STATE OF TEXAS  
COUNTIES OF GREGG, RUSK, UPSHUR AND SMITH  
KILGORE JUNIOR COLLEGE DISTRICT  

The Kilgore Junior College District Board of Trustees met in regular session at 6:30 pm, Monday, December 15, 2014 in the Ballroom of the Charles K. and Lyde Devall Student Center with the following members present:  

G. Scott Andrews  
Joe Carrington  
Bob Heath  
Brian Nutt  
Karol Pruett  
Will Roberson, Secretary  
James N. Walker, Presiding Officer (Vice President)  
Larry Woodfin  

Members absent: Scooter Griffin  

Section 1. on the Agenda was the Call to Order  

James Walker called the meeting to order at 6:30 pm. Dr. Holda led the Invocation and the Pledge of Allegiance to the United States of America Flag.  

James Walker, Presiding Officer read a letter from Carlos Griffin wherein Mr. Griffin resigned from the board effective immediately. Mr. Griffin’s resignation will be officially accepted at the next scheduled board meeting. Letter below. Thereafter, 8 board members were present.  

I hereby resign from the Board of Trustees at Kilgore College on the advice of my legal counsel, effective immediately. I will be able to spend more time with my Family.  

I have conveyed my resignation to Mr. Walker by phone earlier today.  

Scooter Griffin  
December 15th, 2014
Section II. on the Agenda was Citizens Comments

Ty Clevenger, an attorney from Dallas stated that a local citizen is interested discussing the possible acquisition of Stark Hall Dormitory and the Quad dormitory. No discussion or action was taken.

Brandon Walker, President of the Kilgore College Faculty Senate stated the following and delivered a petition to the board.

MEMORANDUM TO THE BOARD OF TRUSTEES OF KILGORE COLLEGE

Since its inception more than 75 years ago, Kilgore College has had one ultimate mission: to help students better their lives. That mission is alive and well still today. We have growing workforce programs that provide businesses in the area with qualified workers, high quality academic classes that help students prepare for transfer to four year universities, outstanding student support who spend their time helping students navigate the college experience, and many extra-curricular activities that have a long history of success. This is what Kilgore College has been known for; but recently the focus has changed.

Now, there is only talk of discord among the board of trustees, accusations and hidden agendas. The employees of Kilgore College are growing tired of all the negativity in the media surrounding our college. It is not helping to accomplish the mission of Kilgore College. It is destroying morale, causing unrest, and could ultimately hurt enrollment. We all need to pull together and concern ourselves with growth and progress. We have too many outside obstacles to overcome to be fighting among ourselves. We, the employees of Kilgore College, are here to show we care and are united in the mission of Kilgore College. We hope you will all put your differences aside, keep the negativity out of the media and focus on the mission.

Section III. on the Agenda was Presentation

A. Certificate of Appreciation (Larry Woodfin, 15 years of service)
B. Hazard Assessments and Air Monitoring Reports for Dodson Auditorium, Deana Bolton Covin Rangerette Gym, Watson Library, Nolan Street Residence Hall and Annex, Stark Hall, and Quad residence halls (Presentation by Mr. Larry Snodgrass, President, ERI Consulting, Inc.)

Larry Snodgrass, President of ERI made a lengthy presentation related to the results of testing his company performed on the following buildings: Dodson Auditorium, Nolan Dorm, Stark Hall, Quad Dorm, Watson Library, Rangerette Gym.

The summation of his report was that the college was in compliance in all areas. There were no areas of unsafe asbestos exposure. His report showed several recommendations. He also reported that minor abatement work will be performed within the next three weeks for Dodson Auditorium and Rangerette Gym.

Each of these reports will be placed on the KC website.

Mr. Walker asked Mr. Snodgrass if any KC employee violated asbestos disposal rules. Mr. Snodgrass reported that no violations were noted.
**Section IV.** on the Agenda was Consent Agenda

A. To consider approving the minutes of the October 14, 2014 regular board meeting.
B. To consider approval of personnel items submitted as follows:

1. **Recommendation for approval of faculty contracts as follows:**
   a. Head Football Coach and Kinesiology Instructor, based upon the approved faculty salary schedule for the period of January 1, 2015 – December 31, 2015
   b. Assistant Football Coach and Kinesiology Instructor, based upon the approved faculty salary schedule for the period of January 1, 2015 – December 31, 2015
   c. Assistant Football Coach and Kinesiology Instructor, based upon the approved faculty salary schedule for the period of January 1, 2015 – December 31, 2015

2. **Recommendation to accept employee retirement as follows:**

3. **Recommendation for employee resignation as follows:**
   a. Professional Support Assistant, SBDC, effective November 14, 2014 after 1 year and 4 months of service
   b. Vocational Nursing Instructor, effective November 21, 2014 after 8 years and 9 months of service
   c. Bookstore Manager, effective January 30, 2015 after 1 year and 6 months of service
   d. Support Specialist – Career Services & Service learning, effective March 6, 2015 after 7 years of service.

4. **Recommendation to accept employee termination as follows:**
   a. Training Coordinator, Workforce Development, effective November 30, 2014 after 8 years and 3 months of service

5. **Recommendation of employment as follows:**
   a. Professional Support Assistant, Records & Reports Specialist, Admissions and Registrar, effective November 3, 2014
   b. Lab Manager, Math, Science & health Sciences, KC-Longview, effective December 1, 2014
   c. Instructor, Vocational Nursing, KC-Longview, effective January 5, 2015
   d. Instructor, Vocational Nursing, KC-Longview, effective January 5, 2015
   e. Instructor, Vocational Nursing, KC-Longview, effective January 5, 2015
   f. Corrosion Technology Instructor, Business, Technology & Public Services, effective January 5, 2015

6. **Recommendation to change employment as follows:**
   a. Grant Accountant to Supervisor of Cashiers, Business Office, effective November 16, 2014
   b. SBDC Business Advisor to Senior SBDC Business Advisor, effective December 1, 2014

7. **Recommendation to change salary as follows:**
   a. SBDC Business Advisor, effective December 1, 2014 (This change is aligning salary with NTSBDC and is grant funded)
   b. TSF Artistic Associate, effective December 1, 2014 (This change is due because total compensation, salary plus benefits, should not exceed $35,000. This is grant funded.)
   c. TSF Artistic Associate, effective December 1, 2014 (This change is due because total compensation, salary plus benefits, should not exceed $35,000. This is grant funded.)

December 15, 2014 Minutes
8. Recommendation to approve changes to the Personnel Policies as listed (Policy 2.1.1 Use and Recording)

Kilgore College Policy Manual

2.1.1 Use and Recording

Leave time may be used for personal illness, illness of close relatives, and bereavement. Sixteen hours of leave for nine-month employees and 24 hours for all other employees may be used for personal business providing that the employee secures advance approval of his or her immediate supervisor.

Leave time may also be used for first-year care following the birth or adoption of an employee’s son or daughter or the placement of a child with the employee for foster care.

Employees shall be charged leave time as used even if a substitute is not employed. Leave time shall not be approved for more workdays than have been accumulated in prior years plus those to be earned during the current year.

Any absence from duty must be reported on the absence from duty form on the first day back to duty following the reported absence. Leave time shall be recorded in one hour increments for faculty and quarter hour increments for administrative, supervisory, and staff.

Any other leaves granted or days of absence shall result in a deduction of the daily rate of pay for each day of absence, unless otherwise provided.

C. To consider payment of legal fees for services rendered.

Personnel Agenda

Kilgore Junior College District
Personnel Agenda
December 15, 2014

1. Recommendation for approval of faculty contracts as follows:

a. Mr. Justin J. Eckert, Head Football Coach and Kinesiology Instructor, based upon the approved faculty salary schedule for the period of January 1, 2015 – December 31, 2015

b. Mr. Willie Gooden, Assistant Football Coach and Kinesiology Instructor, based upon the approved faculty salary schedule for the period of January 1, 2015 – December 31, 2015

c. Mr. Nick Dobler, Assistant Football Coach and Kinesiology Instructor, based upon the approved faculty salary schedule for the period of January 1, 2015 – December 31, 2015

Personnel Agenda cont. on next page
Personnel Agenda cont.

2. Recommendation to accept employee retirement as follows:
   A. Ms. Sherry Ransom, Professional Support Assistant, Institutional Advancement, effective January 31, 2015 after twenty-seven years of service

3. Recommendation to accept employee resignation as follows:
   A. Ms. Barbara Garrett, Professional Support Assistant, SBDC, effective November 14, 2014 after one year and four months of service
   B. Ms. Rebecca Krajewski, Vocational Nursing Instructor, effective November 21, 2014 after eight years and nine months of service
   C. Mr. Martin Cobb, Bookstore Manager, effective January 30, 2015 after one year and six months of service
   D. Ms. Candace Heezen, Support Specialist – Career Services & Service Learning, effective March 6, 2015 after seven years of service

4. Recommendation to accept employee termination as follows:
   A. Mr. Ben Cammack, Training Coordinator, Workforce Development, effective November 30, 2014 after eight years and three months of service

5. Recommendation of employment as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Ms. Kristie Seward</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position</td>
<td>Professional Support Assistant, Records &amp; Reports Specialist</td>
</tr>
<tr>
<td>Location</td>
<td>Admissions and Registrar</td>
</tr>
<tr>
<td>Education</td>
<td>Bachelor of Science</td>
</tr>
<tr>
<td></td>
<td>Berry College</td>
</tr>
<tr>
<td></td>
<td>Mt. Berry, Georgia</td>
</tr>
<tr>
<td>Experience</td>
<td>Contact Center Representative</td>
</tr>
<tr>
<td></td>
<td>Philadelphia Insurance Company</td>
</tr>
<tr>
<td></td>
<td>Leawood, Kansas; 2013-2014</td>
</tr>
<tr>
<td></td>
<td>Academic Advisor</td>
</tr>
<tr>
<td></td>
<td>Shorter University</td>
</tr>
<tr>
<td></td>
<td>Rome, Georgia; 2012</td>
</tr>
<tr>
<td></td>
<td>Quality Assurance Specialist</td>
</tr>
<tr>
<td></td>
<td>Dell, Inc.</td>
</tr>
<tr>
<td></td>
<td>Rome, Georgia; 1996-2011</td>
</tr>
</tbody>
</table>

Personnel Agenda cont. on next page
Personnel Agenda cont.

