under Section 8.4(a) above.

**ARTICLE 9
TAXES AND PRORATIONS**

9.1 Taxes. Ad valorem taxes for the Property for the calendar year of the Closing will be prorated between Buyer and Seller as of the Closing Date. If the assessment for the calendar year of the Closing is not known at the Closing, the proration will be based on taxes for the previous year, and Buyer and Seller will adjust the prorations in cash within thirty (30) days after the actual assessment and taxes are known. Seller will promptly notify Buyer of all notices of proposed or final tax valuations and assessments that Seller receives after the Effective Date and after the Closing. All taxes (including any penalties, interest, and attorney's fees) due as of the Closing will be paid at Closing. If the Property has been the subject of a special valuation and reduced tax assessments pursuant to the provisions of chapter 23, subchapter D, of the Texas Tax Code or under any other provision of law with respect to any period before the Closing, and if additional taxes, penalties, or interest are assessed pursuant to Texas Tax Code Section 23.55 or under the other provision of law, the following shall apply:

- (a) If Seller changes the use of the Property before the Closing or if a denial of a special valuation on the Property claimed by Seller results in the assessment of additional taxes, penalties or interest for periods before the Closing, such additional taxes, penalties or interest will be the obligation of Seller;
- (b) If this sale or Buyer's use of the Property results in the assessment of additional taxes, penalties or interest for periods before the Closing, such additional taxes, penalties or interest will be the obligation of Buyer.

9.2 Survival After Closing. The provisions of this Article 9 shall survive the Closing.

**ARTICLE 10
DEFAULT AND REMEDIES**

If Buyer fails to comply with this Agreement, Buyer is in default and Seller may (a) terminate this Agreement as Seller's sole remedy; or (b) enforce specific performance, or seek such other relief as may be provided by applicable law, or both. If Seller fails to comply with this Agreement, Seller is in default and Buyer may (a) terminate this Agreement as Buyer's sole

Initialed for Identification by Buyer _____ and Seller _____.

remedy; or (b) enforce specific performance, or seek such other relief as may be provided by applicable law, or both.

**ARTICLE 11
CASUALTY DAMAGE AND CONDEMNATION**

11.1 Casualty Damage. Seller shall notify Buyer promptly after discovery of any casualty damage to the Property. Seller will have no obligation to repair or replace the Property if it is damaged by casualty before the Closing. Buyer may terminate this Agreement if there is any casualty damage to the Property before the Closing by giving notice to Seller within ten (10) days after Buyer's receipt of Seller's notice of the casualty (or before the Closing if Seller's notice of the casualty is received by Buyer less than ten (10) days before the Closing). If Buyer does not terminate this Agreement, Seller shall (a) convey the Property to Buyer in its damaged condition, (b) assign to Buyer all of Seller's rights under any property insurance policies covering the Property, and (c) pay to Buyer the amount of the deductibles and coinsurance provisions under any insurance policies covering the Property, but not in excess of the cost to repair the casualty damage and less any amounts previously paid by Seller to repair the Property. If Seller has not insured the Property and Buyer does not elect to terminate this Agreement in accordance with this Section 11.1, Buyer shall have the option to either (1) proceed to closing and elect to have the Purchase Price reduced by the cost to repair the casualty damage, or (2) proceed to closing and elect not to have the Purchase Price reduced by the cost to repair the casualty damage; provided, however, that if Buyer elects to have the Purchase Price reduced by the cost to repair the casualty damage, Seller shall have the right to terminate this Agreement by providing written notice of such termination to Buyer prior to the Closing.

11.2 Condemnation. Seller shall notify Buyer promptly after Seller receives notice that any part of the Property has been or is threatened to be condemned or otherwise taken by a governmental or quasi-governmental authority. Buyer may terminate this Agreement by delivering a written termination notice to Seller within ten (10) days after Buyer receives written notice from Seller of such action (or before the Closing if Buyer receives Seller's written notice less than ten days before the Closing). Prior to Buyer's termination of this Agreement, or if Buyer does not terminate this Agreement, both Seller and Buyer shall have the right to appear in such condemnation proceedings and defend their interests in the Property. If the Closing under this Agreement occurs, then (a) any award in condemnation shall be the Property of Buyer and Seller shall assign such award to Buyer, (b) if the taking occurs before the Closing, the description of the Property will be revised to delete the portion taken, and (c) no change in the Purchase Price will be made.