<table>
<thead>
<tr>
<th><strong>Effective Date:</strong></th>
<th>November 3, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salary:</strong></td>
<td>$1,025.08 per pay period which is equivalent to a 12 month salary of $24,602</td>
</tr>
<tr>
<td><strong>Note:</strong></td>
<td>Ms. Seward replaces Ms. Laura Mulanax who was promoted</td>
</tr>
</tbody>
</table>

**B. Name:**

<table>
<thead>
<tr>
<th><strong>Name:</strong></th>
<th>Ms. Tabitha Thomas</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Position:</strong></td>
<td>Lab Manager</td>
</tr>
<tr>
<td><strong>Location:</strong></td>
<td>Math, Science &amp; Health Sciences, KC – Longview</td>
</tr>
<tr>
<td><strong>Education:</strong></td>
<td>Bachelor of Science University of Texas at Tyler Tyler, Texas</td>
</tr>
<tr>
<td></td>
<td>Associate of Applied Science Kilgore College Kilgore, Texas</td>
</tr>
<tr>
<td><strong>Experience:</strong></td>
<td>Human Resource Clerk Fenton Motors Corporation Longview, Texas; 2014</td>
</tr>
<tr>
<td></td>
<td>Part Time Assistant Lab Manager Kilgore College Kilgore, Texas; 2009-2014</td>
</tr>
<tr>
<td><strong>Effective Date:</strong></td>
<td>December 1, 2014</td>
</tr>
<tr>
<td><strong>Salary:</strong></td>
<td>$1,087.87 per pay period which is equivalent to a 12 month salary of $26,109</td>
</tr>
<tr>
<td><strong>Note:</strong></td>
<td>Ms. Thomas replaces Ms. Helen Boston who resigned</td>
</tr>
</tbody>
</table>
### Personnel Agenda cont. 

<table>
<thead>
<tr>
<th>C. Name:</th>
<th>Ms. Brooke Black</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Position:</strong></td>
<td>Instructor, Vocational Nursing</td>
</tr>
<tr>
<td><strong>Location:</strong></td>
<td>KC – Longview</td>
</tr>
<tr>
<td><strong>Education:</strong></td>
<td></td>
</tr>
</tbody>
</table>
  Bachelor of Science-Nursing  
  University of Texas at Arlington  
  Arlington, Texas  
  Associate of Science  
  Tyler Jr. College  
  Tyler, Texas |
| **Experience:** |  
  Instructor, Vocational Nursing  
  Panola College  
  Carthage, Texas; 2013-2014  
  Director of Nursing  
  OneSource Home Care  
  Longview, Texas; 2013  
  Registered Nurse  
  Diagnostic Clinic of Longview  
  Longview, Texas; 2009-2012 |
| **Effective Date:** | January 5, 2015 |
| **Salary:** | $2,298.63 per pay period which is equivalent to an 8 month contract of $36,778 (January – August) |
|  | Ms. Black replaces Ms. Penny Attaway who resigned |

<table>
<thead>
<tr>
<th>D. Name:</th>
<th>Ms. Nicole Ham</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Position:</strong></td>
<td>Instructor, Vocational Nursing</td>
</tr>
<tr>
<td><strong>Location:</strong></td>
<td>KC – Longview</td>
</tr>
<tr>
<td><strong>Education:</strong></td>
<td></td>
</tr>
</tbody>
</table>
  Bachelor of Science-Nursing  
  St. Catherine University  
  St. Paul, Minnesota |
| **Experience:** | Registered Nurse  
Trinity Mother Francis Hospital  
Tyler, Texas; 2009-2014 |
| **Effective Date:** | January 5, 2015 |
| **Salary:** | $2,298.63 per pay period which is equivalent to an 8 month contract of $36,778 (January – August) |
| **Note:** | Ms. Ham replaces Ms. Barbara Brush who is retiring |

**E. Name:** Ms. Jade Lemoine

**Position:** Instructor, Vocational Nursing

**Location:** KC – Longview

**Education:** Bachelors of Science-Nursing  
Western Governors University  
Salt Lake City, Utah

Associate of Nursing & Science  
Panola College  
Carthage, Texas

**Experience:**

Registered Nurse  
Select Medical  
Longview, Texas; 2013-2014

Registered Nurse  
Good Shepherd Medical Center  
Longview, Texas; 2011-2014

Registered Nurse  
Clear Lake Regional  
Webster, Texas; 2011

**Effective Date:** January 5, 2015

**Salary:** $2,294.96 per pay period which is equivalent to an 8 month contract of $36,719 (January – August)

**Note:** Ms. Lemoine replaces Ms. Rebecca Krajewski who resigned

Personnel Agenda cont. on next page
### Personnel Agenda cont.

<table>
<thead>
<tr>
<th>F. Name:</th>
<th>Mr. Galal Mahesh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position:</td>
<td>Corrosion Technology Instructor</td>
</tr>
<tr>
<td>Location:</td>
<td>Business, Technology &amp; Public Services</td>
</tr>
</tbody>
</table>
| Experience:       | Field Technician  
|                   | Goodrich Petroleum  
|                   | Tatum, Texas; 2009-2014 |
| Effective Date:   | January 5, 2015 |
| Salary:           | $1,963.23 per pay period which is equivalent to a 6.5 month contract of $25,522  
|                   | (January – June 15th) |

<table>
<thead>
<tr>
<th>G. Name:</th>
<th>Ms. Tia Thomas-Walton</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position:</td>
<td>Associate Degree Nursing Instructor</td>
</tr>
<tr>
<td>Location:</td>
<td>Math, Science &amp; Health Sciences</td>
</tr>
</tbody>
</table>
| Education:        | Master of Science – Nursing  
|                   | Grambling State University  
|                   | Grambling, Louisiana  
|                   | Bachelor of Science – Nursing  
|                   | University of Texas at Arlington  
|                   | Arlington, Texas |
| Experience:       | Family Nurse Practitioner  
|                   | Taylor Medical Center  
|                   | Longview, Texas; 2011-2014  
|                   | Family Nurse Practitioner  
|                   | Benton Family Medicine  
|                   | Benton, Louisiana; 2011-2012  
|                   | Registered Nurse  
|                   | Willis-Knighton Medical Center  
|                   | Shreveport, Louisiana; 2007-2011 |
| Effective Date:   | January 5, 2015 |
| Salary:           | $2,437.52 per pay period which is equivalent to a 6.5 month contract of $30,469  
|                   | (January – June 15th) |
6. Recommendation to change employment as follows:

<table>
<thead>
<tr>
<th>A. Name:</th>
<th>Ms. Jonnie Stice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old Position:</td>
<td>Grant Accountant</td>
</tr>
<tr>
<td>New Position:</td>
<td>Supervisor of Cashiers</td>
</tr>
<tr>
<td>Effective Date:</td>
<td>November 16, 2014</td>
</tr>
<tr>
<td>Salary:</td>
<td>$1,700.46 per pay period which is equivalent to a 12 month salary of $40,811</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. Name:</th>
<th>Virgel Conner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old Position:</td>
<td>SBDC Business Advisor</td>
</tr>
<tr>
<td>New Position:</td>
<td>Sr. SBDC Business Advisor</td>
</tr>
<tr>
<td>Effective Date:</td>
<td>December 1, 2014</td>
</tr>
<tr>
<td>Salary:</td>
<td>$2,291.67 per pay period which is equivalent to a 12 month salary of $55,000</td>
</tr>
</tbody>
</table>

Note: This change is aligning title and salary with NTSBDC and is grant funded

7. Recommendation to change salary as follows:

<table>
<thead>
<tr>
<th>A. Name:</th>
<th>Mr. Kenneth Estes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position:</td>
<td>SBDC Business Advisor</td>
</tr>
<tr>
<td>Old Salary:</td>
<td>$46,749</td>
</tr>
<tr>
<td>New Salary:</td>
<td>$49,049</td>
</tr>
<tr>
<td>Effective Date:</td>
<td>December 1, 2014</td>
</tr>
</tbody>
</table>

Note: This change is aligning salary with NTSBDC and is grant funded. No change in title.
### B. Name: Mr. Matthew Simpson

- **Position:** TSF Artistic Associate
- **Old Salary:** $35,000
- **New Salary:** $26,000
- **Effective Date:** December 1, 2014

**Note:** This change is due because total compensation, salary plus benefits, should not exceed $35,000. This is grant funded.

### C. Name: Ms. Mcaghan Sullivan

- **Position:** TSF Artistic Associate
- **Old Salary:** $35,000
- **New Salary:** $26,000
- **Effective Date:** December 1, 2014

**Note:** This change is due because total compensation, salary plus benefits, should not exceed $35,000. This is grant funded.
8. Recommendation to approve changes to the Personnel Policies as listed (Policy 2.1.1 Use and Recording)

Kilgore College Policy Manual

2.1.1 Use and Recording

Leave time may be used for personal illness, illness of close relatives, and bereavement. Sixteen hours of leave for nine-month employees and 24 hours for all other employees may be used for personal business providing that the employee secures advance approval of his or her immediate supervisor.

Leave time may also be used for first-year care following the birth or adoption of an employee's son or daughter or the placement of a child with the employee for foster care.

Employees shall be charged leave time as used even if a substitute is not employed. Leave time shall not be approved for more workdays than have been accumulated in prior years plus those to be earned during the current year.

Any absence from duty must be reported on the absence from duty form on the first day back to duty following the reported absence. Leave time shall be recorded in one hour increments for faculty and quarter hour increments for administrative, supervisory, and staff.

Any other leaves granted or days of absence shall result in a deduction of the daily rate of pay for each day of absence, unless otherwise provided.

The Agenda Item A under Consent Agenda was corrected to read October 14, 2014 minutes. Motion to accept the Consent Agenda as presented was made by Larry Woodfin. Bob Heath seconded the motion. The motion passed with 7 yea votes and 1 nay vote by Brian Nutt.

Section V. on the Agenda was Action Items

A. To consider approval of external audit reports for Fiscal Year 2013 – Exhibit #1 (Presentation by Henry & Peters)

Exhibit #1 on next page
### Exhibit #1

**KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS**  
**STATEMENTS OF NET POSITION**  
**AUGUST 31, 2014 AND 2013**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$13,682,521</td>
<td>$14,830,101</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>8,663,386</td>
<td>8,594,993</td>
</tr>
<tr>
<td>Accounts receivable, net</td>
<td>1,607,752</td>
<td>1,473,532</td>
</tr>
<tr>
<td>Note receivable, current portion</td>
<td>-</td>
<td>175,678</td>
</tr>
<tr>
<td>Inventories</td>
<td>1,639,512</td>
<td>8,090,148</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>1,059,014</td>
<td>925,888</td>
</tr>
<tr>
<td>Other assets</td>
<td>84,760</td>
<td>84,760</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$26,136,945</td>
<td>$27,196,100</td>
</tr>
</tbody>
</table>

| **Noncurrent assets** |               |               |
| Restricted cash and cash equivalents | 2,562,957 | 2,051,552 |
| Other long-term investments | 425,000 | 425,000 |
| Endowment investments | 8,513,888 | 7,724,218 |
| Note receivable, net of current portion | - | 481,649 |
| Capital assets, net (see note 5) | 45,397,569 | 44,204,517 |
| **Total noncurrent assets** | $56,698,814 | $54,886,936 |
| **Total assets** | $82,835,759 | $82,083,036 |

| LIABILITIES |               |               |
| Current liabilities |               |               |
| Accounts payable | $761,646 | $493,850 |
| Assured Liabilities | 669,925 | 722,268 |
| Assured compensable absences - current portion | 228,373 | 226,569 |
| Funds held for others | 882,739 | 821,604 |
| Unearned revenue | 2,597,290 | 2,746,887 |
| Deposits | 162,932 | 151,874 |
| Long-term liabilities - current portion | 392,774 | 383,774 |
| **Total current liabilities** | $5,698,679 | $5,576,826 |

| Noncurrent liabilities |               |               |
| Assured compensable absences | 469,387 | 497,770 |
| Long-term liabilities | 3,205,048 | 1,598,822 |
| **Total noncurrent liabilities** | $3,674,435 | $2,096,592 |
| **Total liabilities** | $7,371,114 | $7,673,418 |

| NET POSITION |               |               |
| Net investment in capital assets | 43,398,747 | 42,221,921 |
| **Restricted for:** |               |               |
| Expendable | 4,565,675 | 3,420,039 |
| Nonexpendable | 6,429,302 | 6,425,632 |
| Unrestricted | 20,470,923 | 22,342,046 |
| **Total net position (Schedule D)** | $75,464,645 | $74,409,618 |
| **Total liabilities and net position** | $82,835,759 | $82,083,036 |

See accompanying notes to financial statements.
### KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS
### STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
### FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013

#### REVENUES

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and fees (net of discounts of $7,239,120 and $7,408,098, respectively)</td>
<td>$7,916,233</td>
<td>$8,533,498</td>
</tr>
<tr>
<td>Federal grants and contracts</td>
<td>1,685,960</td>
<td>1,865,282</td>
</tr>
<tr>
<td>State grants and contracts</td>
<td>1,249,829</td>
<td>628,765</td>
</tr>
<tr>
<td>Non-governmental grants and contracts</td>
<td>210,646</td>
<td>232,136</td>
</tr>
<tr>
<td>Sales and services of educational activities</td>
<td>149,414</td>
<td>124,657</td>
</tr>
<tr>
<td>Auxiliary enterprises (net of discounts of $2,720,065 and $2,158,045, respectively)</td>
<td>4,747,370</td>
<td>4,800,679</td>
</tr>
<tr>
<td>General operating revenues</td>
<td>68,728</td>
<td>95,973</td>
</tr>
<tr>
<td>Total operating revenues (Schedule A)</td>
<td>16,225,719</td>
<td>16,416,410</td>
</tr>
</tbody>
</table>

#### EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction</td>
<td>18,065,610</td>
<td>16,283,463</td>
</tr>
<tr>
<td>Public service</td>
<td>969,715</td>
<td>921,833</td>
</tr>
<tr>
<td>Academic support</td>
<td>1,554,964</td>
<td>2,958,436</td>
</tr>
<tr>
<td>Student services</td>
<td>2,668,032</td>
<td>2,569,267</td>
</tr>
<tr>
<td>Institutional support</td>
<td>5,402,300</td>
<td>7,047,241</td>
</tr>
<tr>
<td>Operation and maintenance of plant</td>
<td>3,465,556</td>
<td>3,263,202</td>
</tr>
<tr>
<td>Scholarships and fellowships</td>
<td>4,421,814</td>
<td>4,552,132</td>
</tr>
<tr>
<td>Auxiliary enterprises</td>
<td>6,480,546</td>
<td>7,357,699</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,471,807</td>
<td>1,460,446</td>
</tr>
<tr>
<td>Total operating expenses (Schedule B)</td>
<td>46,438,629</td>
<td>46,303,529</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(30,212,970)</td>
<td>(29,899,119)</td>
</tr>
</tbody>
</table>

#### NON-OPERATING REVENUES (EXPENSES)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>State appropriations</td>
<td>13,087,624</td>
<td>12,829,120</td>
</tr>
<tr>
<td>Ad valorem taxes (net)</td>
<td>6,346,275</td>
<td>6,223,116</td>
</tr>
<tr>
<td>Federal revenue, non-operating</td>
<td>10,981,941</td>
<td>12,028,536</td>
</tr>
<tr>
<td>Gifts</td>
<td>858,154</td>
<td>917,941</td>
</tr>
<tr>
<td>Investment income</td>
<td>133,098</td>
<td>333,680</td>
</tr>
<tr>
<td>Endowment income</td>
<td>972,961</td>
<td>549,941</td>
</tr>
<tr>
<td>Interest on capital related debt</td>
<td>(67,023)</td>
<td>(90,526)</td>
</tr>
<tr>
<td>Loss on disposal of fixed assets</td>
<td>(97,294)</td>
<td>(30,485)</td>
</tr>
<tr>
<td>Other non-operating expenses</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Other non-operating expenses</td>
<td>(870,728)</td>
<td>(19,928)</td>
</tr>
<tr>
<td>Net non-operating revenues (Schedule C)</td>
<td>31,268,006</td>
<td>32,794,443</td>
</tr>
<tr>
<td>Increase in net position</td>
<td>1,055,027</td>
<td>2,845,324</td>
</tr>
</tbody>
</table>

#### NET POSITION

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net position - beginning of year</td>
<td>74,409,618</td>
<td>75,564,294</td>
</tr>
<tr>
<td>Net position - end of year</td>
<td>$75,464,645</td>
<td>$74,409,618</td>
</tr>
</tbody>
</table>

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Exhibit #1 cont. on next page
KILGORE JUNIOR COLLEGE DISTRICT - KILGORE, TEXAS  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013

<table>
<thead>
<tr>
<th>Activity</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from students and other customers</td>
<td>$32,138,834</td>
<td>$33,845,303</td>
</tr>
<tr>
<td>Receipts of grants and contracts</td>
<td>3,344,401</td>
<td>2,782,204</td>
</tr>
<tr>
<td>Other receipts</td>
<td>68,297</td>
<td>95,973</td>
</tr>
<tr>
<td>Payments to or on behalf of employees</td>
<td>(24,857,359)</td>
<td>(24,372,979)</td>
</tr>
<tr>
<td>Payments to suppliers for goods and services</td>
<td>(13,214,136)</td>
<td>(13,890,817)</td>
</tr>
<tr>
<td>Payments to students under federal grants</td>
<td>(4,038,102)</td>
<td>(6,661,223)</td>
</tr>
<tr>
<td>Net cash used by operating activities</td>
<td>(26,568,285)</td>
<td>(26,600,539)</td>
</tr>
</tbody>
</table>

| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES                        |        |        |
| Receipts of appropriations                                              | 10,606,711 | 10,766,057 |
| Ad valorem tax revenues                                                 | 6,246,276  | 6,223,116 |
| Receipts for Title IV transactions                                      | 10,962,149 | 12,289,912 |
| Gifts and grants (other than capital)                                   | 853,456   | 917,941  |
| Receipts for student organization and other agency transactions         | 12,951,232 | 14,193,863 |
| Student organization and other agency transactions                      | (13,879,037) | (14,341,807) |
| Minus other non-operating expenses                                      | (883,083)  | (50,035)  |
| Net cash provided by non-capital financing activities                   | 37,905,704 | 30,190,023 |

| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES                |        |        |
| Purchases of capital assets                                             | (2,562,151) | (347,797) |
| Payments on capital debt and leases - principal                         | (383,774)  | (308,774) |
| Payments on capital debt and leases - interest                          | (45,025)   | (60,826)  |
| Net cash used by capital and related financing activities               | (2,991,951) | (737,497) |

| CASH FLOWS FROM INVESTING ACTIVITIES                                   |        |        |
| Investment earnings                                                    | 1,105,494 | 282,725  |
| Investments and endowment purchases                                    | (839,063) | (4,663,264) |
| Receipts on notes receivable                                           | 657,527   | 166,712  |
| Net cash provided (used) by investing activities                       | 964,752   | (3,633,827) |

| Decrease in cash and cash equivalents                                  | (656,775) | (231,440) |
| Cash and cash equivalents beginning of year                            | 16,901,653 | 17,123,093 |
| Cash and cash equivalents end of year                                  | $16,244,878 | $16,901,653 |
### Kilgore Junior College District - Kilgore, Texas

#### Statements of Cash Flows

For the Years Ended August 31, 2016 and 2015

<table>
<thead>
<tr>
<th>Reconciliation of operating loss to net cash used by operating activities</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating loss</td>
<td>$(30,212,979)</td>
<td>$(29,809,119)</td>
</tr>
<tr>
<td>Adjustments to reconcile operating loss to net cash used by operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>1,471,357</td>
<td>1,462,446</td>
</tr>
<tr>
<td>On-behalf state benefits</td>
<td>2,398,913</td>
<td>2,043,053</td>
</tr>
<tr>
<td>Changes in assets and liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables, net</td>
<td>(98,512)</td>
<td>269,759</td>
</tr>
<tr>
<td>Inventories</td>
<td>50,636</td>
<td>234,601</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(132,126)</td>
<td>(120,662)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>880,153</td>
<td>75,662</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>(149,597)</td>
<td>(148,695)</td>
</tr>
<tr>
<td>Compensable absences</td>
<td>(25,573)</td>
<td>52,417</td>
</tr>
<tr>
<td><strong>Net cash used by operating activities</strong></td>
<td><strong>$(26,508,285)</strong></td>
<td><strong>$(26,000,539)</strong></td>
</tr>
</tbody>
</table>

---

Jana Broussard of Henry & Peters PC presented the external audit reports for Fiscal Year 2014. Joe Carrington as a member of the Audit Committee made the motion to consider approval of external audit reports for Fiscal Year 2014. Because the motion came from a committee a second is not required. The motion passed unanimously.