Initialed for Identification by Buyer _____ and Seller _____, _____, _____

**ARTICLE 12
ATTORNEY'S FEES**

Any signatory of this Agreement who is the prevailing party in any legal proceeding against any other signatory brought under or with relation to this Agreement or transaction shall be additionally entitled to recover costs and reasonable attorney's fees from the non-prevailing party.

**ARTICLE 13
ESCROW**

13.1 Application of Earnest Money. At the Closing, any earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the Title Company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the Title Company from all parties.

13.2 Demand for Earnest Money. If one party makes written demand for any earnest money, the Title Company will give notice of the demand by providing to the other party a copy of the demand. If the Title Company does not receive written objection to the demand from the other party within fifteen (15) days after the date the Title Company sent the demand to the other party, the Title Company may disburse any earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving any earnest money and the Title Company may pay the same to the creditors.

13.3 Independent Consideration. The Title Company will deduct any independent consideration under Section 5.1 before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.

13.4 Compliance with this Article. If the Title Company complies with this Article 13, each party hereby releases the Title Company from all claims related to the disbursement of any earnest money.

13.5 Notices under this Article. Notices under this Article 13 must be sent by certified mail, return receipt requested. Notices to the Title Company are effective upon receipt by the Title Company.

13.6 Failure to Sign Release. Any party who wrongfully fails or refuses to sign a release acceptable to the Title Company within seven (7) days after receipt of the request will be liable to the other party for liquidated damages in an amount equal to the sum of: (a) three times the amount of any earnest money; (b) the amount of earnest money; (c) reasonable attorney's fees; and (d) all costs of suit.

Initialed for Identification by Buyer _____ and Seller _____, _____, _____

**ARTICLE 14
MISCELLANEOUS PROVISIONS**

14.1 Entire Agreement. This Agreement contains the entire agreement of the parties concerning the sale of the Property by Seller to Buyer and supersedes all prior and contemporaneous agreements and understandings of the parties in connection with this Agreement.

14.2 Amendment. This Agreement cannot be modified or amended unless such modification or amendment is made in writing and executed by both Buyer and Seller.

14.3 Notices. Any notice, demand, or other communication required or permitted hereunder shall be in writing and shall be deemed delivered (whether actually received or not) when deposited in the United States Mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the party to be notified at the address as hereinafter specified. Any address may be changed in like manner upon at least ten (10) days notice given in like manner.

If to Seller:

First Baptist Church of Orange, Texas
Attn: Barry Bradley, Pastor
P.O. Box 1453
Orange, Texas 77631-1453

If to Buyer:

Lamar State College-Orange
Attn: Dr. J. Michael Shahan, President
410 Front Street
Orange, Texas 77630

14.4 Deadlines and Other Dates. All deadlines in this Agreement expire at 5:00 p.m. local time where the Property is located. If a deadline falls on a Saturday, Sunday, or national holiday, the deadline will be extended to the next day that is not a Saturday, Sunday, or national holiday. A national holiday is a holiday designated by the federal government. Time is of the essence.

14.5 Mediation Agreement. It is the policy of the State of Texas to encourage the peaceable resolution of disputes through alternative dispute resolution procedures. Therefore, the parties agree to negotiate in good faith in an effort to resolve any dispute related to this Agreement that may arise. If a dispute cannot be resolved by negotiation, the dispute shall be submitted to mediation before the parties resort to litigation and a mutually acceptable mediator shall be chosen

Initialed for Identification by Buyer _____ and Seller _____, _____, _____

by the parties to the dispute who shall share the cost of mediation services equally. This Section 14.5 survives the termination of this Agreement. This Section 14.5 does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

14.6 Choice of Law. If any litigation arises hereunder, it is specifically stipulated that this Agreement shall be interpreted and construed in accordance with the laws of the State of Texas, without giving effect to its choice of law provisions.

14.7 Venue. Venue for any legal action arising out of this Agreement shall be in Orange County, Texas.

14.8 Severability. If any one or more of the provisions of this Agreement, or the applicability of any such provision or provisions to a specific situation, shall be held to be invalid or unenforceable by a court of competent jurisdiction, such provision or provisions shall be modified to the minimum extent necessary to make such provision or provisions or its or their application valid and enforceable, and the validity and enforceability of all other provisions of this Agreement and all other applications of any such provision or provisions shall not be affected thereby.

14.9 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts together shall constitute one and the same instrument.

14.10 Further Acts. In addition to the acts recited in this Agreement to be performed by Buyer and Seller, Buyer and Seller agree to perform or cause to be performed at the closing any and all such further acts as may be reasonably necessary to consummate the transactions contemplated hereby.