B. To consider authorizing the President of Kilgore College to execute a lease agreement between Kilgore College and Kilgore Economic Development Corporation (KEDC) regarding the Advanced Technology Center, contingent on the completion of MOU’s with other tenant(s) – Exhibit #2

Exhibit #2 on next page
SITE LEASE AGREEMENT
KEDC Advanced Technology Center
4006 FM 349, Kilgore, Texas

This Agreement is made by and between Kilgore Economic Development Corporation, ("LESSOR") whose address is 1001 Synergy Blvd., Suite 100, Kilgore, Texas 75662, and Kilgore College ("LESSEE") whose address is 1100 Broadway, Kilgore, Texas 75662.

I.

1.01 LEASED PREMISES - LESSOR leases and rents unto the LESSEE, and the LESSEE leases and rents from LESSOR, subject to the terms and provisions hereinafter set forth, the following premises:

Office and warehouse space as shown on the attached plat marked Exhibit "A" attached hereto. The Leased Premises will also include the joint use of the area shown in cross hatching on the attached plat as common areas with the other co-tenant in the building and the adjoining acreage shown on the plat attached hereto as Exhibit "B", plus the equipment shown on the Equipment List attached hereto as Exhibit "C" which land, the improvement located thereon, fixtures and equipment are all hereinafter referred to as the "Leased Premises."

1.02 RENT - In consideration of this lease, LESSEE promises and agrees to pay the LESSOR the basic rental in the amount of $1,500.00 per month, without any deduction or set off, for each month of the TERM. Monthly installments of rental shall be due and payable without demand on or before the 1st day of each calendar month during the TERM of this Lease Agreement, commencing on February 1, 2016.

1.03 USE OF LEASED PREMISES - LESSEE shall use the Leased Premises only for the following purpose: Only for the KEDC advanced technology programs approved by Lessor in advance.

LESSEE will not occupy or use the Leased Premises or permit any portion of the premises to be occupied or used for any purpose or business other than the permitted use or for any use or purpose which is unlawful in part or in whole or deemed to be disruptive in any manner or extra hazardous on account of fire or other activity, other than the use of welding equipment and welding gases, nor permit anything to be done which will in any way increase the rate of fire insurance on the building or contents thereof. LESSEE will conduct LESSEE'S business and control its agents, employees and invitees in such a manner as not to create any nuisance.

1.04 LESSEE will provide LESSOR with a copy of any executed agreements with the other co-tenant in the building containing the Leased Premises and any other agreements LESSEE may enter into related to the use of the Leased Premises.

II.

2.01 TERM - The Term of this Lease shall be for a period of 2 years beginning February 1, 2015, and ending at midnight on January 31, 2017, subject to the Option to Renew provided for in Section 21.01 hereof.

2.02 HOLDING OVER OF LEASED PREMISES - Any holding over of the Leased Premises, or any part thereof by LESSEE after the Initial Term of this Lease, should LESSEE not exercise the Option to Renew, or after the period provided for in the Option to Renew, shall operate and be construed as if the Lease were in full force and effect, at double the monthly Rent provided for in Paragraph 1.02, and all

Exhibit #2 cont. on next page
terms, provisions and conditions hereof shall remain in full force and effect, except for the Option to Purchase, provided that LESSEE shall hold the premises only as a tenant from month to month.

III.

3.01 RENT - LESSEE agrees to pay and shall pay to LESSOR as Rent for the Leased Premises, in advance, in monthly installments on or before the 1st day of each month during the Term hereof. By occupying the Leased Premises, LESSEE shall be deemed to have accepted the same for LESSOR'S purposes and accepts the Leased Premises AS IS.

3.02 PLACE OF PAYMENT - LESSOR'S address above.

3.03 LATE PAYMENT PENALTY - LESSEE agrees to pay LESSOR, as additional Rent hereunder, the sum of $500.00 for any Rent Payment that is paid more than 15 days after the due date, and the sum of $100.00 per day for every day after that date that the Rent Payment is due. Failure to pay this late payment penalty shall be a default under the terms and conditions of this Lease.

IV.

4.01 UTILITIES - LESSEE and the other Co-Tenant in the building of which the Leased Premises are a part, shall be solely responsible for and promptly pay all charges for heat, air conditioning, light, fuel, power, water, gas, electricity, sewage, removal of trash, and any other utility charges in connection with the Leased Premises, according to any agreement between LESSEE and the Co-Tenant. Until all of the above utilities are taken out of LESSOR'S name, LESSEE will reimburse LESSOR for all utilities. If LESSEE does not do so within 30 days, LESSOR may add the amount of utilities paid by it to the next month's Rent.

V.

5.01 MAINTENANCE BY LESSEE - LESSEE, at all times during the term of this Lease at LESSEE'S sole cost and expense shall:

(a) make all repairs necessary to bring to code specifications of the City in which the Leased Premises are located, and the electrical and plumbing facilities within the Leased Premises,
(b) maintain the heating and air conditioning equipment in good repair,
(c) perform any other repairs necessary to the Leased Premises not to be provided by LESSOR below.

LESSEE agrees to either promptly repair or reimburse LESSOR promptly for any loss, property damage or cost of repairs or service (including plumbing trouble and yard maintenance) caused by negligence or improper use or care by LESSEE, its agent(s) or students utilizing the facility. During occupancy, LESSEE shall be responsible for all plumbing stoppages in lines exclusively serving the Leased Premises and for damages from windows or doors left open. Such reimbursement is due when LESSOR'S representative makes demand. LESSOR'S failure to delay in demanding damage reimbursement, late-payment charges, returned check charges or other sums due by LESSEE shall not be deemed a waiver and LESSOR may demand same at any time, including move-out. If LESSEE does not pay same as due, LESSOR may pay same and add the amount paid to the next monthly installment of Rent. Failure to pay the additional Rent shall constitute a default.

5.02 MAINTENANCE BY LESSOR - LESSOR, at LESSOR'S sole cost and expense, shall keep in good repair all structural portions of the Leased Premises, including but not limited to the outer walls, the foundation and the roof.

5.03 INSPECTION - LESSOR or LESSOR'S agent(s) may enter the premises at all reasonable times so as not to interfere with classroom instruction to show the Leased Premises to
Exhibit #2 cont.

prospective tenants or purchaser, or to make repairs and inspect the Leased Premises. At any time
during the Term of this Lease, a “For Sale” sign or a “For Rent” sign may be displayed on the Leased
Premises.

VI.

6.01 ALTERATIONS - LESSEE shall not make or cause to be made any structural alterations,
additions or improvements to the Leased Premises without first securing written consent of LESSOR,
which consent shall not be unreasonably withheld. Any such alterations, additions or improvements will
become the property of LESSOR upon default or termination of this Lease. All furniture, movable trade
fixtures and equipment installed by LESSEE may be removed by LESSEE at the termination of this Lease
if LESSEE so elects, and shall be so removed if required by LESSOR, or if not so removed shall, at the
option of LESSOR, become the property of LESSOR. All such installations, removable and restorations
shall be accomplished in a good workmanlike manner so as not to damage the premises or the primary
structure or structural qualities of the building or the plumbing, electrical lines or the utilities or parking lot.

VII.

7.01 SURRENDER OF PREMISES AND REMOVAL OF FIXTURES - At the termination of this
Lease, whether by default or at the end of the Term, LESSEE shall deliver up the Leased Premises in as
good condition as same were at the beginning of the term hereof, ordinary wear and tear and
depreciation only excepted. If LESSEE is not then in default, LESSEE shall be entitled to remove, at its
own expense, all of its trade fixtures placed thereon by LESSEE or, upon request of the LESSOR,
LESSEE shall remove the same, in either event LESSEE shall repair any and all damages to the Leased
Premises caused thereby. The obligations of this section shall survive the expiration or other termination
of this Lease. If LESSOR'S trade fixtures, equipment, inventory and other personal property are not
removed from the Leased Premises within 30 days after the termination of this Lease, such personal
property will become the property of LESSOR.

VIII.

8.01 ASSIGNMENT AND SUBLETTING -

(a) This Lease may not be assigned nor the Leased Premises sublet without
LESSOR'S prior written consent. If the Leased Premises are assigned or sublet, LESSOR may collect
rent from the assignee, subtenant or occupant and apply the net amount collected to the Rent, but no
such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant or the
acceptance by LESSOR of the assignee, sublessee or occupant as LESSEE or a release of LESSEE
from liability or further compliance with this lease. Notwithstanding anything to the contrary, in case of
assignment, sublease or license by LESSEE, LESSEE shall remain fully responsible and liable on this
Lease and shall not be released from performing any of its terms, covenants and conditions.

(b) LESSOR shall have the right to sell, transfer or assign, in whole or in part, its
right and obligations under this Lease and in the Leased Premises only upon condition that any
subsequent purchaser, assignee or successor in interest comply with all terms and provisions of this
Lease. Any such sale, transfer or assignment meeting the above stated condition precedent shall
operate to release LESSOR from any and all liabilities under this Lease ensuing after the date of such
sale, assignment or transfer.

IX.

9.01 DAMAGE OR DESTRUCTION -

(a) In the event the Leased Premises or the building of which it forms a part are
damaged or destroyed through no fault of LESSOR or LESSEE, to the extent that restoration and repair
cannot be accomplished within sixty (60) days thereafter, LESSOR or LESSEE may cancel and terminate

Exhibit #2 cont. on next page
this Lease by giving written notice to that effect to the other party not more than ten (10) days following such damage or destruction.

(b) In the event the Leased Premises or the building of which it forms is part are damaged or destroyed through no fault of LESSOR or LESSEE, (1) to the extent only that restoration and repair can be accomplished within ninety (90) working days, or (2) to the extent that restoration and repair cannot be accomplished within ninety (90) working days, but neither party elects to cancel and terminate this lease under (a) above, then LESSOR, with reasonable diligence, shall proceed to repair and restore same to substantially the condition existing immediately prior to the time of such damage or destruction. Rent shall be equitably reduced during the period of repair and restoration.

(c) Notwithstanding (b) above, LESSOR shall not be obligated to expend on repairs and restoration any amount in excess of Insurance proceeds, if any, recovered by LESSOR as a result of any damage or destruction.

X.

10.01 LESSEE'S INSURANCE - LESSEE shall procure and maintain, during the Term of this Lease and any renewals and extensions thereof, at its sole cost and expense, a liability policy or policies of insurance in the face value of at least $1,000,000.00, insuring LESSEE as well as LESSOR from all claims, demands, or actions arising out of LESSEE'S use and occupancy of the Leased Premises, including LESSOR'S Indemnity of LESSOR below, and fire and casualty insurance in an amount sufficient to replace the buildings and equipment located thereon. LESSEE shall provide LESSOR with a certificate naming LESSOR as co-insured and loss payee under the insurance policies, and further providing that the policies cannot be canceled without 30 days notice to LESSOR. If LESSEE should fail to maintain any such insurance, LESSOR may purchase such insurance, and add the cost of any premiums to LESSER'S Rent as Additional Rent. Failure to pay the additional Rent shall constitute a default.

10.02 (a) LIABILITY AND INDEMNITY - LESSOR shall not be liable for and LESSEE agrees, to the extent allowed by law, to defend, indemnify and hold LESSOR harmless from any and all claims, suits, actions, liabilities, expenses, and damages (including, but not limited to, reasonable attorney's fees) for injury to, or death of, any person or for damage to any property of any party which arises from LESSEE'S negligence or willful misconduct, or from the negligence or willful misconduct of any of LESSEE'S employees or business invitees, conduct which occurs during the Lease Term or any extensions or holding over or about the Leased Premises or that arises out of LESSEE'S obligations under this Lease. LESSOR shall not be liable or responsible for any loss or damage to any property or death or injury to any person occasioned by fire, theft, Act of God, public enemy, injunction, riot, strike, insurrection, war, court order, requisition or other governmental body or authority; or by any other matter beyond control of LESSOR.

(b) ENVIRONMENTAL INDEMNITY - LESSEE shall indemnify, to the extent allowed by law, defend and hold LESSOR harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses which arise during or after the Term of this Lease, and any extension thereof, as a result of the presence of Hazardous Material (as hereinafter defined) caused by or resulting from activities at the Leased Premises after the commencement of this Lease. The foregoing indemnification includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision having jurisdiction due to the presence of Hazardous Material in the soil or groundwater on or under the Leased Premises.

"Hazardous Material" shall mean any (a) petroleum product, (b) hazardous substance as defined by Section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq., and (c) any other chemical, substance, or waste that is listed, regulated, or designated as toxic or hazardous (or words of similar meaning and regulatory effect), or with respect to which remediation or removal obligations may be imposed, under any Environmental Law or any such law that may be in effect in the future.
10.03 COMPLIANCE WITH LAWS - LESSEE agrees to observe and comply with all rules, regulations, and laws now in effect or which may be enacted during the continuance of the lease by any municipal, county, state or federal authority having jurisdiction over the premises and to indemnify LESSOR for any damage caused by a violation.

10.04 LESSOR'S INSURANCE - LESSOR agrees to keep the permanent improvements, of which Leased Premises are part, insured against loss of damage by fire or other casualties, provided that LESSOR shall have no liability to LESSEE for failure to maintain such insurance.

10.05 WAIVER OF SUBROGATION - LESSOR and LESSEE mutually agree with respect to and to the extent of any loss covered and paid by insurance (including, but not limited to, liability and fire insurance) then being carried by them, respectively, that the one carrying such insurance and receiving such protection releases the other of and from any and all claims with respect thereto; and they further mutually agree that their respective insurers shall have no right of subrogation against the other to the extent that such release does not adversely affect or impair such policies or prejudice the right of the releasor to recover thereunder. Each party shall promptly notify the other party in writing of any claim, suit or action which has been commenced of which either party has knowledge and for which defense and/or indemnity may be sought hereunder.

10.06 INCREASED OR INVALIDATED INSURANCE - LESSEE shall not, without LESSOR'S prior written consent, keep anything or any substance within the Leased Premises or use the Leased Premises for any purpose which increases insurance premium costs or invalidates any insurance policy carried on the Leased Premises. All property kept, stored, or maintained within the Leased premises by LESSEE shall be at LESSEE'S sole risk.

10.07 LESSOR shall not be liable for any damages or losses to person or property caused by other residents or other persons, theft, burglary, assault, vandalism or other crimes. LESSOR shall have no duty regarding door locks and window latches other than to keep existing locks and latches in good repair, subject to LESSEE'S obligation to give written notice of needed repair. LESSEE has inspected existing locks and latches and agrees that they are safe and acceptable. Upon payment of a reasonable charge, LESSEE shall have the right to require LESSOR to change a door lock. IF LESSEE CHANGES ANY LOCK IT MUST PROVIDE LESSOR WITH A KEY TO THAT LOCK. LESSOR shall not be liable for personal injury or damage or loss of LESSEE'S personal property from theft, vandalism, fire, water, rain, hail, smoke, explosions, sonic booms or other causes whatsoever, unless the same is due to the negligence of LESSOR or LESSOR'S representative. LESSOR strongly recommends that LESSEE secure its own insurance to protect itself against all of the above occurrences.

10.08 LESSEE agrees to hold LESSOR harmless from and against all damages or accidents occurring on the premises to LESSEE, its guests, students, or its or their property, to the extent permitted by law.

10.09 LESSOR hereby agrees that it has inspected the premises and accepts them AS IS, WHERE IS. 10.10 LESSEE agrees to hold LESSOR harmless for the behavior of business guests and students and damages caused by them, to the extent permitted by law.

XI.

11.01 DEFAULT OF LESSEE AND LESSOR'S REMEDIES -

(a) The following events shall be deemed to be events of default by LESSEE under this lease:

(i) LESSEE shall fail to pay Installment of Rent or Additional Rent and such failure shall continue for a period of ten (10) business days after receipt of written notice thereof.
(ii) LESSEE shall fail to comply with any term, provision or covenant of this Lease, other than the payment of Rent or Additional Rent and shall not cure such failure within thirty (30) days after receipt of written notice thereof, or should such default be one that LESSEE cannot reasonably cure within said 30-day period, LESSOR is not then proceeding with due diligence to correct same.

(p) REMEDIES IN THE EVENT OF DEFAULT - Upon the occurrence of any of such Events of Default, then LESSOR shall have the option to pursue one or more of the following remedies without notice or demand whatsoever, viz:

(i) Terminate this Lease, in which event LESSEE shall Immediately surrender the Leased Premises to LESSOR, and if LESSEE fails to do so, LESSOR may, without prejudice to any other remedy which he may have for possession or arrearage in rent, enter upon and take possession of the Leased Premises and expel or remove LESSEE or any other person who may be occupying said premises, or any part thereof, and LESSEE agrees to pay to LESSOR on demand the amount of all loss or damage which LESSOR may suffer by reason of such termination, whether through inability to relet the premises on satisfactory terms or otherwise. Termination shall not occur unless LESSOR expressly so states in writing.

(ii) Enter upon and take possession of the Leased Premises and expel or remove LESSEE or any other person who may be occupying said premises, or any part thereof, and relet the Leased Premises and receive the rent therefor; and LESSEE agrees to pay to LESSOR, on demand, any deficiency which may arise by reason of any such reletting.

(iii) Pursuit of any of the foregoing remedies shall not preclude pursuit of any other remedies herein provided or any other remedies provided by law, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent due to LESSOR hereunder, or of any damages accruing to LESSOR by reason of the violation of the terms, provisions and covenants herein contained.

XII.

12.01 LESSEE'S TAXES - LESSEE shall pay or cause to be paid all property taxes upon the personal property of LESSEE located on the Leased Premises and will pay all other employment, income, and sales taxes, franchise payments and license fees or other levies or assessments of whatever kind or character which may be made upon LESSEE or as a result of LESSEE'S operations on the Leased Premises, and provide LESSOR with proof of payment of same.

LESSEE shall pay all real property, including ad valorem taxes, upon LESSOR'S Interest in the Leased Premises, should LESSOR'S use of the Leased Premises cause LESSOR'S interest in the Leased Premises cause the Leased Premises to be subject to any real property tax. In the event LESSEE fails to pay such taxes, LESSOR may pay the same and add such amount to the next installment or installments of Rent.

XIII.

13.01 SIGNS - LESSEE shall have the right to erect a sign or signs on the Leased Premises only when first approved by LESSOR, in LESSOR'S sole discretion, and only if it conforms to all applicable laws, ordinances, regulations and other requirements. All such signs shall be erected and thereafter maintained at LESSEE'S sole cost, expense and risk and shall be removed upon the termination of this lease in workmanlike manner with all damage and holes occasioned by such removal repaired and filled, respectively. In the event LESSEE fails to remove all such signs in the above time period, LESSOR shall be authorized to remove such signs on LESSEE'S behalf and at LESSEE'S sole expense. To the extent permitted by law, LESSOR agrees to indemnify and hold LESSOR harmless from and against any and all costs, expenses, claims and other liabilities of any type arising out of the erection of the sign or removal of the sign. All sign installations and removals by LESSEE shall be made in such manner as to avoid injury to or defacement of the leasehold improvements.
XIV.

14.01 **SUBORDINATION** - This Lease is subject to and subordinate to any mortgage, deed of trust, or other lien which may now encumber the Leased Premises and to all renewals, extensions, and modifications thereof. LESSOR shall, at LESSOR’S request, execute promptly any appropriate certificate or instrument of attornment or subordination that LESSOR may request. LESSOR further hereby constitutes and appoints LESSOR as LESSOR’S attorney-in-fact to execute any such certificate or instrument for or on behalf of LESSEE. In the event of enforcement by a trustee or beneficiary under any such mortgage or deed of trust of the remedies provided by law or by such mortgage or deed of trust, LESSEE will upon request of any person or parties succeeding in the interest of LESSOR as the result of such enforcement, automatically become the LESSEE of such successor in interest without change in the terms or other provisions of this Lease.

XV.

15.01 **CONDEMNATION** -

(c) If, during the term of this Lease or any extension hereof, all or a substantial part of the Leased Premises shall be taken by any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain, or should be sold to a condemning authority under threat of condemnation, this Lease shall terminate, and the Rent shall be abated during the unexpired portion of this Lease, effective when the physical taking of said premises shall occur. The term “substantial part” as used herein shall mean a taking of such magnitude that renders the Leased Premises unfit for the purposes for which leased.

(d) If less than a substantial part of the Leased Premises shall be taken by any public or quasi-public use under any governmental law, ordinance or regulation, or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, this Lease shall not terminate, and the Rent payable during the unexpired portion of this Lease shall be adjusted to such extent as is fair and reasonable under the circumstances.

(d) LESSOR and LESSEE shall each be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings, and the termination of this Lease shall not affect the rights of the respective parties to such awards.

XVI.