14.11 Prohibition Against Assignment by Buyer. This Agreement is not assignable by Buyer.

14.12 Binding Effect. This Agreement is binding upon and shall inure to the benefit of the parties hereto, their heirs, personal representatives, successors and any permitted assigns.

14.13 Broker. Neither Buyer nor Seller has retained a broker.

14.14 Non-waiver of Default. Default is not waived if the non-defaulting party fails to declare immediately a default or delays taking any action with respect to the default.

14.15 No Third-Party Beneficiaries. There are no third-party beneficiaries of this Agreement.

Initialed for Identification by Buyer _____ and Seller _____, _____, _____

14.16 Waivers. Except as required by this Agreement, the parties waive all disclosures and notices regarding the Property that are or might be otherwise required by law to the fullest extent that applicable law permits such waivers of disclosures and notices.

14.17 Agreement as Offer. The execution of this Agreement by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on July 15, 2016, the offer will lapse and become null and void.

SELLER:

First Baptist Church of Orange, Texas

By: _____
Weldon Townsend, Trustee

Date

By: _____
Charlie Phillips, Trustee

Date

By: _____
John Martin, Trustee

Date

Initialed for Identification by Buyer _____ and Seller _____, _____, _____

BUYER:

Lamar State College-Orange

By: _____
J. Michael Shahan, President

Date

Initialed for Identification by Buyer _____ and Seller _____

TRACT NO. ONE:

A certain tract, lot or parcel of land, situated in the City and County of Orange, Texas, and being a part of the NATHAN CORDREY HEARDRIGHT SURVEY, and known on the plat of said City of Orange, Texas, as a portion of the Southeast Quarter (SE-1/4) of Block no. One (1) in the Morgan Survey, and also known as Block No. One Hundred Twenty-one (121) of the Amended Sheldon Survey, and described as follows:

BEGINNING at the Southwest corner of Block No. 121, being the intersection of Green Avenue, and Fifth Street;

THENCE North on the East line of Fifth Street, 150 feet, stake for corner;

THENCE East 100 feet, stake for corner;

THENCE South 150 feet, to the North line of Green Avenue;

THENCE West 100 feet to the PLACE OF BEGINNING.

EXHIBIT "A"

PAGE 1 OF 3

TRACT NO. TWO:

An undivided one-half (undiv. 1/2) interest in and to that certain lot, tract or parcel of land, situated in the City and County of Orange, Texas and being a part of the NATHAN CORDREY HEADRIGHT SURVEY, and also being out of Block No. One in the Morgan Survey and also known as a part of Block No. One Hundred Twenty-one (121) of the Amended Sheldon Survey and being more particularly described as follows:

COMMENCING at the Southeast corner of said Block 121, same being the intersection of Green Avenue and Fourth Street;

THENCE North 0 deg. 08 min. 00 sec. East 150.21 feet to an iron pin and the PLACE OF BEGINNING of the tract herein described;

THENCE continuing North 0 deg. 08 min. 00 sec. East 20.00 feet to iron pin for corner;

THENCE North 89 deg. 45 min. 13 sec. West 3-1.76 feet to iron pin for corner;

THENCE South 0 deg. 18 min. 00 sec. West 20.00 feet to iron pin for corner;

THENCE South 89 deg. 45 min. 13 sec. East 301.82 feet to the PLACE OF BEGINNING and containing 0.139 acres of land, more or less.

EXHIBIT "A"
PAGE 2 OF 3

TRACT NO. THREE:

BEING all or part of that certain tract or parcel of land situated in Orange County, Texas, and being in the NATHAN CORDREY SURVEY, ABSTRACT No. 59, and a part of the R. E. Russell Block as shown on the Amended Sheldon Survey Plat recorded in Vol. 1, Page 39, Map Records of Orange County, Texas, and the tract herein conveyed being more particularly described as follows, to-wit:

COMMENCING at a point where the North R.O.W. line of Green Avenue intersects the East R.O.W. line of Fifth Street;

THENCE North along and with the East line of Fifth Street a distance of 170.00 ft. to iron rod marking the Southwest and BEGINNING CORNER of the tract herein described;

THENCE continuing North along the East R.O.W. line of Fifth Street a distance of 50.00 ft. to iron rod for corner;

THENCE North 89 deg. 09 min. East a distance of 153.70 ft. to iron rod for corner;

THENCE South 00 deg. 49 min. West a distance of 52.28 ft. to iron rod for corner;

THENCE West a distance of 152.93 ft. to the PLACE OF BEGINNING and containing 0.18 acres of land, more or less.