16.01 **NON-WAIVER** - Failure by either party to enforce one or more of the remedies available to it upon an event of default shall not be construed or deemed to constitute a waiver of such default, or of any other violation or breach of any of the terms, provisions and covenants herein contained. Waiver by either party of any breach or default by the other shall not constitute a waiver of any other or subsequent default.

XVII.

17.01 **NOTICES** - All notices required or permitted to be given under the terms of this Lease shall be given in writing by certified mail, postage prepaid, return receipt requested, to each party at the addresses indicated above, or at such other place or places as either party may from time to time so designate by written notice to the other party. Any notice required or permitted to be given hereunder shall be deemed for all purposes hereof to have been received by the other party three (3) business days after the same was deposited in the United States mail.

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Exhibit #2 cont. on next page
XVIII.

18.01 MISCELLANEOUS - Caption and section numbers are inserted for convenience only and do not define, limit, construe, or describe the scope or intent of such sections of this lease and do not indicate that all matters relating thereto are found under any particular section.

XIX.

19.01 GOVERNING LAW AND SEVERABILITY - This lease shall be governed by and construed in accordance with the laws of the State of Texas. If any provision hereof is invalid or unenforceable, the remainder of this lease shall not be affected thereby, but rather shall remain in full force and effect. Venue for any matter arising hereunder shall be in a court of competent jurisdiction in Gregg County, Texas.

XX.

20.01 QUIET ENJOYMENT - LESSOR hereby covenants with LESSEE that, provided LESSEE is not in default hereunder and subject to any other provisions of this Lease, LESSEE may peaceably and quietly occupy and use the Leased Premises. LESSOR shall warrant and forever defend LESSEE'S right to possession of the Leased Premises against the claims of any person whatsoever lawfully claiming or to claim all or any part thereof, subject to the provisions of this Lease and the liens referred to in section 24.01 hereof.

XXI.

21.01 OPTION TO RENEW - LESSEE, if not in default, shall have the option to renew and extend this Lease for 2 additional periods of 2 years each upon the same terms, covenants and conditions as herein provided except rent which shall be at the then prevailing market rate in the area where the premises are situated, or at an amount to be negotiated between LESSEE and LESSOR. Thereafter, there shall be no further option or renewal privileges after the exercise of such options. To exercise such option, LESSEE must give LESSOR written notice thereof not less than 60 days before the expiration of the original term of this Lease or any extensions thereof.

XXII.

22.01 MODIFICATION - This lease contains the entire agreement of the parties. It may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, modification, extension or discharge is sought.

XXIII.

23.01 PARTIES BOUND - The terms, provisions, covenants, and conditions contained in this lease shall apply to, inure to the benefit of, and be binding upon the parties hereto, their respective heirs, legal representatives and assigns.

XXIV.

24.01 LANDLORD'S LIEN - LESSOR IS GRANTED AN EXPRESS CONTRACTUAL LIEN, IN ADDITION TO ANY LIEN PROVIDED BY LAW, AND A SECURITY INTEREST IN ALL PROPERTY OF LESSEE FOUND ON THE PREMISES, TO SECURE THE COMPLIANCE BY LESSEE OF ALL TERMS OF THIS LEASE. IN THE EVENT OF DEFAULT, LESSOR OR HIS AGENT MAY PEACEABLY ENTER THE PROPERTY AND REMOVE ALL PROPERTY, EXCEPT THOSE ITEMS EXEMPT BY STATE LAW, AND DISPOSE OF SAME AS LESSOR SHALL SEE FIT.
XXV.

25.01 ATTORNEY'S FEES - In the event it should be necessary for LESSOR to bring any action under this Lease or to consult or place said Lease or any amount payable by LESSEE hereunder with an attorney of for the enforcement of any of the LESSEE'S rights hereunder, the LESSEE agrees in each and every such case to reimburse LESSOR for LESSOR'S attorney's fees, expenses and costs of court if any incurred. Such payments shall be due within five (5) days of demand.

XXVI.

26.01 MECHANIC'S LIENS - LESSEE will not permit any Mechanic's Lien or liens to be placed upon the Leased Premises of the building or the improvements thereon during the Term hereof, and in the case of the filing of any such lien LESSEE will promptly pay the same. If LESSEE does not immediately pay same, LESSOR shall have the right and privilege to LESSEE'S option of paying the same or any portion thereof without inquiry as to the validity thereof, and any amounts so paid, including expenses and interests shall be Additional Rent due from LESSEE to LESSOR and shall be repaid to LESSOR immediately, together with interest at 10% per annum until repaid.

XXVII.

27.01 ENTIRE AGREEMENT, AMENDMENTS, AND BINDING EFFECT - This Lease Agreement represents the final agreement between the parties and may not be contradicted by evidence prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties. No custom or practice which may have been established between the parties in the administration of the terms of this Lease shall be construed to waiver or lessen the rights of the LESSOR to insist upon the performance by LESSEE in strict accordance with the terms of this Lease Agreement. The terms, provisions, covenants and conditions contained in this lease shall apply to, inure to the benefit of and be binding upon the parties hereto, and upon their respective successors and interests and legal representatives, except as otherwise expressly provided for herein. The failure of LESSOR to insist at any time upon the strict performance of any covenant or agreement or to exercise any option right, power or remedy contained in this lease shall not be construed as a waiver or relinquishment of LESSOR'S rights in the future.

EXECUTED in duplicate originals this day and date first hereinafore written.

Kilgore College

By: ______________________
William Holda, President

LESSEE

Kilgore Economic Development Corporation

By: ______________________
J. Ty Sharp, President

LESSOR
"Exhibit C"

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<tr>
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<tr>
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<td>Miller Dimension 452 w/Dual Feeder</td>
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<td>Miller Stick Machines Idealarc 250</td>
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<td>4</td>
<td>Victor Journeyman Torches with 75' hose &amp; gauges</td>
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<td></td>
<td>75%-25% Pack</td>
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<tr>
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<td>Oxygen Pack</td>
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<td></td>
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<td>Roll ups for air w/100' hose</td>
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After brief discussion a motion to accept Action Item B as presented was made by Karol Pruett and seconded by Joe Carrington. The motion passed unanimously.
C. To consider authorizing the President of Kilgore College to execute an interlocal cooperation agreement between Kilgore College, Northeast Texas Community and Texarkana College for the formation and administration of the Texas Community College Consortium (TC’), pursuant to the Texas Interlocal Cooperation Act, Texas Government Code Chapter 791, in order to provide small- to medium-sized Texas Community Colleges information technology services and support that will:

1. Improve flexibility to embrace changes that will improve student outcomes;
2. Improve administrative efficiencies that will lower costs; and
3. Improve accuracy of institutional data to support operations and student success research, both within each college and by external entities. – Exhibit #3

Exhibit #3

INTERLOCAL COOPERATION AGREEMENT FOR THE FORMATION AND ADMINISTRATION OF THE TEXAS COMMUNITY COLLEGE CONSORTIUM (TC’)

This Interlocal Cooperation Agreement is made by and between the Members as defined more fully herein, pursuant to the Texas Interlocal Cooperation Act, Texas Government Code Chapter 791. The Interlocal Cooperation Act was enacted by the Texas Legislature for the purpose of increasing the efficiency and effectiveness of local governmental entities by authorizing them to contract with one another and with other entities and to carry out shared local governmental responsibilities and functions. This Agreement is entered in conformity with that legislative authorization and purpose.

ARTICLE 1
Members

1.1 The Texas Community College Consortium (“TC’” or the “Consortium”) shall be comprised of member public community college districts. The purpose of TC’ is to provide small- to medium-sized Texas Community Colleges information technology services and support that will:

a. Improve flexibility to embrace changes that will improve student outcomes;

b. Improve administrative efficiencies that will lower costs; and

c. Improve accuracy of institutional data to support operations and student success research, both within each college and by external entities.

The Consortium will have the ability to provide staff services, maintain and support hardware and software for the organization as well as facilitate group purchasing. The overall goal, however, is to provide smaller institutions with the same competitive edge and ability to manage data as institutions with larger budget allocations.

1.2 Those public entities joining TC’ by action of their respective governing boards and in accordance with this Agreement, and as evidenced by execution of the Signature Page of this Agreement, are referred to herein as “Members.”

1.3 Each Member under this Agreement is individually authorized to provide publicly funded, high quality post-secondary and vocational education in this State and executes this Agreement in furtherance of that governmental purpose.

ARTICLE 2
Purpose

2.1 The purpose of this Agreement is to facilitate sharing of experiences with consortium systems, conduct business for the benefit of all members, and build complementary integrated administrative systems.

2.2 As part of this partnership, the Parties agree to develop and adopt standardized
business processes and policies related to:

a. Student enrollment;

b. Instructional administration; and

c. Administrative and accounting procedures.

2.3 Under this Agreement, the following functions will be carried out:

a. Project management. Such shared costs may include a shared consultant to manage the standardization of business processes.

b. Training costs. Professional training services and associated travel expenses may be shared by the Parties.

c. Database hosting. The Parties may negotiate one or more agreements for a vendor to host the Parties’ software and maintain backups.

d. Contract negotiation. The Parties intend to cooperate and coordinate in the negotiation of software licensing agreements on behalf of the individual colleges with the purpose of all Parties to this Agreement acquiring identical and/or compatible software platforms on which to develop standardized administrative systems and training.

e. Administration. The parties shall designate an existing local government to serve as Fiscal Agent to supervise the performance of this Agreement as provided at Texas Government Code Section 791.013(a)(2) and provide a framework under which the Fiscal Agent may employ personnel, perform administrative functions and provide administrative services necessary to perform under this Agreement.

f. Intellectual Property. Provide for a framework for applying for, registering, securing, holding, protecting and renewing copyright protection for original intellectual property that is created with shared resources under this Agreement as authorized by Texas Government Code Section 791.013(a)(5).

ARTICLE 3

Term

3.1 This Agreement is entered to be effective beginning with the 2014-2015 school year. "School year" for the purposes of this Agreement shall be September 1 through August 31.

3.2 Each Member acknowledges that the development of a meaningful partnership initiative requires investment in program development as well as staff development. Therefore, each Member agrees to commit to an initial five-year term for its participation in TC.
3.3 If a Member executes the Signature Page to this Agreement after commencement of a fiscal school year, the year in which the Signature Page is executed shall be considered year one of the term of this Agreement.

ARTICLE 4
Information Exchange Website

4.1 The Members shall create and maintain an information resource exchange website for the exchange of data and information between Members in support of the purposes of this Agreement.

4.2 Each Member shall designate an official or employee from the Member entity to be responsible for maintaining the information resource exchange website and representing the Member in Consortium matters.

ARTICLE 5
Governance

5.1 The Management Committee shall be comprised of three permanent members and up to three elected members. Elected members shall serve staggered two-year terms. All day-to-day operations of TC3 shall be administered by the Executive Director, who shall be appointed by and serve at the pleasure of the Management Committee.

5.2 All Members of TC3 shall be entitled to participate in a meeting of the Members that shall be held at least once each year, and at such other times as, in the judgment of the Chair, Fiscal Agent and/or Management Committee, are deemed appropriate. Each Member may designate a representative to represent the Member at any meeting of the TC3.

5.3 The role of the Members shall be to elect three at-large Members to serve on the Management Committee, to establish such other committees as the Members determine appropriate to support the operation of the TC3 and to provide advice and consultation to the Executive Director and Fiscal Agent in matters involving the operation of the TC3.

a. The Members shall meet at least annually, and may meet from time to time as necessary.

b. A majority of the members of the Management Committee shall constitute a quorum. The Members shall act by motions adopted or passed by vote of the majority of the Members attending the meeting at whichug the issue was presented.

c. Each Member shall be entitled to one vote on each matter submitted to a vote of the Members. In the event of a tie vote, the Chair shall have two votes.

d. At the initial meeting of the Members, and at each annual meeting thereafter, the Members in attendance shall elect up to three (3) Member representatives who shall serve on the Management Committee.
c. At the initial meeting of the Members, the Members in attendance shall select a Chair and Vice-Chair by the affirmative vote of a majority of the Members. The Chair shall preside over the meetings of the Members and shall be responsible for scheduling regular and special called meetings of the Members, including the provision of notice thereof. In the absence or disability of the Chair, his/her duties shall be performed and his/her powers may be exercised by the Vice-Chair. The Vice-Chair shall generally assist the Chair and shall have such powers and shall perform such duties and services as shall from time to time be prescribed or delegated to him or her by the Chair of the Members.

f. The Chair and Vice-Chair shall serve in their respective capacities until tendering written resignation(s), or until replacement by a majority vote of the Members. The Chair and Vice-Chair shall be entitled to vote on all matters coming before the Members.

g. Meetings shall be held in accordance with the provisions of the Texas Open Meetings Act, and procedures for meetings shall be governed by the most current version of Robert’s Rules of Order.

h. Written notice of all meetings of the Members shall be posted at the place(s) for posting notice of public meetings for the Fiscal Agent consistent with the Texas Open Meetings Act. The Chair shall transmit notice of the meeting to each Member not less than five (5) days prior to the date of the meeting. Notice shall be given by or at the general direction of Chair.

i. At the annual meeting, the Members will receive a financial report from the Fiscal Agent/Executive Director.

j. The duties of the Members shall include, but not be limited to the following:

(i) To undergo a high-level technology and staffing assessment;

(ii) To serve on one or more Advisory Committees, if appointed by the Chair;

(iii) To appoint representatives to the Management Committee;

(iv) To periodically evaluate and report to the Members regarding the ongoing success of the TC² in providing information technology services for use by the Members; and

(v) To review the programmatic and financial operations of the TC² and make amendments or modifications to this Interlocal Cooperation Agreement.

5.4 The role of the Management Committee shall be to direct the operations of the Consortium. The Management Committee may meet from time to time for the purpose of planning, budgeting, making programmatic recommendations and carrying out administrative functions and duties in consultation with the Executive Director.
a. A majority of the members of the Management Committee shall constitute a quorum. The Management Committee shall act by motions adopted or passed by vote of the majority of the members of the Management Committee attending the meeting at which the issue was an action item.

b. Each member of the Management Committee shall be entitled to one vote on each matter submitted to a vote of the Management Committee members. In the event of a tie vote, the Chair shall have two votes.

c. At the initial meeting of the Management Committee, the members in attendance shall select a Chair and Vice-Chair by the affirmative vote of a majority of the members. The Chair shall preside over the meetings of the Committee and shall be responsible for scheduling regular and special called meetings of the Committee, including the provision of notice thereof. In the absence or disability of the Chair, his/her duties shall be performed and his/her powers may be exercised by the Vice-Chair. The Vice-Chair shall generally assist the Chair and shall have such powers and shall perform such duties and services as shall from time to time be prescribed or delegated to him or her by the Chair of the Management Committee.

d. The Chair and Vice-Chair shall serve in their respective capacities until tendering written resignation(s), or until replacement by a majority vote of the members of the Management Committee. The Chair and Vice-Chair shall be entitled to vote on all matters coming before the Management Committee.

e. The Management Committee shall hold regular meetings at such time and in such place as shall be determined by the Committee. Meetings shall be held in accordance with the provisions of the Texas Open Meetings Act, and procedures for meetings shall be governed by the most current version of Robert’s Rules of Order. Special meetings of the Management Committee shall be called by the Chair, or by affirmative vote of not less than one-third of the members of the Committee.

f. Written notice of all meetings of the Management Committee shall be posted at the place(s) for posting notice of public meetings for the Fiscal Agent consistent with the Texas Open Meetings Act. The Chair of the Management Committee shall transmit to each member of the Management Committee not less than five (5) days prior to the date of the meeting. Notice shall be given by or at the general direction of Chair of the Committee, or the members calling the meeting.

g. The duties of the Management Committee shall include, but not be limited to the following:

1. To develop and recommend operating policies and review the operations, policies and procedures of the TC, and to make advisory recommendations to the Fiscal Agent and Members regarding such operations, policies, and procedures including suggested changes or amendments thereto;
(ii) To periodically evaluate and report to the parties regarding the ongoing success of the TC³ in providing student information management support materials for use by the Members; and

(iii) To participate in an advisory capacity in the development of the annual operating budget for the TC³, including the Member fee schedule; and to monitor reimbursement to the Fiscal Agent for its administrative expenses in connection with its responsibilities as set forth in this Agreement.

5.5 Meetings of the Members and Management Committee shall take place at the business offices of the Fiscal Agent unless another meeting place has been designated in the notice of the meeting.

5.6 Notice of all meetings of the Members of TC³ may be sent by electronic mail, and shall be sent by First Class U.S. Mail to the superintendent of schools or designated executive official of each Member.

ARTICLE 6
Fiscal Agent, Compensation and Method of Payment

6.1 For the initial three-year term of this Agreement, Northeast Texas Community College shall serve as fiscal agent ("Fiscal Agent"). At the conclusion of the third year of this initial Agreement, and every year thereafter, the Members shall select a Fiscal Agent by majority vote of the Members attending the duly called annual meeting.

6.2 The Fiscal Agent shall:

a. Maintain financial records of all TC³ funds on behalf of the Members.

b. Collect fees consistent with the Member Fee Schedule.

c. Enter contracts.

d. Enter agreements with Members and third party consultants for the development of a student information management system.

e. Employ professional staff, consultants or administrative support staff as may be necessary to carry out the affairs of TC³ on behalf of its members.

f. Annually provide an audited accounting to the Members of all funds received and paid with respect to the TC³.

6.3 The Fiscal Agent shall be compensated for its services in accordance with the Fee Schedule approved by the Members. For the initial three-year term of this Agreement, the Fee Schedule shall be as set forth in Schedule A to this Agreement, which is incorporated herein by reference. The Fee Schedule shall be modified annually thereafter, or at such other times as approved by the Members, and such modifications shall bind the parties hereto.
ARTICLE 7
Termination

This Agreement may be terminated upon any of the following occurrences:

7.1 By any Member, upon the material failure of the TC² to fulfill material obligations as set forth in this Agreement.

7.2 By TC², acting through its Fiscal Agent, upon the failure of any Member to fulfill material obligations as set forth in this Agreement.

7.3 Any Member who fails to make payment as specified under this Agreement shall receive a reminder that the Member is in breach of its duties under the Agreement. If the Member does not timely cure that breach, the Member's participation in TC² shall be terminated and participation fees shall be forfeited.

7.4 If termination is based upon the material failure of the TC² to fulfill its obligations as set forth in this Agreement, the Member shall be reimbursed any payment(s) made for the current school year on a pro-rata basis.

7.5 If termination is initiated by the Member without good cause or is based upon the material failure of a Member to fulfill its obligations as set forth in this Agreement, the Member shall forfeit the Membership fee.

ARTICLE 8
Miscellaneous

8.1 This Agreement shall be construed and enforced in accordance with the laws of the State of Texas.

8.2 In the event of any dispute arising under this Agreement, the Members agree to participate in non-binding mediation or alternative dispute resolution prior to seeking redress in a court of law. In the event that non-binding dispute resolution does not resolve the conflict or dispute, venue for resolving any dispute arising under this Agreement shall be in the County in which the Fiscal Agent's administrative offices are located.

8.3 Any and all changes to this Agreement may be enacted by written amendment or addendum properly executed by the governing board of each Member.

8.4 This Agreement shall bind and benefit the respective Members and their legal successors, but shall not otherwise be assignable, in whole or in part, by any Party without first obtaining the written consent of the other Members.

8.5 All notices required or permitted under this Agreement, shall be mailed to the President of the Member at the administrative offices of the Member.
8.6 This Agreement inures to the benefit of and obligates only the Members. No term or provision of this Agreement shall benefit or obligate any person or entity not a Party to the Agreement. The Members shall cooperate fully in opposing any attempt by any third person or entity to claim any benefit, protection, release, or other consideration under this Agreement.

8.7 This Agreement is a contract for the performance of governmental functions by governmental entities. The services provided for herein are governmental functions, and the Members shall be engaged in the conduct of a governmental function while providing and/or performing any service pursuant to this Agreement.

8.8 No Party waives or relinquishes any immunity or defense on behalf of itself, its trustees, officers, employees, and agents as a result of the execution of this Agreement and the performance of the covenants and agreements contained herein.

8.9 If any provision of this Agreement shall be deemed void or invalid, such provision shall be severed from the remainder of this Agreement, which shall remain in force and effect to the extent that it does not frustrate the purposes of this Agreement.

8.10 The Parties agree that in the event of any conflict arising under this Agreement, the parties will make best efforts to resolve such disputes through non-binding mediation before seeking any judicial remedy.

8.11 This Agreement is the entire agreement between the Consortium and the Members as to the subject matter hereof and supersedes any prior understanding or written or oral agreement relative to the subject matter hereof.

8.12 The Parties agree to comply fully with all applicable federal, state and local statutes, ordinances, rules and regulations in connection with all operations relating to the Consortium.

8.13 The Parties acknowledge and agree that all monies paid pursuant to this Agreement shall be paid from budgeted available funds for the current fiscal year of each such Party.

8.14 The meetings at which this Agreement was approved by the Parties' respective governing boards were posted and held in accordance with the Texas Open Meetings Act, Texas Government Code Chapter 551.

Each Member executing the Signature Page to this Agreement by action of its respective governing board shall be bound by this Agreement, effective upon full execution of the Agreement.
Signature Page

This signature page shall be executed and affixed to the Interlocal Cooperation Agreement for the Texas Community College Consortium as evidence that the undersigned Member, acting through its duly elected or appointed governing board, has approved participation in the Agreement pursuant to its terms.

Approved:  

Date

Member:  NORTHEAST TEXAS COMMUNITY COLLEGE

By: 

9
Signature Page

This signature page shall be executed and affixed to the Interlocal Cooperation Agreement for the Texas Community College Consortium as evidence that the undersigned Member, acting through its duly elected or appointed governing board, has approved participation in the Agreement pursuant to its terms.

Approved: 
Date

Member: KILGORE COLLEGE

By:

10
Exhibit #3 cont.

Signature Page

This signature page shall be executed and affixed to the Interlocal Cooperation Agreement for the Texas Community College Consortium as evidence that the undersigned Member, acting through its duly elected or appointed governing board, has approved participation in the Agreement pursuant to its terms.

Approved: __________________________
Date

Member: TEXARKANA COLLEGE

By: ________________________________

A motion to accept Action Item C as presented was made by Scott Andrews and seconded by Will Roberson. The motion passed with 7 yea votes and 1 nay vote by Brian Nutt.
D. To consider calling the Kilgore Junior College District Trustee general election set for May 9, 2015. -

*Exhibit #4*

**Exhibit #4**

**MEMORANDUM**

DATE: December 8, 2014

TO: Dr. Bill Holsa

FROM: Nancy Law

SUBJECT: 2015 Board of Trustees Election

The Election Calendar for School Districts provided by the Office of the Secretary of State designates Saturday, May 9, 2015 as the general election date. Therefore, the Kilgore College Board of Trustees election should be called for that date.

Kilgore College will have four positions on the Board of Trustees to be filled on that date. Three positions are for six-year terms. The fourth position is for the unexpired term of Charles Hale for two years which is currently held by the appointed trustee, Karol Pruett. The unexpired term will be considered in special elections on the same date as the general election.

Current board positions whose terms expire in May 2015 are:

Voting Unit #1, Place 1, South Zone (currently held by William E. Roberson)
Voting Unit #2, Place 2, North Zone (currently held by James Walker)
Voting Unit #3, Place 3, Central Zone (currently held by C.B. “Scooter” Griffin, Jr.)

Current board position up for a special election for an unexpired term ending May 2017 is:

Voting Unit #3, Place 6, Central Zone (currently held by Karol Pruett)

A motion to accept Action Item D as presented was made by Larry Woodfin and seconded by Karol Pruett. The motion passed unanimously.
E. To consider calling the Kilgore Junior College District Trustee special election set for May 9, 2015 — Exhibit #4

Exhibit #4

MEMORANDUM

DATE: December 8, 2014

TO: Dr. Bill Holda

FROM: Nancy Law

SUBJECT: 2015 Board of Trustees Election

The Election Calendar for School Districts provided by the Office of the Secretary of State designates Saturday, May 9, 2015 as the general election date. Therefore, the Kilgore College Board of Trustees election should be called for that date.

Kilgore College will have four positions on the Board of Trustees to be filled on that date. Three positions are for six-year terms. The fourth position is for the unexpired term of Charles Hale for two years which is currently held by the appointed trustee, Karol Pruett. The unexpired term will be considered in special elections on the same date as the general election.

Current board positions whose terms expire in May 2015 are:

Voting Unit #1, Place 1, South Zone (currently held by William E. Roberson)
Voting Unit #2, Place 2, North Zone (currently held by James Walker)
Voting Unit #3, Place 3, Central Zone (currently held by C.B. “Scooter” Griffin, Jr.)

Current board position up for a special election for an unexpired term ending May 2017 is:

Voting Unit #3, Place 6, Central Zone (currently held by Karol Pruett)

A motion to accept Action Item E as presented was made by Brian Nutt and seconded by Will Roberson. The motion passed unanimously.
F. To consider approving the Joint Election Agreement with the City of Overton. – Exhibit #5

Exhibit #5

JOINT ELECTION AGREEMENT

Between

Kilgore Junior College District (KC) and the

City of Overton (City)

BY THE TERMS OF THIS AGREEMENT, KC, a local political subdivision, and the City do hereby agree, pursuant to the provisions of the Texas Election Code, to hold a joint election of the General/Special/Bond Election of KC and the General/Special/Bond Election of the City to be held on Saturday, May 9, 2015.

KC and the City shall share equally (according to the percentages set forth in the Joint Election Contract) in the expense of the early voting and election day polling locations, ballot programming, payroll of election workers, and other costs common to both elections upon receipt of satisfactory billing and invoices from the City reflecting the total of such expenses.

KC understands that the City has contracted with other local political subdivisions. KC acknowledges, and does hereby give their consent, that such other local political subdivisions may use one or more of the same early voting locations, voting equipment, and the services of the early voting deputies and one or more of the same Election Day polling locations, voting equipment, and the services of the election workers.

In the event KC cancels its election, the election will be conducted at the same location(s) as planned with the City paying all expenses for conducting the election.

This Agreement shall be valid until one of the Entities gives a 30-day notice to the other Entity that it no longer wishes to participate in the Agreement.

APPROVED by vote of the Kilgore College Board of Trustees on the

_______ day of _________________, 20___

KILGORE JUNIOR COLLEGE DISTRICT

__________________________
President, Board of Trustees

APPROVED by vote of the City of Overton on the _____ day of

_________________________, 20___

CITY OF OVERTON

__________________________
Mayor

A motion to accept Action Item F as presented was made by Scott Andrews and seconded by Larry Woodfin. The motion passed unanimously.
G. To consider approving the Joint Election Agreement with the City of Gladewater – Exhibit #6

Exhibit #6

JOINT ELECTION AGREEMENT

Between

Kilgore Junior College District (KC) and the

City of Gladewater (City)

BY THE TERMS OF THIS AGREEMENT, KC, a local political subdivision, and the City do hereby agree, pursuant to the provisions of the Texas Election Code, to hold a joint election of the General/Special/Bond Election of KC and the General/Special/Bond Election of the City to be held on Saturday, May 9, 2015.

KC and the City shall share equally (according to the percentages set forth in the Joint Election Contract) in the expense of the early voting and election day polling locations, ballot programming, payroll of election workers, and other costs common to both elections upon receipt of satisfactory billing and invoices from the City reflecting the total of such expenses.

KC understands that the City has contracted with other local political subdivisions. KC acknowledges, and does hereby give their consent, that such other local political subdivisions may use one or more of the same early voting locations, voting equipment, and the services of the early voting deputies and one or more of the same Election Day polling locations, voting equipment, and the services of the election workers.

In the event KC cancels its election, the election will be conducted at the same location(s) as planned with the City paying all expenses for conducting the election.

This Agreement shall be valid until one of the Entities gives a 30-day notice to the other Entity that it no longer wishes to participate in the Agreement.

APPROVED by vote of the Kilgore College Board of Trustees on the

_____ day of _____________, 20__.

KILGORE JUNIOR COLLEGE DISTRICT

__________________________
President, Board of Trustees

APPROVED by vote of the City of Gladewater on the _____ day of

__________________________, 20__.

CITY OF GLADEWATER

__________________________
Mayor

A motion to accept Action Item G as presented was made by Larry Woodfin and seconded by Joe Carrington. The motion passed unanimously.
H. To consider the recommendation by the college attorney to engage independent counsel reporting to the Board for the purpose of investigating the factual basis of specific allegations by the Coordinator of Physical Plant

A lengthy presentation from Kilgore College attorney, Rick Faulkner was presented to the board related to the possibilities with hiring an independent counsel to investigate certain allegations. Mr. Faulkner commented the board could consider this action now or at a reasonable time in the future. There was no motion on Action Item H and therefore no action.

Section VI. on the Agenda was Executive Session

The Board did not convene into Executive Session.

Section VII. on the Agenda was Board Committee Reports

A. Investment Committee

Scott Andrews reported from the Investment Committee. There were no other board comments or questions.

B. Property Committee

Larry Woodfin stated that the Property Committee had authorized Administration to acquire a certain vacant lot in Longview.

Section VIII. on the Agenda was Board Discussion Items

A. Reducing administrative overhead and any operational expense while enrollment declines (Trustee Griffin)

Dr. Holda showed certain charts that demonstrated that administrative overhead had declined in periods of enrollment declines. The charts also showed that Kilgore College overhead expenses were below state peer institutions averages.

In response to Mr. Nutt’s question, Dr. Holda made comments on the Student Red Alert System.

B. Environmental Policy re: training, protocols, remediation and the impact to the current budget (Trustee Griffin)

Dr. Holda made various comments. Mr. Nutt made reference to an environment policy from Pan Am University.

C. Revisions to the Board of Trustees Procedure Manual (Trustees Walker, Roberson and Pruett)

Karol Pruett noted that the Board of Trustees Procedure Manual is a draft and more work will be done on it in the future.
Section IX. on the Agenda was Administrative Discussion Items

A. Budget Reports – Duane McNaney

Duane McNaney was available to answer any questions.

B. Budget Adjustments – Duane McNaney

Duane McNaney was available to answer any questions.

Section X. on the Agenda was Administrative Comments

A. Board Training Report – Nancy Law

Nancy Law certified that all KC Board Trustees completed their required training for 2014.

Section XI. on the Agenda was Board Comments

A. Thoughts on “An Alternate Plan” (Trustee Pruett)

Karol Pruett made comments on a newspaper article entitled “An Alternate Plan”.

B. Reports on graduations and other college events (Trustee Walker)

James Walker made comments to certain college events.

Larry Woodfin made comments referring to his Certificate of Appreciation for years of service.

Section XII. on the Agenda was Adjournment

The meeting was adjourned at 9:03pm by James Walker.

Respectfully submitted,

Nancy Law
Nancy Law, Recording Secretary
Kilgore College Board of Trustees

James Walker
President of the Board

Will Rak
Secretary of the Board

December 15, 2014 Minutes